

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 21st July 2015
Report of: Executive Director for Economic Growth and Prosperity/Head of Planning Strategy
Subject/Title: Cheshire East Local Plan Strategy
Portfolio Holder: Cllr Rachel Bailey

1.0 Report Summary

In November 2014, the Inspector appointed to examine the Local Plan Strategy (LPS) provided the Council with his interim views on the soundness and legal compliance of the submitted LPS. On 15th December 2014, the Inspector formally suspended the examination of the LPS to allow the Council to undertake the additional work to address the concerns he raised about the soundness of the LPS in his interim views.

This further work had to be carried out within a tight timescale set by the Inspector. The Council therefore established a task force of Councillors and officers to oversee the necessary work. Cabinet are requested to acknowledge the leadership of former Councillor Peter Raynes in heading this group.

This report presents the output of the additional work undertaken during the suspension period which supplements Local Plan evidence base and requests Cabinet approval to submit suggested revisions to the submitted Local Plan Strategy for the Inspector's consideration.

The proposed changes reflect the changing economic context of Cheshire East and the impact on housing requirement. The suggested revisions do not involve any change to the overall Local Plan Strategy and therefore, fundamentally, it is the same Local Plan supported by an updated evidence base.

At the start of the Local Plan period the nation remained in the grip of the deepest recession for decades. This inevitably coloured the critical assumptions about future growth, development and migration. By 2015 the economic climate has changed and this enables us to move forward with greater assurance of our future prosperity.

The additional evidence here reflects this changing context with the economic projection moving from 0.4% to 0.7% growth rate. As the economy continues to recover so we are better able to gauge its future potential. In turn the latest demographic data, combined with more optimistic projections for in-migration

create a fuller picture of the likely pattern of our workforce and population. Some will say still that we have not set our target high enough and that we should be aiming for 0.9% growth or higher. We believe however that we need to base our projections on growth in the private sector and in the context of a more efficient public sector and therefore we need to set a realistic, deliverable position which is 0.7% growth.

This evidence then drives the need for an uplift in housing numbers – 36,000 homes over a 20 year period, importantly incorporating accommodation for the Borough's ageing population. Additional work to update the Green Belt Assessment and additional highway studies then inform an amended spatial distribution of development.

Housing numbers already committed across the Borough total over 32,000 reflecting the efforts of the Authority and the growing strength of the housing market.

The updated evidence basis justifies the suggested revisions to the submitted Local Plan Strategy. These revisions, along with the full suite of evidence will be submitted to the Inspector by the end of July.

2.0 Recommendations

2.1 Cabinet is recommended to:

- a) Endorse the additional evidence and the suggested revisions to the submitted Plan for publication, additional stakeholder engagement, and submission as set out in Appendices 1-9.

3.0 Reasons for Recommendations

- 3.1 The Examination of the Local Plan Strategy was suspended to allow further work to be carried out on key areas of evidence to address the shortcomings in the soundness of the submitted Local Plan Strategy which the Inspector identified in his Interim Views dated 6 November 2014. That additional work has been undertaken and, as previously agreed, it is now necessary to inform the Inspector of the outcomes of that work and provide him with the related documentation, including the suggested revisions to the submitted Local Plan Strategy to address and rectify the Inspector's criticisms.

4.0 Wards Affected

- 4.1 All wards.

5.0 Local Ward Members

- 5.1 All Councillors

6.0 Policy Implications

- 6.1 The Local Plan is a key component of the Council's policy Framework. Whilst it will form the benchmark for considering planning applications it will also feed into numerous other agendas such as infrastructure, transport, economic development, recreation, public health, education and adult social care.

7.0 Implications for Rural Communities

- 7.1 The Local Plan Strategy provides a planning framework for all areas of the Borough outside the Peak District National Park. Consequently it covers much of the rural area of the Borough in a geographic sense – but also it addresses numerous matters of importance to rural areas within its policies and provisions. Importantly, the Local Plan Strategy will facilitate the drawing up of more detailed policies for rural areas, via either Site allocations or Neighbourhood Plans.

8.0 Financial Implications

- 8.1 The cost of the Local Authority officers' time involved in the Local Plan is covered by the existing revenue budget for Spatial Planning.
- 8.2 Any additional costs in terms of external consultants needed and reports being commissioned are being met from the Local Authority's reserves. The Council has earmarked reserves to support investment that can increase longer term financial independence and stability of the Council. Initiatives related to the revision of the Local Plan are therefore an appropriate use of this reserve.
- 8.3 The Executive Director for Economic Growth & Regeneration will work with the Portfolio Holder for Finance and the Chief Operating Officer to monitor spending in accordance with the Reserves Strategy. The latest cost estimate of activities to be funded from the Investment (Sustainability) reserve, for the work detailed in this report, is £300,000 which includes specialist consultancy support.

