

MEETING:	CABINET
DATE:	28 JULY 2011
TITLE OF REPORT:	ECONOMIC DEVELOPMENT STRATEGY, LOCAL DEVELOPMENT FRAMEWORK AND LOCAL TRANSPORT PLAN 3
PORTFOLIO AREA:	CORPORATE STRATEGY AND FINANCE

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To consider the Economic Development Strategy for recommendation to Council on 18 November 2011;

To agree a revised strategy for the Local Development Framework;

To agree further consultation arrangements, including a community poll;

To ensure that the strong linkages between the Economic Development Strategy, the Local Development Framework and the Local Transport Plan 3 are firmly embedded in each evolving strategy.

Key Decision

This is not a Key Decision.

Recommendation(s)

THAT Cabinet:

- (a) agree the Economic Development Strategy for recommendation to Council;**
- (b) approve the principles of the Local Development Framework Core Strategy Revised Preferred Option for the purposes of consultation, including the plan period;**
- (c) agree proposals for that consultation including a community poll;**
- (d) delegate the final wording of the community poll and consultation**

Further information on the subject of this report is available from
Andrew Ashcroft, Assistant Director – Environment, Planning and Waste on (01432) 383098

material to the Director of Places and Communities in consultation with the relevant Cabinet Members;

- (e) note the implications for the Local Development Framework timetable as set out in Appendix 2 (paragraph 38);**
- (f) agree the preparation of a Community Infrastructure Levy charging schedule (to be informed by the Overview & Scrutiny Committee policy review of income generation) to support the delivery of required infrastructure within the Core Strategy; and**
- (g) note the critical linkages between the adoption of the Local Transport Plan 3 and the Local Development Framework Strategy and the outcome of consultation on the Hereford Relief Road.**

Key Points Summary

- There is a strong relationship between the various strategies and plans to support sustainable growth in the county. The linkages between effective economic development and promotion, spatial planning, transportation and planning and housing development and management create strong and sustainable communities in the county.
- The three strategies/frameworks/plans detailed in this report are being prepared to similar timetables. Together with the Housing Strategy they will represent key mechanisms for planning and delivering growth and regeneration in the County over the lifetime of this Council and beyond.
- The Economic Development Strategy will provide a key context to regeneration and investment work in the County. In particular it will form a basis for the private sector to plan future investment decisions.
- The Local Development Framework will eventually replace the Unitary Development Plan. It is proposed the revised plan period will provide a statutory planning framework for the county to 2031. In particular it will shape and direct the future use of land and buildings in the county.
- The Local Transport Plan 3 will provide a balanced range of transportation measures to allow the safe and sustainable movement of people and vehicles around the County.
- The various documents have been and will be prepared in a co-ordinated fashion.
- The introduction of a Community Infrastructure Levy will assist the Council in delivering key elements of infrastructure both to encourage and to sustain this important package of strategic documents.

Alternative Options

- 1 it is a statutory requirement to produce each of these three plans.
- 2 Inevitably there will be many approaches that could be pursued either in general, or in relation to any of plans/strategies concerned. These have been explored through extensive consultation, and the resulting drafts reflect both national best practice and the particular needs and requirements of the county.

Reasons for Recommendations

- 3 The recommendations will provide further clarity to the evolving growth and regeneration agenda in the county.
- 4 The Economic Development Strategy will ensure the county is well-placed to pursue developments and initiatives, linked to the Marches Local Enterprise Partnership.
- 5 The recommendations will also allow further critical progress to be made on the LDF/LTP3 which are key to the planning and implementation of housing and economic growth in the county.

