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A. Non-Technical Summary

- A.1. As the role of an SPD is to expand on the provisions of existing policies, the Sustainability Appraisal of the Planning Obligations SPD has focussed on assessing the effects of the SPD over and above the policies to which it relates.
- A.2. Planning obligations are a valuable way of bringing development in line with the objectives of sustainable development. The SPD is therefore expected to have a very positive impact on those matters that obligations would seek to address, such as the supply of affordable housing and sustainable transport.
- A.3. A Scoping Report for the Sustainability Appraisal was prepared in October 2006. This was based on the General Scoping Report prepared for the Sustainability Appraisal of the LDF. The Planning Obligations Scoping Report provides a review of a range of national, regional and local strategies and baseline data and was used to identify key sustainability issues for the SPD. The Scoping Report was consulted on in November 2006, comments received have been incorporated into this appraisal.
- A.4. A requirement of the appraisal is to develop and consider the sustainability or otherwise of options in relation to the SPD production. Four options were outlined in the Initial Consultation Paper on the Planning Obligations SPD and Planning Obligations Scoping Report:
- **Option 1** – No SPD approach, ‘ad-hoc’ negotiations on a case-by-case basis
 - **Option 2** – Qualitative guidance, using comprehensive framework of guidance specifying type of contributions, in respect of particular forms and size of development.
 - **Option 3** – Quantitative guidance, comprehensive guidance not only on type of contributions but the size of contributions using a formulae to calculate.
 - **Option 4** – Tariff Approach, a calculation of a tariff that is to be given to each new unit built.
- A.5. Consultation on these options was carried out under Regulation 17 of the Local Development Regulations in Summer 2006. The results of that consultation are contained in the Consultation Statement accompanying the draft SPD.
- A.6. The strengths and weaknesses of each option have been appraised as part of this report and are summarised in Figure 1. The appraisal set out in Appendices 2-4, confirms that the use of Planning Obligations can have a positive impact on those matters which obligations seek to address. The decision to choose Options 2 & 3 as the preferred approach is based on more practical considerations and issues of transparency, rather than on sustainability considerations.
- A.7. Further information on the production of a SA or SEA can be found in the following documents:
- PPS 12 Local Development Frameworks (ODPM)

- Sustainability Appraisal of Regional Spatial Strategies and Local Development Frameworks (OPDM November 2005)
- SEA Directive 42/2001 on the Assessment of the Effects of Certain Plans and Programmes
- The Environmental Assessment of Plans and Programmes Regulations (2004)

A.8 All the document referred to in sections A1-A7 can be found on the Council's website.

Figure A1 – Appraisal of likely significant effects of the Planning Obligations SPD

SA Objective	Cumulative Effect
To support, maintain or enhance the provision of high quality, local or easily accessible employment opportunities	☺
Secure a more adaptable and higher skilled workforce	☺
Maintain or enhance conditions that enable sustainable economic growth and investment without environmental damage.	☺
Reduce road traffic and congestion, pollution and accidents and improve sustainable transport choices	☺
Improve the health of the people of Herefordshire, reduce disparities in health	☺☺
Improve access to and engagement in quality cultural, educational, leisure, recreational and community activities for all	☺☺
Enhance the function and vibrancy of town centres	☺
Raise educational achievement levels across the County	☺☺
Reduce and prevent crime/fear of crime and antisocial behaviour in the County	☺
Provide everyone with the opportunity to live in decent, affordable housing	☺
Reduce the amount of waste requiring disposal and minimise the use of non-reusable materials and encouraging recycling	☺☺
Conserve and enhance Herefordshire's habitats and biodiversity	☺
Use natural resources and energy more efficiency	☹
Maintain and enhance the landscape quality of Herefordshire, including its rural areas and urban open spaces	☹
Reduce Herefordshire's vulnerability to the impacts of climate change as well as its contribution to the problem	☺
Minimise local and global pollution and protect or enhance environmental quality	☺
Ensure integrated, efficient and balanced land use	☺
Protect and enhance the built quality of settlements and neighbourhoods and the historic heritage of the County	☺
Reduce poverty and promote equality and social inclusion	☺

Consultation Arrangements

The consultation of this document is being undertaken in accordance with the SEA Directive, (2001/42/EC) to ensure the views of stakeholders help shape a more informed and inclusive Supplementary Planning Document (SPD) on Planning Obligations.

