



National Policy Statement on Urban Development 2020

Future development strategies

This is one of a series of seven fact sheets that give an overview of the National Policy Statement on Urban Development (NPS-UD). This fact sheet provides information on subpart 4 of Part 3.

These changes come into force on commencement of the NPS-UD.

Purpose

The future development strategy (FDS) forms the basis for integrated, strategic and long-term planning. An FDS helps local authorities set the high-level vision for accommodating urban growth over the long term, and identifies strategic priorities to inform other development-related decisions, such as:

- district plan zoning and related plan changes
- priority outcomes in long-term plans and infrastructure strategies, including decisions on funding and financing
- priorities and decisions in regional land transport plans.

An FDS responds to housing and business development capacity assessment (HBA) findings about demand for and supply of housing and business land, and how much 'development capacity' is sufficient to meet expected demand (subpart 5 of Part 3). An FDS spatially identifies where long term growth should happen, considering other inputs like constraints on development.

Local authorities will use their FDS to:

- set a high-level approach for achieving well-functioning urban environments
- specify how and where they will provide sufficient development capacity to meet future growth needs over the next 30 years
- set out the development infrastructure and additional infrastructure required and how to integrate planning decisions with infrastructure and funding decisions.

The strategic priorities in the FDS are identified through:

- data and an exploration of spatial scenarios
- local aspirations identified through consultation
- aspirations and expertise of hapū and iwi, the development sector, providers of infrastructure and other key stakeholders.

Policies in the NPS-UD emphasise the need for successful relationships between different sectors and for local authorities to work together, especially where they share a common urban environment. In these cases, local authorities are jointly responsible for preparing an FDS. Providers of infrastructure, iwi and hapū, and the development sector are also expected to be part of developing and implementing the FDS.

The intent is that FDSs inform decision-making under the Resource Management Act 1991 (RMA), the Local Government Act 2002 (LGA), and the Land Transport Management Act 2003 (LTMA).

Requirements

Who it applies to	When it will happen	How it is done	What products
<ul style="list-style-type: none"> The requirement to prepare and update an FDS applies to every tier 1 and tier 2 local authority A local authority that is not a tier 1 or 2 local authority can also choose to prepare an FDS, either alone or jointly with any local authority. In that case all the FDS requirements apply, except that there is flexibility to use information equivalent to an HBA. 	<ul style="list-style-type: none"> The first FDS must be prepared in time to inform 2024 long-term plans An FDS must be prepared every six years and in time to inform - or at the same time as - the next long-term plan An FDS must be regularly reviewed to determine whether it needs updating, and the review must be done in time to inform the next long-term plan (ie, every three years). 	<ul style="list-style-type: none"> Use evidence (eg, HBAs), analysis, consultation and engagement to develop the strategic direction in an FDS Spatially identify broad locations for development, infrastructure required and any constraints on development When preparing or updating an FDS, local authorities must use the special consultative procedure in section 83 of the LGA and engage with key stakeholders. 	<ul style="list-style-type: none"> Develop spatial scenarios for consideration and consultation Prepare a draft FDS for consultation Publish a final FDS, which can form part of another document (eg, a spatial plan) Undertake a three year review and, if needed, update the FDS At minimum prepare a new FDS every six years Prepare an implementation plan that is updated annually.

What has changed from the National Policy Statement on Urban Development Capacity?

Part 3, subpart 4 of the NPS-UD replaces policies PC12–PC14 in the National Policy Statement on Urban Development Capacity 2016 (NPS-UDC). The NPS-UD broadens the requirements for FDSs, which were first introduced for ‘high-growth urban areas’ under the NPS-UDC. The process for developing an FDS has been clarified, with new requirements for what must inform an FDS, and what an FDS must show spatially.

An FDS may be prepared as a standalone document or as part of any other document, such as spatial plans being prepared by ‘urban growth partnerships’ between central government, local government, and hapū and iwi.

Appendix 1 highlights how the FDS policies have changed from the NPS-UDC. In summary, the NPS-UD:

- broadens the purpose of the FDS to promote long term strategic planning and integration of planning, infrastructure, and funding decisions
- clarifies that RMA planning documents must have regard to the FDS, and local authorities are *strongly encouraged* to use their FDS to inform other plans and strategies
- introduces a three year review period, with a full update every six years

- clarifies consultation and engagement requirements:
 - local authorities must use the special consultative procedure in section 83 of the LGA
 - in preparing the draft FDS local authorities must engage with other relevant councils, central government, hapū and iwi, infrastructure providers, and the development sector
- broadens what an FDS must show: along with the locations of development capacity over the long term, it must show infrastructure required (including corridors and sites), and ‘constraints on development’. Constraints may include hazards, for example, high-risk flood zones or areas with land instability. It may also include areas already protected for their environmental values, or important historic or cultural values
- includes a clear statement in the FDS of hapū and iwi values and aspirations for urban development
- broadens what FDSs are informed by to include the advantages and disadvantages of different spatial scenarios, Māori and tangata whenua values and aspirations for urban development, feedback from consultation and engagement, and other national policy and relevant legislation
- introduces an implementation plan for the FDS that is updated every year (this does not form part of the FDS).