9.0 Legal Implications

- 9.1 The Planning and Compulsory Purchase Act 2004 (as amended) requires local planning authorities to prepare Local Plans. The Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) set out the procedures to be followed in the preparation of such Plans.
- 9.2 The additional work undertaken and recommendations to which this report refers are made in order to address and rectify the specific concerns raised by

the Inspector regarding the soundness of the Local Plan Strategy, without this giving rise to a plan which is 'significantly different' from that submitted for examination.

10.0 Risk Management

- 10.1 The Council's Cabinet is being requested to note the additional components to the Local Plan evidence base and to consider suggested revisions to the submitted Local Plan Strategy, which arise from that evidence. This process is therefore the culmination of the suspension of the Examination of the submitted Local Plan Strategy that was agreed with the Inspector in December 2014. If the Council does not address these matters now it will have not met the terms upon which the Inspector agreed to suspend the Examination.
- 10.2 In his Interim Views of 6 November 2014, the Inspector gave the Council three options: (1) suspending the Examination and carrying out additional work; (2) withdrawing the Local Plan Strategy; (3) continuing with the Examination (with an implicit indication that the Local Plan Strategy would be found unsound). If the first option is not followed through to completion, then the Council is likely to be left with the remaining choices. It is considered that whilst submitting the additional evidence to the Inspector is not without risk, it nevertheless provides the best means of securing the Council's ultimate goal – namely the timely adoption of a sound Local Plan.

11.0 Background and Options

The Local Plan Strategy Examination

- 11.1 At its meeting of 28 February 2014, the Council resolved to submit the Local Plan Strategy to the Secretary of State for Independent Examination. The Examination hearings subsequently commenced in September 2014. A total of 13 broad Matters, as identified by the examining Inspector Mr Stephen G. Pratt, were addressed over three weeks of hearing sessions. At the end of this period, the Inspector decided to temporarily adjourn proceedings pending his consideration of the matters discussed.
- 11.2 Following the adjournment of the hearing sessions, on 6 November 2014, the Inspector provided the Council with his Interim Views on the legal compliance and soundness of the submitted Local Plan Strategy.
- 11.3 In his Interim Views, the Inspector indicated that he was satisfied that the Local Plan Strategy had met the relevant legal requirements, including the Duty to Cooperate. However, he was not convinced that he would be able to find the Local Plan Strategy sound, on a number of counts. These concerns fell into four broad areas:

- Alignment of the housing and employment strategies
- Objectively Assessed Needs (OAN) for development
- Green Belt Assessment
- Spatial distribution of development and selection of sites

11.4 In response the Council drew up a programme of additional work and the Inspector agreed to suspend the Examination for six months from December 2014. In April 2015, he subsequently agreed to extend the suspension period for a further month as interim engagement with interested parties would have been compromised during the pre-election period. Accordingly engagement workshops took place in May to supplement those held in January – at which valuable feedback was obtained and important common ground reached. The deadline for submitting the outcomes of the additional work undertaken by the Council during the suspension period is now the end of July 2015. This report considers the additional evidence and its implications.

12.0 Summary of the Additional Evidence

12.1 The Report of Evidence attached as Appendix 1 to this report explains the approach taken to the work undertaken during the Examination suspension, the additional evidence which that additional work has produced and its repercussions for the Local Plan Strategy. The additional evidence itself is included within Appendices 2 to 8 to this report. It is this evidence that officers recommend should now be submitted to the Inspector, the key points of which are summarized below:

Alignment of Economic, Employment & Housing Strategies

12.2 The Council commissioned economic consultants, Ekosgen, to undertake a fresh assessment of the likely performance of the Cheshire East economy over the remainder of the plan period to 2030. This study will then be used to inform other areas of Local Plan policy – notably a revised estimate of the Objectively Assessed need for Housing (OAN). The Ekosgen report (also known as the Alignment of Economic, Employment & Housing Strategy (AEEHS)) is attached at Appendix 2.

12.3 In the AEEHS, Ekosgen recommend the 0.7% growth rate is used for the Local Plan Strategy because it matches the expected growth nationally and given that nearly all the growth in jobs is likely to be in the private sector, which has historically seen only moderate expansion, a 0.7% overall average rate is considered realistic and ambitious. Extending this rate over the plan period to 2030 would equate to 31,400 net new jobs.

The Housing Development Study.