Introduction and Background

- 6 Appendix 1 contains the draft Economic Development Strategy. The strategy has been produced to reflect the challenges and opportunities arising from the changing economic climate. The strategy is based on the findings of an Economic Assessment undertaken to address the economic challenges of the county whilst building on its strengths in order to create a growing economy.
- 7 Appendix 2 sets out the stage that the Local Development Framework had reached earlier in 2011. As a result of further testing of the models and evidence, and in response to earlier rounds of consultation, a revised strategy is proposed. This will form the basis for further consultation. In respect of the Hereford Relief Road, traffic modelling and environmental assessment work has been completed. On the basis of this work, it has been concluded that in planning terms it would be high risk to proceed with any eastern route. A cost benefit analysis of the routes will form part of the evidence and background papers for the next round of consultation, including the Community Poll.
- 8 Appendix 3 sets out the stage that LTP3 had reached earlier in 2011, reflecting its relationship to the LDF. In March 2011 the Council determined to adopt the LTP2 as its ongoing transport strategy, acknowledging the critical linkage between the transport strategy and the strategic land use policy and pending finalisation of the Local Development Framework submission. This report, and Appendix 2 in particular, provide an update for Cabinet on the process and timetable for progressing the LDF Core Strategy. In line with this updated timetable, and the resolution of Council in March 2011 LTP3 should be presented for adoption to Council in July 2012. Appendix 3 also clarifies the key elements of the LTP2 and how these will be refreshed when the LTP3 is finalised.

Key Considerations

- 9 The combination of issues that relate to the Local Development Framework, the Local Transport Plan 3 and the Economic Development Strategy are very much at the heart of the growth agenda and the place- shaping work that will be rolled out both in its own right and through the evolving Localities agenda. Quite properly there will be much overlap between the various policies and approaches. For this reason these matters are being considered jointly and within the context of a single Cabinet meeting.
- 10 All these issues feature significantly in the new Joint Corporate Plan. These issues play very significantly in the regeneration agenda in general and in particular ongoing investments in Hereford City. The Economic Development Strategy and the LDF will have a major role to play in sustaining and building the future of local communities throughout Herefordshire.
- 11 The implementation of the various strategies is at the heart of the delivery of key strategic objectives in the county. These include promoting economic resilience and diversity, providing

decent and affordable houses, and providing good efficient transportation and movement throughout the county. A community poll is proposed to be undertaken as part of the further consultation exercise on the Local Development Framework. Further detail on the various key considerations is set out in the appendices attached to this report.

Community Impact

- 12 The implementation of these various policies and strategies has the potential to have significant community impacts (as set out in paragraph 11 above). On this basis the three strategies/plans have already been the subject of extensive consultation. In addition, and as set out elsewhere in this report, it is proposed to carry out further consultation on the Local Development Framework including a Community Poll regarding the route of the Hereford relief road.
- 13 In addition the documents in their current formats already demonstrate how previous versions have been amended to take account of previous consultation exercises.

Financial Implications

- 14 The overall cost of producing the LDF to date is approximately £893,000. This has been funded from a variety of sources including the Council's own resources, the New Growth Point funding package and the Planning and Housing Delivery Grant. At this stage, it is anticipated that the overall cost of the forthcoming planned consultation exercise will be in the order of £75,000. This will include the costs of the proposed Community Poll. This consultation exercise will be funded from the LDF budget.

The research carried out for the Economic Development Strategy was funded from national government sources to complete a Local Economic Assessment. The writing, compilation and secondary consultation was provided from in-house resources. Its design and printing will be met through existing revenue budgets.

The development of the evidence base for the Local Transport Plan has been funded from a number of sources. The Government funded Delivering a Sustainable Transport System (DaSTS) programme has funded a joint study of the growth proposals for Hereford, Shrewsbury and Telford and has helped inform proposals around sustainable transport measures for Hereford. Finalisation of the LTP will be resourced in house and a revenue budget is set aside for limited additional research and to cover production and printing costs.

Legal Implications

- 15 Each document will eventually be produced and approved to separate legislative requirements. The holding of a community poll would be compliant with Section 116 of the Local Government Act 2003.

Risk Management

- 16 *Local Development Framework*

The key risk to the adoption of the LDF is the appointed planning inspector's findings on the soundness of the plan. In the event that the plan is found unsound some elements of the process will need to be repeated. This risk is being mitigated by a full and proper production of an evidence base, coupled with public consultation and which meets the guidance set out in the regulations.