Consultation will take place over a six-week period. We welcome comments on any aspect of this document, but in particular your views on the following questions:

Are there any inconsistencies or errors within the SA?

Have any potential sustainable impacts been overlooked?

Any comments or suggestions you have should be returned to the address below, or e-mailed to ldf@herefordshire.gov.uk by ????????. A copy of this document can be found on our website at www.herefordshire.gov.uk, in the Planning/ Forward Planning/ LDF/ Supplementary Planning Documents page; or is available from Jo Harthen at:

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1. Appraisal Process

1.1 A Scoping Report for the SA of the Planning Obligations SPD was prepared in October 2006. This was based on the General Scoping Report prepared for the Sustainability Appraisal of the Local Development Framework (September 2006). It included a proposed framework of objectives and indicators to be used to assess the sustainability impacts of the SPD and discussed the options to how the SPD could be approached. Other sections of the SPD Scoping Report provided further information on how the objectives and indicators had been chosen, and how the sustainability appraisal would be carried out, including:

- other relevant plans and policies considered;
- baseline information about the main characteristics of the County and what some of the main sustainability issues are;
- the broad options being considered for the SPD at this early stage; and
- the proposed structure and level of detail to be included in the final SA report

1.2 The Scoping Report for the SA was released for consultation in November 2006, to the four main environmental bodies. Comments received have been considered and incorporated within this Sustainability Appraisal and used to extend the key issues section.

2. Background

2.1 In accordance with the Planning and Compulsory Purchase Act 2004, all planning documents that make up a Councils Local Development Framework must undergo a Sustainability Appraisal (SA).

2.2 The main purpose of sustainability appraisal is to promote sustainable development through the better integration of sustainability considerations into the preparation and adoption of plans. This is done through appraising the social, environmental and economic effects from the outset of the preparation process so that decisions can be made which accord with the objectives of sustainable development. Sustainability Appraisal offers a systematic way of checking and improving plans as they are developed.

2.3 There is also an EU Directive which requires a 'Strategic Environmental Assessment' (SEA) of plans and programmes, including development plans. The Office of the Deputy Prime Minister has issued guidance on how to incorporate the two processes. The scope of the process has been extended to include social and economic issues and has been designed so that by carrying out one appraisal process, local authorities can satisfy the requirements of both SA and the European SEA Directive. In this report, SA should be taken to mean SA incorporating SEA. The aim of this Directive is to ensure the compatibility of all land use plans with the environmental and conservation aims identified at a European level. (Appendix 1 details how this report complies with the SEA Directive)

2.4 Purpose of the report

This report represents the SA of the Planning Obligations SPD which is intended to be adopted July 2007. It's aim is to assess the SPD against social, environmental and economic objectives, and to set out the information on which the appraisal is based. Readers should refer back to the General Scoping

Report published in September 2006 in order to gain a fuller understanding of the approach to SA the Council is taking for all of the documents in the LDF. The General Scoping Report contains much of the background work that has informed the appraisal of the Planning Obligations SPD and some of the requirements of the SEA have been met in that work. All documents are available on the Local Development Framework pages of the Herefordshire website.

- 2.5 The Planning Obligations SPD provides advice to developers and applicants for planning permission on the use of planning obligations particularly when implementing UDP policies. It provides the further guidance to policies, particularly Policy S2 (Development Requirements) and Policy DR5 (Planning Obligations).

Revised Deposit Draft UDP May 2004
S2 – Development Requirements

The contribution that developments can make to a sustainable pattern of land use and development which respects the County's environmental resources will be secured by:

9. making use of planning conditions and planning obligations to further the strategy of the plan.

DR5 – Planning Obligations

To further the strategy of the Plan planning obligations will be sought to achieve community, transport and environmental benefits where these benefits are reasonable, necessary, relevant, and directly, fairly and reasonably related to the proposed development. The circumstances in which such benefits will be sought will be identified in relevant Plan policies and may be further detailed in supplementary planning guidance.

