

MEETING	CABINET
DATE:	27 FEBRUARY 2013
TITLE OF REPORT:	LOCAL DEVELOPMENT FRAMEWORK/COMMUNITY INFRASTRUCTURE LEVY
REPORT BY:	ASSISTANT DIRECTOR ECONOMIC, ENVIRONMENT & CULTURAL SERVICES

1. Classification

Open

2. Key Decision

This is not a key decision

3. Wards Affected

County-wide

4. Purpose

To approve both the draft Herefordshire Local Plan – Core Strategy 2011 – 2031 and the Community Infrastructure Levy preliminary charging schedule for consultation, and approve the consultation programme.

5. Recommendation(s)

THAT Cabinet:

- (a) Approves the draft Herefordshire Local Plan - Core Strategy 2011 – 2031 for consultation;**
- (b) Delegates authority to the Cabinet Member Environment Housing & Planning to agree any amendments to the draft Core Strategy, prior to consultation, that may be necessary in light of the further information reported verbally to Cabinet;**
- (c) Approves the preliminary draft Community Infrastructure Levy charging schedule for consultation; and**
- (d) Approves the consultation programme.**

6. Key Points Summary

- This will be the first time a draft local plan, with associated Sustainability Appraisal and Habitat Regulations Assessment, has been presented for consultation.
- It was reported to Cabinet (July 2012) that there were a number of issues remaining to be resolved before the Plan can be submitted to the Secretary of State. These issues included the need for continuing examination of possible impacts that the Core Strategy proposals may have upon the River Wye Special Area of Conservation (SAC), further analysis of the package of development proposals contained within the plan and work to develop an appropriate set of rural policies in the light of the changes to the planning system.
- Consultation and engagement is a key element in the preparation of the Development Plan Documents. Since work began on the preparation of the Core Strategy in 2007 there have been six periods of consultation across the County which have helped to inform the development of the emerging Plan.
- The requirements for Development Plan Document consultation are set out in Regulations 18 and 19 of the Town and Country Planning (Local Development) (England) (Amendment) Regulations 2012.
- The regulations are supported by the National Planning Policy Framework (NPPF) which sets out government policy on plan preparation, including community engagement.
- The Government expects that the Council will implement a Community Infrastructure levy where its 'appropriate evidence' includes an up-to-date relevant Plan for the area in which they propose to charge.
- The requirements for consultation on a preliminary draft charging schedule are set out in Regulation 15 of The Community Infrastructure Levy Regulations 2010 (as amended).

7. Alternative Options

- 7.1 There is no alternative other than to prepare a Local Plan. Recent work has been undertaken on the Plan to support its soundness.
- 7.2 It is not mandatory for the Council to introduce a Community Infrastructure Levy. However, the Council decided at Cabinet in July 2012 to progress with a Community Infrastructure Levy charging schedule in parallel with the preparation of the Core Strategy with a joint Examination in Public, to ensure development undertaken in the county contributed to improving countywide infrastructure.

8. Reasons for Recommendations

- 8.1 To ensure Cabinet is fully apprised of the work undertaken to resolve the outstanding issues, to enable consultation to commence on the Core Strategy (draft) and preliminary draft charging schedule.

9. Introduction and Background

9.1 The remainder of this report details:

- a) The key tests of soundness;
- b) The timetable for adoption of the Local Plan Core Strategy;
- c) the work that has been undertaken to resolve some key issues that were identified at Cabinet July 2012 with regards to the need for continuing examination of possible impacts that the Core Strategy proposals may have upon the River Wye Special Area of Conservation (SAC);
- d) further analysis of the package of development proposals contained within the plan;
- e) work to develop a Community Infrastructure Levy preliminary draft charging schedule;
- f) work to develop an appropriate set of rural policies in the light of the changes to the planning system; and
- g) the proposed programme of consultation.

10. Key Considerations

10.1 The Core Strategy will need to meet the key tests of soundness for adoption. The four key tests are as follows:

- **Positively prepared** - the plan should seek to meet development and infrastructure requirements, and be consistent with achieving sustainable development;
- **Justified** – the plan is the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;
- **Effective**- the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and
- The plan is **consistent with national policy**.

10.2 The Town and Country Planning (Local Development) (England) (Amendment) Regulations 2012 sets out the requirements for a Local Planning Authority to enable public participation in the plan making process. The process is divided into two main elements; the first (Regulation 18) covers the plan preparation process up until the approval of a draft plan by Full Council whilst the second regulation (Regulation 19) deals with the process after a draft plan is approved.

