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Dear Mr Gibbs,

We would like to welcome you to the examination and we look forward to working with you constructively throughout its duration. This letter follows your response (LBI02 and LBI03) to our initial letters (INS02 to INS04), which set out numerous requests for additional information on a number of subjects. We have had regard to the Council's helpful replies. We are writing to you again to advise that we have some significant concerns in relation to housing and the legal compliance and robustness of the supporting Sustainability Appraisal / Strategic Environmental Assessment (SA) within the Integrated Impact Assessment (IIA) (Exam Ref: PD4).

Five Year Housing Land Supply

Buffer

The Council in its letter (LBI02) accept that the Housing Delivery Test (HDT) requires a 20% buffer to be applied to the Council's five-year housing land supply. The Council are of the view that for the purposes of plan-making this should not apply, as over a longer period of time than the HDT examines, the Council has delivered more housing than has been necessary. However, there is no support in national policy for taking such an approach and it makes no distinction between plan-making and development management. The Council would have been aware of its housing requirement during the years in which the current HDT applies. Given all of this, we consider that a 20% buffer should apply.

Supply

The Council has set out (LBI02) that based on the most up-to-date information, it can demonstrate the delivery of 4,745 dwellings over the five-year period. Against a housing requirement of 775 dwellings per annum (dpa) plus the 20% buffer (equating to 930 dpa or 4,650 in total) this, by the Council's own calculation, represents a housing land supply of 5.1 years.

However, we have some concerns with regard to several sites that are relied upon in the supply. Two of these have recently been added in your letter LBI02 and relate to sites at Drakely and Aubert Court (45 dwellings) and Bemerton estate south (75 dwellings). Both of which are associated with the Council's new build programme. The definition of deliverable is set out in Annex 2 of the National Planning Policy Framework (NPPF). These sites do not have planning permission, are not allocated in an adopted or emerging plan, do not have a grant of permission in principle and do not appear to be identified on a brownfield register. The evidence provided suggests that there has been some informal pre-application discussion and planning applications are forecast to be submitted in November 2020. It is unclear to us what level of assessment the Council has undertaken of the sites. Whilst the definition of deliverable in Annex 2 of the NPPF may not be a closed list, given that the principle of further development on both sites has not been established, we consider this results in significant doubts in terms of whether they will deliver in the five-year period and therefore do not meet the definition of deliverable in the NPPF.

Further, in relation to Site Allocation ARCH5 (a reduced figure of 130 dwellings in LBI02), the response from the landowner in Appendix 2 of LBI02 states that it is reviewing its position on the site. This raises significant doubt that it will deliver any supply within the five-year period. Consequently, we are not satisfied that the site meets the definition of deliverable in the NPPF.

The removal of these three sites, totalling 250 dwellings, would result in a housing land supply of 4.83 years. It must also be noted that these figures do not take into account the potential impacts of the Covid-19 pandemic or the views of landowners and interested parties, who have not yet had the opportunity to comment on the Council's assumptions on its five year land supply, as the housing trajectory was not published alongside the Plan during the Regulation 19 consultation.

Given all of the above, and based on the current evidence, we consider that it is unlikely the Council would be able to demonstrate a five-year housing land supply on adoption of the Plan. This is, therefore, a significant concern to us with regards to the soundness of the Plan.

Housing Shortfall

The Council's letter LBI02, provides an update with regard to the attempts of the Council to identify additional housing supply to meet identified needs over the Plan period. The Council are now of the view that it can demonstrate the delivery of 13,199 dwellings against an overall housing requirement of 12,400 dwellings. Appendix 4 of LBI02 summarises the proposed supply changes to the Council's published housing trajectory (Exam Ref: SD5a). The Council are now seeking to rely on the delivery of 1,230 dwellings over a ten-year period (2025/26 to 2034/35) (123 per year) through its new build programme (delivering largely affordable homes).