- 2.6 Planning Obligations are a legal agreement between the planning authority and a developer and are entered into when granting planning applications. They are a method of securing contributions to address community and infrastructure needs associated with development which would otherwise be deemed unacceptable in planning terms.
- 2.7 The overall objective of the SPD is: "that in the interests of sustainable development, it is reasonable to expect developers to contribute towards the financing of new or improved infrastructure directly related to new development proposals."
- 2.8 The SPD will clarify when planning obligations would be negotiated and what benefits would be sought. It covers a range of topics including Affordable Housing, Accessibility, Transport and Movement, Community Facilities, Community Safety, Economic Development, Training and Employment, Education Facilities, Leisure Facilities and Open Space, Safeguarding/Enhancing the Built Environment, Safeguarding/Enhancing the Natural Environment and Town Centres.

- 2.9 Following consultation on both the SPD and this SA, a final SA report will be published to coincide with publication of the adopted SPD. The impact of the SPD will be monitored against the indicators as set out in Appendix 4. This will indicate to what extent the SPD is meeting its purpose and whether the policies need adjusting to more efficiently deliver its targets.

3.0 Sustainability Objectives, Baseline and Context UDP Policy Appraisal

- 3.1 There is a requirement to appraise the base policy of an SPD to determine its sustainability impacts. The policies in the UDP underwent SA at the First and Revised Deposit stages. It assessed the sustainability issues relating to the policies in a similar way, by setting out the effects of the policy on a number of sustainability objectives. Given the existence of this prior assessment and the fact that the policies cannot be altered at this stage of the plan making process, it was not deemed constructive to undertake a further assessment of these base policies. After a review of that appraisal, the SA of the Planning Obligations Supplementary Planning Document itself focused on assessing the effects of the SPD over and above the provisions of the policies, using the assessment criteria set out in the General Scoping Report for the LDF and the Subsidiary Scoping Report on Planning Obligations.

3.2 Links to other strategies, plans and programmes and sustainability objectives

The General Scoping Report contains a comprehensive review of all plans, strategies, guidance and legislation which relate to sustainability. These documents range from international guidance and legislation at the highest level, through UK government policies and guidance, to corporate policies and strategies at the local level. They also include targets and objectives of regulatory and advisory organisations, e.g. Environment Agency. This information is set out in Appendix A1 of the General Scoping Report. Although all of the documents have implications for sustainability, not all of them are relevant to the preparation of the Planning Obligations SPD. Those plans and programmes, which are of particular relevance were extracted from the database and set out in the subsidiary Scoping Report for the SPD. A new document which has emerged since the Planning Obligations Scoping Report was published, is the Consultation report on Planning Gain Supplement (December 06), this document suggests further options for how planning gain supplement will be introduced, and mainly affects affordable housing and transport contributions. It is not considered to affect the draft Planning Obligations SPD. Another two documents which have recently been published is PPS3 and PPS 25, but neither of these documents are believed to have a significant impact on the sustainability appraisal of the draft Planning Obligations SPD.

3.3 The social, environmental and economic baseline

There are many sources of baseline information about the County covering a range of environmental, social and economic issues. As part of the preparation of the General Scoping Report, a wide variety of information relating to a number of different sustainability issues was collected. Most of this was presented at county-wide level. This provided a broad overview of the key sustainability issues affecting the county as a whole in order to inform the preparation of the LDF. This information is set out in Appendix A2 of the General Scoping Report. As the SPD is of countywide relevance, it was not

deemed necessary to collect any further baseline data relating to specific areas. This baseline information will be updated regularly.

3.4 Key Sustainability Issues

The review of plans, policies and programmes (Task A1) and the collection of baseline data (Task A2) provides the basis for determining key sustainability issues which need to be considered as part of the production of the SPD. The SA provides a mechanism to assess the impact the SPD can have on addressing these issues. The review of plans and data outlined in the scoping report is not exhaustive but represents the Council's view on the information, which is most relevant to the SPD process. The identification of the key issues provides the basis for development of SA and SPD objectives to ensure that they are addressed as part of future policy making decisions.