12.4 Consultants, Opinion Research Services (ORS), were commissioned to examine the scale of the future needs for additional housing in the Borough and, in particular, to undertake a fresh calculation of Objectively Assessed

Need for Housing (OAN). This work builds on the key economic findings of the AEEHS and reflects these in a revised recommended housing requirement. ORS have adopted an approach which accords with the advice in the Planning Practice Guidance, published in March 2014. The ORS Report is attached at Appendix 3.

- 12.5 Taking all of the various demographic, economic and market factors together, ORS calculate the Objectively Assessed Need for housing in Cheshire East over the 2010-30 period to be a figure of 36,000, equating to 1,800 dwellings per annum. This figure incorporates accommodation for older people, which may include facilities falling within Planning Use Class C2 as well as conventional dwellings (Use Class C3). It is recommended that the Housing Requirement is also set at 36,000 homes over the plan period – as this figure takes full account of the growth envisaged within the Strategy.

The Green Belt Assessment

- 12.6 To address these concerns, Ove Arup & Partners (Arup) were commissioned to revisit the 2013 Green Belt Assessment work. The 2015 Update of the Assessment (attached as Appendix 4) embraces the Inspector's suggestions and the revised approach has been consulted on through engagement workshops. Overall smaller parcels of land have now been evaluated and urban regeneration considered via reference to the urban potential studies carried out for the main settlements (see below). The historic character of towns has also now been addressed on an individual basis. This revised assessment has contributed to the spatial distribution report and will further contribute to the selection of sites in due course.

Safeguarded Land & New Green Belt

- 12.7 Arup has also advised on the approach to be taken on Safeguarded Land. This is land which is reserved for possible future development after the end of the plan period in 2030. Taking all relevant factors together, a total of 200Ha of Safeguarded Land is recommended. Arup have further re-evaluated the evidence for an extension to the Green Belt in the vicinity of Crewe and Nantwich. Their advice is that exceptional circumstances do not exist to justify a new Green Belt at the present time. However they recommend a revamped and strengthened green gap policy be prepared instead.

Spatial Distribution and Site Assessment Work

- 12.8 The Council commissioned consultants, AECOM, to re-appraise the spatial distribution of development in the submitted Local Plan Strategy. Their report is attached at Appendix 5. The AECOM report suggests an increase in housing numbers across all categories of settlement, but no individual town is required to accommodate more than a 500 home uplift. Taking on board the Inspector's comments, northern towns such as Poynton, Knutsford and Wilmslow see additional growth. Elsewhere, Crewe and Macclesfield, as Principal Towns, both see a greater scale of development – whilst the

proposed approach to Local Service Centres remains broadly in line with the submission plan, but with the overall number for housing increased to reflect the current and future windfall numbers expected over the plan period. Similarly rural areas see a modest uplift – reflecting in part the opportunity at Alderley Park where there could be potential for 200-300 new homes.

Figure 1:

	Submitted Local Plan	Position as at 31st March 2015		Proposed approach		
Settlements	Proposed Dwelling Distribution	Strategic Sites	Site Allocations	Position as at 31st March 2015 ¹	Proposed Dwelling Distribution	Shortfall ²
Crewe	7,000	4,670	34	7,264	7,700	-436
Macclesfield	3,500	2,250	97	3,746	4,250	-504
Congleton	3,500	2,200	296	3,816	4,150	-334
Alsager	1,600	1,250	141	1,980	2,000	-20
Sandbach	2,200	200	0	2,754	2,750	4
Middlewich	1,600	850	90	1,616	1,950	-334
Nantwich	1,900	1,250	60	2,048	2,050	-2
Handforth (inc NCGV)	2,000	1,650	60	1,981	2,200	-219
Wilmslow	400	275	0	403	900	-497
Knutsford	650	500	108	676	950	-274
Poynton	200	0	180	210	650	-440
Local Service Centres	2,500	0	1,099	3,267	3,500	-233
Rural (including Alderley Park)	2,000	0	882	2,380	2,950	-570
Total	29,050	15,095	3,047	32,141	36,000	-3859

Notes

1. 'Position as at 31st March 2015' column is a total of the Commitments, Completions, Strategic Sites and Site Allocations for each settlement.
2. 'Shortfall' column is 'Position as at 31st March 2015' subtracting 'Proposed Dwellings' in the settlement to identify shortfall.

Highways and Infrastructure

12.9 The four main workstreams (addressed above) are also underpinned by additional supporting evidence on highways and infrastructure. The additional work undertaken has produced three main documents which are attached at Appendix 6, namely:

- A34 Corridor Study – Highway Impacts
- Crewe Highway study
- Alsager Highway study

13.0 Suggested Revisions to the submitted Local Plan Strategy

13.1 The key suggested revisions to the submitted Local Plan Strategy relate to the policies within Chapter 8 - Planning for Growth. There are, however, a series of contextual and consequential changes to the early chapters of the submitted Local Plan Strategy that Members are also being asked to approve. These are summarised below and presented in full in the Schedule of Suggested Revisions attached at Appendix 13.