Whilst we note the letter from the New Build Team at Appendix 1 of LBI02, we consider that there is a significant level of uncertainty that 1,230 dwellings will be delivered between 2025/26 and 2034/35. There is no evidence of previous delivery at this rate to warrant an additional allowance in the trajectory. We acknowledge that there are concerted efforts to expand the new build team and to ramp up delivery, but there remain significant uncertainties.

The NPPF at Paragraph 67 b) requires planning policies to identify a supply of *'specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15 of the plan'*. The definition of developable is set out in Annex 2: *'To be considered developable, sites should be in a suitable location for housing development with a reasonable prospect that they will be available and could be viably developed at the point envisaged'*.

Whilst 11 'Estates' are listed in the letter at Appendix 1 of LBI02, these are unknown and there is no evidence before us to demonstrate that all of these are suitable locations for additional housing or that the other requirements to be considered developable, set out above, would be met. The Council has also referred to York Way Estate and Barnsbury Estate, but the capacity at these sites and whether they can be considered developable is also unknown at this stage.

Consequently, based on the current evidence, we are not of the view that it would be sound to rely upon the delivery of 1,230 dwellings over a ten period from the new build programme and a shortfall in housing to meet identified needs remains. Again, this is of significant concern to us.

The Council has suggested a change to Policy H2, which would promote the delivery of new housing on existing social housing estates. However, this in isolation would not ensure the necessary certainty that sufficient housing will be provided over the Plan period.

Next Steps - Housing

We consider that additional work is required to identify further housing sites that will deliver within the first five years of the Plan period. We would also welcome the Council's view with regard to the implications of the Covid-19 pandemic and whether additional supply should be included to ensure that a robust five-year supply can be demonstrated on adoption of the Plan.

Further work is also needed to identify a suitable supply of housing to meet Islington's housing requirement over the Plan period (as is agreed with neighbouring authorities) that accords with Paragraph 67 of the NPPF.

Whilst it is the Council's Plan and it is for you to decide the best way forward, it appears to us, the above could be achieved through one or more of the following options:

- identifying additional site allocations (large sites) or broad locations that meet the requirements of Paragraph 67 of the NPPF in years 1-5, 6-10 and where possible 11-16. This could include the allocation of specific sites through the new build programme, which having regard to your letter LBI02 appears to be a realistic option, or from other landowners; and/or
- reviewing the allocated uses of existing sites within the Plan, particularly those that are likely to deliver in the first five years. There have been representations for some sites suggesting that residential uses should be included. This may also require reviewing the approach of the area spatial strategies; and/or
- reviewing the buildings height limits of existing site allocations; and/or
- reviewing the assumed delivery capacities for existing sites within the Plan, where any increase can be robustly justified.

The Council would need to ensure that the selected approach is supported by robust evidence. Any proposed Main Modifications (MM) to the Plan should be drafted in full and be supported by any necessary assessments, including SA and HRA.

Depending on the nature and scale of any proposed MMs, it may be necessary to undertake further consultation before the hearing sessions can commence to ensure that those that might be affected by the changes can actively and fairly partake in the examination and hearing sessions. To delay such consultation to the MM stage, particularly if significant changes to the Plan are made, including new allocations or changes to the area spatial strategies, could result in additional hearing sessions being required, resulting in further delay.

Sustainability Appraisal / Strategic Environmental Assessment

Reasonable Alternatives and the General Approach of the Integrated Impact Assessment (IIA)

The Planning Practice Guidance (PPG) provides guidance on the approach to reasonable alternatives and sets out that: *'The sustainability appraisal needs to consider and compare all reasonable alternatives as the plan evolves, including the preferred approach, and assess these against the baseline environmental, economic and social characteristics of the area...'*. It also goes on to say: *'Reasonable alternatives are the different realistic options considered by the plan-maker in developing the policies in the plan. They need to be sufficiently distinct to highlight the different sustainability implications of each so that meaningful comparisons can be made'*¹.