Figure 1: The key issues outlined within the Scoping Report include:

Key Issue	Summary
Employment	Reduce and manage reliance on traditional employment sectors and ensure Herefordshire can attract business in technology and knowledge intensive sectors. Lower average wages than region or nation.
Skills	Lack of skilled workforce could affect investment potential and increase "commuting in" from other areas to bridge the skills gap.
Transport and Travel	High reliance on the private car Low usage of public transport Traffic Congestion
Ill-health	Ageing population Disparities in health geographically and demographically
Access to essential facilities	Many small rural settlements without access to health, education, employment, retail or recreational facilities and with little public transport availability Desire to get more public participation in decisions affecting community particularly by hard to reach groups such as young people and gypsy travellers.
Town Centres/Market Towns	Strengthen vitality and viability Strengthen role they play as focus for community activity
Education	Improve educational attainment across all age groups Lack of university in district
Provision of Affordable Housing	High ratio of property price to household earnings Shortfall of provision of affordable dwellings / increase in number of people on Home Point register Decline in average household size Lifetime homes needed and greater range of size and mix of tenure. Provision of gypsy sites
Reduction in waste/increase in recycling	Recycling targets not being met Increase in the amount of waste to landfill over time Reduced capacity of current landfill sites
Biodiversity	Protect and enhance sites and species of national, regional and local importance and minimise loss of biodiversity
Energy Use	Promote zero carbon development through energy efficiency and renewable generation

Other key issues were subsequently considered of relevance as part of the appraisal and include: Built Environment, Crime / Fear of Crime, Water Usage, Climate Change and Flood Risk, Reducing Poverty and Social Inclusion. These also stem from the General Scoping Report (September 2006).

3.5 SA Framework

This was identified in the Scoping Report of the Planning Obligations SPD. Subsequently, it was considered relevant to include all the 19 objectives that

were detailed in the General Scoping Report of the SA of the LDF. (See Appendix A3 of that report)

4.0 Issues & Options

4.1 Outcome of the SA process

The Scoping Report stated that it was intended to appraise the options and then the SPD as a whole rather than appraising the individual elements of the guidance. The results of the appraisal, which assesses the expected outcomes of implementing the SPD against the option of no SPD and the sustainability objectives are set out in this report.

4.2 Appraisal Of Options

The Council consulted on a number of policy options in preparing the SPD. In accordance with the ODPM's SA guidance, the options included the 'do nothing' option (Option 1), essentially resulting in a continuation of the existing UDP policies and related Supplementary Planning Guidance. Other Options were:

- extending the range of infrastructure for which planning obligations would be sought, but not quantifying the contributions (Option 2)
- quantifying the likely levels of contribution to be sought for particular types of infrastructure (Option 3); and
- applying a general tariff to all new developments (Option 4)

From an assessment of the Initial Consultation paper responses and emerging government guidance, it became apparent that the 'do nothing' approach was not a viable option. Option 2 was considered favourably but lacked transparency and consistency. Option 3 was viable and considered most suitable for Herefordshire in the light of existing development patterns and obligation procedures. In result a combination of options 2 and 3 has been favoured in the draft SPD.

Appraisal of Option 1 – 'do nothing' or continuation of existing policies, as set out in Appendix 2, identifies no true negative effects. However, positive effects are assessed against three of the sustainability objectives; the provision of affordable housing, access to essential facilities and transport and travel. In respect of the other objectives, the effect was assessed as 'neutral' or 'uncertain' in the absence of specific guidance on the role of planning obligations.

In contrast, the appraisal of Option 4 – the tariff approach is assessed as positive against all but a couple of the sustainability objectives.

It is apparent from the appraisal that both the preferred option (options 2 & 3) and Option 4 score significantly better than Option 1 –the "do nothing" approach. Option 4 scores marginally better than the preferred option in terms of the sustainability objectives, however, the risk factors inherent in Option 4 are considered to be significant factors to be weighed against the marginal benefits of the "roof tax" approach.

4.3 The Appraisal of the Objective of the Draft SPD (Preferred Option)

It is recognised that no development is 100% sustainable; however it is sometimes possible to remove or reduce any potentially negative impacts by

certain mitigation measures. It is in fact the aim of the Planning Obligations SPD to address the impacts of development by securing the provision of community infrastructure. (See Section 1.1.4 of the SPD). Specific objectives of the preferred option are to secure contributions particularly (but not exclusively) for the topics listed in section 1.2.3 of the draft SPD. Where relevant, planning obligations will also be required to provide appropriate compensation and/or mitigation wherever development would harm an environmental or community resource. The appraisal in Appendix 3 demonstrates that the objective of the SPD are compatible against the sustainability objectives as set out in the LDF SA Framework, with no negative effects being identified.