10.3 Regulation 18 sets out the requirements for Local Planning Authorities to consult the specific and general consultation bodies. They must also consider whether or not it is appropriate to invite representations from local residents and local businesses. This is the process that will commence on 4th March 2013. Any representations received during this consultation period may inform the strategy going forward.

- 10.4 Regulation 19 deals with the process in respect of representations upon a final draft plan. This will take place after Council approval (currently programmed for July 2013). If any representations are submitted during this period the Secretary of State will consider them before the independent examination.
- 10.5 Set out below is the proposed timetable for the various stages to the adoption of the Core Strategy:

DATE	EVENT
27 February 2013	Cabinet
4 March – 22 April 2013	Regulation 18 consultation on the draft Core Strategy and preliminary draft charging schedule
April – May 2013	Analyse representations received
June 2013	Cabinet approval of Core Strategy and preliminary draft charging schedule
July 2013	Council approval of Core Strategy and preliminary draft charging schedule
August – September 2013	Regulation 19 pre-submission publication of Core Strategy and second round of consultation on draft charging schedule
Winter 2013	Examination in Public
Spring 2014	Adoption

10.6 The draft Core Strategy (Appendix B) contains the following strategic proposals:

- Provision of a total of 16,500 new dwellings in the county
- Development of 148 hectares of employment land across the County
- For Hereford an overall target of 6,500 new dwellings including the proposed urban extensions at Holmer, Lower Bullingham and Three Elms;
- Provision of a relief road to the west of Hereford;
- In the Market Towns the following table sets out the basis of the Core Strategy proposals;

	Housing Target	Other Development
Leominster	2,300 new dwellings with 1,500 on the strategic housing site	Strategic employment site

Ledbury	800 new dwellings with 700 on the strategic housing site	Strategic employment site
Ross-on-Wye	900 new dwellings with 200 on the strategic housing site	Continuing with the Model Farm employment proposal as identified in the UDP
Bromyard	500 new dwellings with 250 on the strategic housing site	Strategic employment site
Kington	200 new dwellings	Employment site planned through lower tier plan

- Accommodation of 5,300 new dwellings in rural areas over the plan period, supported by neighbourhood plans

10.7 Some additional evidence and assessments will be available for the meeting of Cabinet and any consequent impacts on the draft core strategy identified. Delegated authority for the Cabinet Member to agree any amendments to the draft core strategy prior to consultation arising from this additional information is therefore sought.

10.08 The report to Cabinet July 2012 outlined a number of areas where work was on-going in order to be able to demonstrate that the Core Strategy is soundly based. These were water quality and the impact on River Wye Special Area of Conservation (SAC), the viability of the plan and the deliverability of 5,300 houses in the rural areas. These three issues are covered in more detail below.

River Wye Special Area of Conservation (SAC)

10.09 A key issue which has emerged more recently during the plan preparation process has been the water quality of Herefordshire's main rivers and, in particular, current levels of nutrients within parts of the system. The River Wye along the whole of its length and the River Lugg south of Hampton Court is designated as a Special Area of Conservation (SAC). It is essential that, before being submitted to the Secretary of State, the Core Strategy can be demonstrated to be fully compliant with the Habitats Regulations.

10.10 In order to tackle this issue a Water Steering Group has been established, attended by officers from the Council, the Environment Agency (EA), Natural England (NE) and Welsh Water. Given the scale of the issue for Herefordshire the matter has also been raised with the Secretary of State for the Department of Communities and Local Government (DCLG) and the Secretary of State for the Department of Environment, Farming and Rural Affairs (Defra).

10.11 NE and EA have committed to the preparation of a Nutrient Management Plan for the River Wye SAC, and which will be developed in consultation with Welsh Water and Herefordshire Council. The aims of the Nutrient Management Plan will be to control and reduce phosphates in the SAC and in doing so to facilitate the delivery of new development.

10.12 This commitment to produce the Nutrient Management Plan has been confirmed in a Statement of Intent which was signed by NE and EA on 15 February 2013; the Statement of Intent provides sufficient assurance to enable consultation on the draft Core Strategy to commence.

- 10.13 The Statement of Intent confirms that a Nutrient Management Plan will be produced by July 2013 to allow any necessary amendments to the final Core Strategy prior to the pre-submission publication of the Core Strategy and the examination in public.
- 10.14 In addition the Water Steering Group has agreed to establish a broader strategic water steering board. This will involve neighbouring local authorities and English/Welsh environment agencies in order to co-ordinate action to manage and reduce the level of phosphates on a whole river catchment basis, as the issue is not restricted to Herefordshire. Officers have been liaising with other areas of the country facing a similar challenge to ensure best practice is followed and that cross cutting issues can be raised nationally.