An associated risk is that of the Council's inability to adopt a Community Infrastructure Levy

charging regime in the absence of an adopted Local Development Framework. This risk is being mitigated by sound project management and the preparation of the evidence base on the Local Development Framework itself.

17 *Local Transport Plan 3*

A draft LTP3 was the subject of consultation in Autumn 2010. The Strategy followed the then preferred LDF Core Strategy which is now subject to further consultation. Council determined to roll forward the LTP2 as the Council's transport strategy pending the finalisation of the LDF.

LTP2 remains fit for purpose, and provides an ongoing sound basis for determining transportation matters, its relevance will decline over time, when it will be replaced by LTP3.

18 *Economic Development Strategy*

Specific risk relating to projects will have their own risk registers, but there are three universal risk concerned with delivery of ambitions, funding availability and wider engagement.

The first risk is realising the ambitions of the strategy in uncertain economic growth. This will be mitigated by working with partner organisations to deliver effective activities to achieve ambitions.

The second risk is ensuring funding streams are available to progress key projects, particularly in relation to infrastructure. This will be mitigated by working through the LEP to access funding and to encourage business led regeneration.

The third risk is the engagement from the private sector necessary to deliver the strategy. This will be mitigated by working with the Business Board and Economic Development Partnership involved in the production of the strategy.

Consultees

19 Consultation for Economic Development Strategy:

- Employer Survey – conducted May 2010, 782 businesses responded
- Public consultation document released in September 2010 with deadline for responses by 1 December, including sent specifically to town and parish councils as well as wider stakeholder groups / organisations

- Consultation events / roadshows:

7 September Training and Support providers meeting at Bishop Frome Village Hall

22 July Addressing Child Poverty, workshop looking at causes of worklessness in the county at the Kindle Centre

21 September at Arctic Circle offices, Rotherwas Industrial Estate

23 September at Best Western Talbot Hotel, Leominster

7 October at Bronsil House, Eastnor Nr Ledbury

13 October at Leftbank in Hereford

15 October Agricultural focus group

16 November workshop at Social Enterprise Conference

2 November Rural Hub AGM

3 November Bromyard

11 November Golden Valley

- Refining strategy with Business Board and Economic Development Partnership Group – January / February 2011

20 Consultations on the Local Development Framework

Extensive consultations have taken place on this evolving plan since 2008. The principal event was the Place Shaping Consultation event (Jan – March 2010) and follow-up consultations which resulted in approximately 5000 comments.

The Local Development Framework consultation database includes a very significant range of regional and local organisations.

21 Consultation on the Local Transport Plan

The LTP3 consultation was closely coordinated with that for the LDF in 2010, recognising the critical interdependence of the two strategies. This included public consultation and road shows for January to March 2010 and the publication of a draft LTP3 for consultation October/ November 2010. Feedback from these consultations will be taken forward in the ongoing review of the LTP3 strategy alongside the further consultation highlighted in this report.

Appendices

22 Appendix 1 – Economic Development Strategy

Appendix 2 – Local Development Framework

Appendix 3 – Local Transport Plan

Background Papers

Your Business, Your Future - the Herefordshire Economy” consultation document

Herefordshire Employer Survey, 2010

“Your Business, Your Future” – the Business perspective of the Herefordshire Economy March 2011

State of Herefordshire Report, Business and Enterprise Chapter

Local Housing Requirements Study, GL Hearn.

Hereford Relief Road, Interim Forecasting Report, Revised Eastern Route Options, TPI.

Hereford Relief Road, Habitats Regulations Assessment, Hyder Consulting (UK) Limited.

Herefordshire Core Strategy Revised Preferred Options – Sustainability Appraisal Note – Land Use Consultants

Herefordshire Core Strategy Revised Preferred Options – Habitats Regulations Assessment Note – Land Use Consultants

Economic Viability Assessment, Three Dragons and Roger Tym and Partners

Independent Review of the Hereford Relief Road Studies – Parsons Brinckerhoff

Herefordshire Local Development Framework Core Strategy – Draft Revised Preferred Options Background Paper July 2011