4.4 Significant social, environmental and economic effects of the SPD

It is expected that the SPD will have a positive effect on matters such as open space, biodiversity, supply of affordable housing and sustainable transport as well as other matters the SPD seeks to address. It will do so by clarifying for applicants and developers what they can expect in terms of financial implications on planning obligations necessary for a particular development and thereby increasing the speed, transparency and efficiency of the planning process. (See Appendix 4)

4.5 Uncertainty and Risks

When assessing the SPD against most of the sustainability objectives there are obvious positive or negative effects and where there is such a precise effect this has been identified and explained in Appendix 4.

However, the issue of uncertainty is a common theme in the SA process. The nature of the Planning Obligations SPD hopefully helps reduce uncertainty by providing general guidance regarding the contributions that the Council would expect from typical forms of development. Since the need for planning obligations has to be considered on a case-by-case basis, not all development proposals may give rise to them; conversely, certain types of development may, perhaps because of size or complexity, create impacts that give rise to more extensive obligations than are set out in the guidance. It is therefore more difficult to predict the scale of the effects on the sustainability objectives and indicators.

4.6 Mitigation

Although the appraisal has not demonstrated any negative effects on the sustainability objectives it should be noted that the SPD can only give general guidance and may not identify specific mitigation measures required to deal with the impacts of development. Other measures may be sought through more detailed policies or proposals or through the consideration of individual planning applications.

5.0 Further Work

- 5.1 Following consultation on both the SPD and this draft Sustainability Appraisal, a final SA report will be published to coincide with publication of the adopted SPD. The initial aim of the SA process is to ensure that the Planning Obligations SPD is sound in meeting social, environmental and economic sustainability objectives. When adopted the Planning Obligations SPD will form part of the Herefordshire Local Development Framework. It will be used in conjunction with the Unitary Development Plan in determining planning applications and the assessment of the impact of development. The use of the

SPD will provide a clear, transparent approach, early in the development process ensuring that any adverse impacts of development are mitigated against and that development meets the sustainability objectives of the UDP and emerging LDF.

5.2 Monitoring

It is anticipated that a monitoring officer will track compliance of each obligation in an agreement as the development proceeds. All agreements/undertakings will be monitored through the use of a Planning Obligations database. An Annual Report on planning obligations will be produced detailing the status and the use of planning agreements, monies received and spent, works carried out and future priorities. This will form part of the Corporate Plan process within the Council and the Scrutiny Committee will also consider the Report. The planning obligation database will also refer to the UDP policies used in determining the application. This can then be used for monitoring the policies of the UDP in appraising their effectiveness in working towards sustainable development and referred to in the UDP Annual Monitoring Report. The sustainability or otherwise of the SPD will be renewed through an annual renew of the objectives, indicators and targets detailed in Appendix 4.

Appendix 1 – Compliance with the requirements for the environmental report under the SEA Directive

Information to be included in an Environmental Report under SEA Regulations	Relevant Sections in the SA Report
An outline of the Contents, main objectives of the plan and its relationship with other relevant plans and programmes.	2.4, 2.7, 3.2
The relevant aspects of the current state of the environment and the likely evolution thereof without implementation of the plan.	Appendix 2
The environmental characteristics of areas likely to be significantly affected.	4.4
Any existing environmental problems which are relevant to the plan, including in particular, those relating to any areas of a particular environmental importance, such as areas designated pursuant to Directives 79/409/EEC and 92/43/EEC.	3.2, 3.3, 3.4
The environmental protection objectives, established at international, Community or national level, which are relevant to the plan and the way those objectives and any environmental considerations have been taken into account during its preparation.	3.2, 3.3
The likely significant effects on the environment, including on issues such as biodiversity, population, human health, fauna, flora, soil, water, air, climatic factors, material assets, cultural heritage, landscape and the interrelationship between the above factors.	4.4 and Appendix 4
The measures envisaged to prevent, reduce and as fully as possible offset any significant adverse effects on the environment of implementing the plan.	4.6, 5.1
An outline of the reasons for selecting the alternatives dealt with and a description of how the assessment was undertaken including any difficulties.	4.2, 4.3, 4.5
A description of monitoring measures.	5.2
A non-technical summary of the information in the SA 1.0	A1 – A8