Viability & the Community Infrastructure Levy

- 10.15 Demonstrating that the proposals of the plan are both viable and deliverable is an important element of soundness and was a concern raised during the Revised Preferred Option consultation. An Economic Viability Study undertaken at Preferred Option stage indicated that meeting the proposed affordable housing target and achieving developer contributions based upon initial work on an Infrastructure Delivery Plan was not possible in the short term. The Study suggested a number of possible approaches to deal with this issue.
- 10.16 Three Dragons Consultants were therefore commissioned to carry out an updated Economic Viability Assessment to examine both the whole plan viability and produce viability evidence for the development of a Community Infrastructure Levy preliminary draft charging schedule. The report was received on 19 February 2013.
- 10.17 A summary of evidence which has been used by Three Dragons to support the development of a Community Infrastructure Levy for Herefordshire Council is set out below:
- An analysis of publicly available data to identify the range of values and costs needed for the viability assessment;
 - Discussions with planning, economic development and housing officers;
 - Analysis of information held by the authority, including the profile of land supply identified in the Strategic Housing Land Availability Assessment and a review of historic planning permissions;
 - Two workshops held with developers, land owners, their agents and representatives from a selection of registered providers in the area
 - Subsequent discussions with agents and providers who operate in Herefordshire to verify the assumptions used in the analysis;
 - A survey of local Registered Providers to seek their views on aspects of costs and revenue that affect affordable housing;
 - Use of the Three Dragons Toolkit, adapted for Herefordshire to analyse scheme viability for residential development and of Three Dragons bespoke model for the analysis of non-residential schemes.
- 10.18 The preliminary draft charging schedule is set out at Appendix C.

Rural Policy

- 10.19 The Revised Core Strategy Preferred Options (October 2011) amended the distribution of housing, increasing the level of housing provision in rural areas from 4,500 to 5,300 for the plan period 2011-2031. This change was proposed during consultation in order to provide increased affordable housing and a more flexible approach recognising the emergence of neighbourhood planning.
- 10.20 Three Rural Member engagement sessions have been held. They have been very useful as part of an on-going process to inform Members of the progress being made with local communities in the development of Neighbourhood Plans for rural areas, and to listen to and engage with Members to consider current development plan issues in relation to rural areas and to provide Members with the opportunity to comment upon and inform the emerging Core Strategy rural housing policies.
- 10.21 The member sessions considered that any new approach should put greater emphasis on social sustainability to support communities to be strong, vibrant and healthy by providing a supply of housing to meet the needs of present and future generations. This approach reflects guidance in the NPPF on sustainable development.
- 10.22 On this basis an approach has been developed which seeks to enable Herefordshire's traditional rural village communities to grow proportionally to enhance their social and economic sustainability.
- 10.23 Given the importance of providing housing to accommodate local people (and to reflect increases in home working), and the development of affordable housing policies, it was also considered that development in smaller villages should not be resisted but this should be focused on housing to meet the needs of people with local connections.

Road Studies

- 10.24 In the report presented to Cabinet in July 2012 the results of the study of possible routes for the Southern Route Corridor was summarised. The report recommended that the wider route corridor should be retained until additional work to assess a preferred route was selected by means a staged assessment in accordance with the Design Manual for Roads and Bridges and WebTAG guidance. This work is on-going as part of the Belmont Transport Package project. The consultation Draft Core Strategy will continue to identify a wider road corridor pending completion of this process.
- 10.25 Another area of work identified in the July 2012 Cabinet Report was in connection with assessing possible additional infrastructure requirements for the enterprise zone at Rotherwas. Studies were commissioned (by Amey and SQW) to examine the economic, wider social and traffic impacts of an eastern link road from the Zone to the A438 Ledbury Road. These reports have now been finalised. The SQW report recommended that the Eastern Link Road only option should be dismissed as providing insufficient economic impact and poor value for money. The Amey study, highlights the traffic impact upon lower standard roads in residential areas and villages including Lugwardine and Bartestree. As such the construction of a link is not recommended. On this basis the Draft Core Strategy as presented to this meeting continues to propose a relief road to the west of Hereford.
- 10.26 In addition, an Interim Forecasting report has been completed which confirms the need for a relief road based upon the reduction in the numbers of housing allocations and employment levels associated with the Revised Preferred Option.
- 10.27 At the time of the Revised Preferred Option consultation in 2011 the Highways Agency

requested further supporting transport evidence. Since July 2012 positive discussions have been undertaken with the Agency to ensure that the continuing work being undertaken, including that to update the transport model for Hereford, in respect of highways matters for the Core Strategy would address its previous request. The Highways Agency has now indicated its support for the Council's general approach.