We are concerned that reasonable alternatives have been unfairly discounted or have not been assessed. These are set out under the following headings. We are also concerned more generally by the approach to the consideration of reasonable alternatives in the SA of the IIA. The Council note that some options are unrealistic as they are not allowed by the policy framework established by regional or national policy. Whilst we accept this in some cases, there are examples set out below, where alternatives exist that would be consistent with the London Plan and the NPPF.

In some cases, alternatives have been ruled out based on a prior assessment to the SA of the local evidence base. We consider that this undermines an open and transparent assessment of options against the local evidence base through the SA to help inform the selection of preferred options. The PPG is clear that SA should be applied as an iterative process informing the development of the plan.

¹ Paragraph: 018 Reference ID: 11-018-20140306

Policies SP3, B1 and B2 – Locally Significant Industrial Sites (LSIS)

The Council in its letter LBI03 has maintained that there are no reasonable alternatives to the approach to industrial land than that set out in Policies SP3, B1 and B2 of the Plan. We have had regard to the requirements of the emerging London Plan, including the directions of the Secretary of State published on 13 March 2020.

We accept that Policy E4 of the emerging London Plan seeks the retention, enhancement and provision of additional industrial capacity and for this to be planned, monitored and managed. We also acknowledge that Policy E4 only refers to the release of industrial land for other uses where vacancy rates are high, which does not appear to be the case in Islington.

However, we consider that Policy E7 is clear that in terms of intensification (which is sought by the Plan), the co-location of industrial uses with residential or other uses (such as office floorspace) may be considered as part of a plan-led or masterplanning process. We note the Council's view that the Vale Royal / Brewery Road LSIS is compact and constrained with narrow access roads and mitigating the impacts of introducing other uses sensitive to industrial land uses may be not be that simple. However, we have not seen substantive evidence to suggest that this would be impossible and should not be considered and assessed as an option through the SA. Particularly, as there are existing office uses in the LSIS, including those associated with the creative sector, which appear to co-locate with industrial uses without unacceptable conflicts.

The Council has set out that the GLA has stated in their consultation responses new office development should only be located in the CAZ, town centres and within established office clusters outside of these areas. Having regard to Policy E1 of the emerging London Plan, we acknowledge that these are the preferred areas. However, it does not expressively rule out office development in other locations. Further, we are mindful that, as set out in LBI03, the Council are relying on windfall development to meet the identified need for new office floorspace and by the Council's own admission Islington has very constrained land availability for competing land uses.

Given all of this, and the matters raised above in relation to housing, it suggests to us that the appraisal of an option for the co-location of uses to allow the

intensification of industrial uses within the LSIS, alongside contributing to meeting other needs, such as office floorspace or housing, where this can be done acceptably, is a realistic and reasonable alternative to assess.

Policy H3 – Affordable Housing and Viability

Policy H5 of the draft London Plan allows the consideration of viability evidence through a viability tested route. This is a less restrictive approach than that set out within Policy H3 of the Plan, which only allows this in exceptional circumstances.

Whilst acknowledging the position of national policy in relation to this matter, we consider that given the position of Policy H5 of the emerging London Plan, a viability tested route should be an option appraised in the SA, as it is realistic.

Turning to small sites, national policy is clear that affordable housing should not be sought from minor developments (9 dwellings or under). We also therefore consider that this should be appraised as a reasonable alternative. Whilst the SA provides commentary on a 'no policy' scenario, in our view, this appears to pre-empt the actual appraisal of the option against the evidence base in a transparent and fair manner.

Policy H7 – Meeting the Needs of Vulnerable Older People

The Council has acknowledged that there are different approaches which could include a more permissive policy framework for market extra care housing for older people, or the use of the London Plan benchmark instead of local figures.

The Council has set out in its letter LBI03 evidence to suggest that the preferred approach set out in Policy H7 is the only reasonable option. However, again we are concerned that the reasons given pre-empt a full appraisal of feasible options, based on the planning framework relevant to the Plan against the evidence base. Given this, we are of the view that a more permissive policy framework for market extra care housing for older people and the use of the London Plan benchmark instead of local figures should be appraised in the SA.