Things to be aware of

The purpose of an FDS is linked with other parts of the NPS-UD

An FDS will show spatially how local authorities intend to achieve ‘well-functioning urban environments’, and how and where they will provide ‘sufficient development capacity’ to meet future growth needs over the next 30 years. In the NPS-UD, the term ‘well-functioning urban environment’ is described in Policy 1. The term ‘development capacity’ is defined in Part 1, and detail on the requirement to provide ‘sufficient’ development capacity is set out in subpart 1 of Part 3.

HBAs assess the demand for housing and business land in an urban environment, and outline the amount of development capacity needed to sufficiently meet that demand. The FDS spatially sets out how and where the local authorities will meet long term growth requirements as identified in HBAs. A factsheet on HBAs can be found on the Ministry for the Environment’s [website](#).

Preparing an FDS requires careful consideration

Local authorities must prepare their first FDSs under the NPS-UD in time to inform their 2024 long-term plans. Past experience has highlighted that the lead-in time for preparing an FDS can be long. In particular, the preparation and consideration of different spatial scenarios and engaging with a range of stakeholders takes time and resources. These stages need to begin early as they are critical to delivering a robust FDS.

Local authorities should bear this in mind when deciding when to begin the process of preparing their FDS. Where local authorities are jointly preparing an FDS, early consideration needs to be given to governance arrangements and joint decision-making.

Consultation and engagement is a fundamental part of an FDS

The intent of the new engagement requirements is to ensure that the views and aspirations of hapū and iwi are reflected in strategic planning for growth. Discussions with infrastructure providers and developers will help to align the intent of the market with areas where growth is enabled.

Appendix 1 – Key changes to the future development strategy policies

NPS-UDC future development strategy policies	New or substantially different FDS policies in the NPS-UD
<p>PC12: Local authorities shall produce a future development strategy which demonstrates that there will be sufficient, feasible development capacity in the medium and long term. This strategy will also set out how the minimum targets set in accordance with policies PC5 and PC9 will be met.</p>	<p>Purpose of FDS</p> <ul style="list-style-type: none"> • Clause 3.13 introduces ‘promoting long-term strategic planning’ and integration of planning, infrastructure, and funding decisions as the purpose of the FDS.
<p>PC13: The future development strategy shall:</p> <ol style="list-style-type: none"> identify the broad location, timing and sequencing of future development capacity over the long term in future urban environments and intensification opportunities within existing urban environments; balance the certainty regarding the provision of future urban development with the need to be responsive to demand for such development; and be informed by the relevant Long Term Plans and Infrastructure Strategies required under the Local Government Act 2002, and any other relevant strategies, plans and documents. 	<p>Content of FDS</p> <ul style="list-style-type: none"> • Clause 3.13 broadens what an FDS must show: along with the locations of development capacity in the long-term, it must show infrastructure required (including corridors and sites), and ‘constraints on development’. • Includes a clear statement in the FDS of hapū and iwi values and aspirations for urban development. • Clause 3.14 broadens what FDSs are informed by to now include the advantages and disadvantages of different spatial scenarios, Māori and tangata whenua values and aspirations for urban development, feedback from consultation and engagement, and other national policy and relevant legislation. <p><i>Removed</i></p> <ul style="list-style-type: none"> • Timing and sequencing • PC13 b)
<p>PC14: The future development strategy can be incorporated into a non-statutory document that is not prepared under the Act, including documents and strategies prepared under other legislation. In developing this strategy, local authorities shall:</p> <ol style="list-style-type: none"> Undertake a consultation process that complies with: <ul style="list-style-type: none"> • Part 6 of the Local Government Act; or • Schedule 1 of the Act; be informed by the assessment under policy PB1 have particular regard to policy PA1. 	<p>Process</p> <ul style="list-style-type: none"> • Clause 3.12 states that tier 1 and 2 councils must prepare an FDS, and where these councils share jurisdiction over an urban environment then they are jointly responsible for preparing the FDS. • Clause 3.15 clarifies consultation and engagement requirements: <ul style="list-style-type: none"> – local authorities must use the special consultative procedure in section 83 of the LGA – in preparing the draft FDS local authorities must engage with other relevant councils, central government, hapū and iwi, infrastructure providers, and the development sector. • Clause 3.17 clarifies that RMA planning documents must have regard to the FDS, and local authorities are <i>strongly encouraged</i> to use the FDS to inform other plans and strategies. • Clause 3.16 introduces a three year review period, with a full update every six years (clause 3.12). • Clause 3.18 introduces an implementation plan for the FDS that is updated every year (this does not form part of the FDS).

Fact sheets in this series

This is one of a series of seven fact sheets providing an overview of the National Policy Statement on Urban Development.

The full set of fact sheets is available on our website: www.mfe.govt.nz/about-national-policy-statement-urban-development.

Find out more

Contact the Ministry for the Environment by emailing npsurbandevlopment@mfe.govt.nz, or visit: www.mfe.govt.nz/contact.

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New Zealand Government