Proposed Consultation

- 10.28 The consultation period for the Draft Core Strategy and preliminary draft charging schedule is recommended in this report to commence on 4 March 2013 and to run for seven weeks, (finishing on 22 April 2013). The consultation programme is set out at Appendix A.
- 10.29 The consultation will consist of two questionnaires, one covering the 63 policies within the draft Core Strategy and the other covering the preliminary draft charging schedule.
- 10.30 The Consultation Institute Centre of Excellence is reviewing the document. In addition, work is currently taking place with the Plain English Campaign to achieve the Plain English Crystal Mark.
- 10.31 The proposed consultation programme and draft questionnaire were presented to General Overview & Scrutiny on 11th February 2013.

11. Community Impact

- 11.1 The principal aim of the Core Strategy is to set out the vision and objectives for the county and establish a policy framework necessary to deliver the vision to 2031. This will ensure that there are sufficient homes provided for all members of the community, improved employment opportunities and growth, sufficient retail provision, improved infrastructure across the county and protection of the open countryside and open spaces and provision of green infrastructure.
- 11.2 The Localism Act 2011 broadened the scope of CIL to enable a "meaningful proportion" of CIL revenues to go directly to neighbourhoods where development takes place.
- 11.3 On 10 January 2013 the government announced that local areas that have taken a proactive approach by drawing up a neighbourhood plan, and securing the consent of local people in a referendum, will receive 25% of the revenues from the Community Infrastructure Levy arising from the development that they choose to accept.
- 11.4 The funds will be paid directly to parish and town councils and can be used to back the community's priorities for infrastructure developments. Places without a neighbourhood development plan will receive a capped 15% share of the levy revenue arising from development in its area.

12. Equality and Human Rights

- 12.1 In order to fulfil the requirements of S149 of the Equality Act 2010, an Equality Impact Assessment was completed in October 2010. This report shows that previous consultations have been conducted across the county and taken equality issues into consideration. The Equality Impact Assessment is being reviewed prior to the consultation commencing to ensure there is no potential for discrimination and that all appropriate opportunities will be undertaken to advance equality and foster good relations.

13. Financial Implications

- 13.1 There is £16,500 identified in the Local Development Framework budget to undertake this consultation process.
- 13.2 The CIL legislation enables 5% of the levy to be used by the Council to administer the levy. The CIL guidance states that to assist the Council with initial set up costs the 5% administration charge can be used for the first three years retrospectively to fund the work that has been done in setting up the charging schedule e.g. viability evidence, consultation costs.

14. Legal Implications

- 14.1 The Plan has been prepared in full accordance with the appropriate regulations for plans of this type.
- 14.2 In a similar fashion the community infrastructure draft charging schedule has been prepared in accordance with the relevant legislation.
- 14.3 As set earlier in this report the recommended consultation exercise must comply with Regulation 18 of the 2012 Regulations. All the evidence suggests that the proposed forthcoming exercise will be compliant with these regulations.

15. Risk Management

- 15.1 The Town and Country Planning (Local Development) (England) (Amendment) Regulations 2012 and the National Planning Policy Framework, highlight the need for public consultation particularly where new evidence or emerging policy has significantly changed. A detailed consultation process will assist in ensuring the soundness of the Core Strategy.

16. Consultees

- 16.1 There has been extensive engagement and consultation in recent months with key agencies involved in the key outstanding issues.
- 16.2 The nature of the process will involve extensive engagement with local people, interest groups and statutory agencies during the consultation period.

17. Appendices

- 17.1 Appendix A – The Consultation Programme
Appendix B - Herefordshire Local Plan Core Strategy 2011 – 2031 (draft)
Appendix C - Community Infrastructure Levy Preliminary Draft Charging Schedule

18. Background Papers

- 18.1 Statement of Intent to produce a Nutrient Management Plan February 2013
Herefordshire Council Updated Economic Viability Assessment February 2013

Hereford Eastern Links Study Route Assessment Revision Final Issued November 2012
(Amey Study)

Hereford Relief Road Impact Study – Addendum on the economic and social impacts of a
proposed Eastern Link Road April 2012 (SWQ)

Hereford Relief Road Interim Forecasting Report Addendum: Reduced Housing and
Employment Option November 2012