Policy R1 – Primary Shopping Areas

The policy restricts residential development in primary shopping areas. Paragraph 85 f) states planning policies should: recognise that residential development often plays an important role in ensuring the vitality of centres and encourage residential development on appropriate sites. Given this and our concerns raised above in relation to housing, we consider that an alternative that would allow some residential development as part of mixed-use schemes in primary shopping areas should be assessed as a reasonable alternative.

Policy DH1 and DH3 – Tall Buildings

The emerging London Plan at Policy D9 advises that Boroughs should determine if there are locations where tall buildings may be an appropriate form of development and that tall buildings should only be developed in locations that are identified in Development Plans.

The use of broad areas or zones where tall buildings might be acceptable has been ruled out as a reasonable alternative by the Council on the basis that it has detailed site specific evidence. Whilst this is acknowledged, identifying broad areas or zones is a legitimate and realistic policy option that would provide more flexibility than a site-specific approach, which would also comply with the emerging London Plan. On this basis, we consider that the SA should formally assess such an alternative against the local evidence base.

Assessment Tables & Cumulative Effects

The Council has acknowledged that there may be a number of minor effects not identified in the assessment tables. In addition, in relation to cumulative effects, the Council has noted '*Whilst effects may not all be explicitly noted in individual assessments, there has been detailed consideration of the effects*' (LBI03). The Council has offered to document further information in relation to this. The omission of some minor effects from the assessment tables results in it being difficult to assess whether the SA is robust, particularly whether a combination of minor effects could result in any significant ones. Whilst the Council state that all effects have been considered in the cumulative assessments, it is not clear to the reader how this has been undertaken and whether the assessment is robust.

The assessment tables and cumulative assessments should be reviewed and updated where necessary to ensure that all effects are documented and to make clear what effects have been considered by the cumulative assessments. Linked to this, the Site Allocations are assessed against SA objectives 1, 2, 3, 4, 5 and 8, with the Council considering that the others are not of relevance. The SA should be reviewed to ensure that all potential impacts of the site allocations are identified, which may include the need to assess each site against some of the other SA objectives.

Site Allocations

The Council acknowledge in their letter LBI03 that there may be examples where a different mix of uses could be considered for some sites. We are of the view that the Council should review all allocations and consider whether different uses or a mix of different uses could feasibly be delivered on the site and appraise these as reasonable alternatives. The Council has set out that alternative uses were considered as part of the capacity work, but not presented as effects of this were considered insignificant. However, it is unclear to us how this has been established given that alternative uses on relevant sites have not been formally appraised through the SA.

Policies PLAN1, SC2, SC3, B4, B5, R3, R6, R7, R9 and R11

There is no discussion in the SA in terms of whether reasonable alternatives exist for all of the above policies or why any were discounted. We consider that to demonstrate all reasonable alternative have been robustly considered, the SA should contain commentary on this issue for each policy.

Next Steps

We have found above that there are several instances where reasonable alternatives have not been assessed for some policies and sites. This leads to particular concerns with regard to legal compliance and the robustness of the SA. We consider that the SA should be updated to ensure that all the matters above are addressed. This will also need to include additional consultation. This could be undertaken alongside any further consultation needed in relation to housing matters, as set out above. Whilst we have provided commentary on certain aspects of the SA, the Council should also review the SA in full, to satisfy itself, that

all reasonable alternatives for each policy and site has been appropriately and robustly assessed. The SA review will need to be undertaken in a fair and impartial manner.

Conclusion

We appreciate that this letter and any delay to progressing to hearing sessions is likely to come as a disappointment to the Council. We are committed to working proactively and pragmatically with the Council to address the above concerns. We would be grateful for the Council's initial thoughts in relation to the above matters and in relation to the time that is likely to be required to undertake the additional work. If any further guidance is needed, please contact us through the programme officer and we will be happy to assist.

Yours sincerely,

Jonathan Manning

Robert Parker

INSPECTORS