- 13.2 It should be noted that these suggested revisions are additional to the minor modifications approved by the Portfolio Holder previously. It is also important to make clear that, at this stage, the suggested revisions are limited to those considered necessary and appropriate to address the Inspector's specific concerns identified in his Interim Views.

Chapter 1 – Introduction

- 13.3 There will need to be small changes to the Key Diagram the main one being the removal of the area of search that was proposed for the new Green Belt. The minor text changes concern the no longer asked for High Peak housing contribution, the intended higher provision of housing and a revised Green Gap policy rather than new Green Belt in the vicinity of Crewe and Nantwich.

Chapter 3 – Duty to Cooperate

- 13.4 Minor text changes to reflect the revised Green Gap instead of a new Green Belt and the changed High Peak position.

Chapter 4 – The Case for Growth

- 13.5 The only significant change here concerns the new Housing Development Study, which supersedes the Strategic Housing Market Assessment Update referring to the numbers of 75 year olds in communal establishments.

Chapter 5 – Vision

- 13.6 Minor text changes to confirm that the aim is to *fully* meet development needs in locations that reduce the need to travel and stating the intention is to *conserve* and enhance designated and non-designated heritage assets.

Chapter 6 – Strategic Priorities

- 13.7 Minor text changes to how Strategic Priorities are intended to be delivered in respect of securing improvements to the built and natural environment, plus ensuring development has regard to local character and context.

Chapter 8 – Planning for Growth

- 13.7 The revised evidence prompts a series of relatively confined revisions to a number of policies. These include:
- PG1 – changes to the overall quantum of development, the Use Class C2/general older persons housing element and supporting text
 - PG3 – deletion of references to new Green Belt – which is replaced by a new Green gap policy.
 - PG4 5 – amendments to the quantum of land

- PG6 – revisions to the total number of homes and employment land provided.
- 13.8 The suggested revisions to the submitted Local Plan Strategy have all been tested by a Sustainability Appraisal and subject to Habitats Regulation Assessment (see Appendices 14 and 15).

14.0 Other Issues

Duty to Cooperate

- 14.1 The Inspector was satisfied that in the preparation of the submitted Local Plan Strategy, the Council had met the Duty to Cooperate. However, it is good planning practice and essential to continue the process of ensuring proper account is taken of any arising cross boundary strategic issues. This is especially so in circumstances where changes are proposed to the Local Plan Strategy that are likely to have impacts upon areas beyond the boundaries of Cheshire East Borough.
- 14.2 A full summary of the collaborative working that has taken place during the suspension period is set out in Appendix 9. Briefly, this collaboration encompassed various actions including the involvement of neighbouring local authorities in the Green Belt Assessment Update, two rounds of face-to-face meetings covering each of the main suspension evidence gathering work streams and a joint liaison meeting to which all neighbouring planning authorities were invited.
- 14.3 A particular change in circumstance relevant to the Duty to Cooperate concern High Peak Borough. The submitted Local Plan Strategy contains a 500 dwelling contribution to assist meeting housing needs arising in High Peak Borough. However, the High Peak Local Plan is also currently being examined and the Inspector appointed to examine that Local Plan required High Peak Borough Council to undertake additional work on housing needs in that Local Plan area. That additional work has resulted in a lower overall objective assessment of housing needs in the relevant housing market area. Accordingly, High Peak Borough Council has notified Cheshire East Council that there now will be no need for the submitted Local Plan Strategy to include a contribution to meeting housing needs arising in High Peak Borough.

Site Specific Implications

- 14.4 The updated evidence base and suggested revisions will have implications for the site-specific aspects of Cheshire East Council's Local Plan – not least through the suggested revisions to the Spatial Distribution of Development in the submitted Local Plan Strategy. However, as the Inspector suspended the Examination of the Local Plan Strategy prior to any consideration of sites – and thus far there has been no assessment of their merits - it is not proposed to address strategic sites at this stage. The primary purpose of the

Examination suspension was to address and rectify the Inspector's specific concerns identified in his Interim Views, which did not address site-specific considerations. Should the Inspector be satisfied that the Council's additional work and suggested revisions to the submitted Local Plan Strategy adequately address and rectify those concerns, site-specific matters will be considered at the reconvened Examination hearings.

- 14.5 At this stage, the assessment of sites is confined to the analysis within the Urban Potential and Edge of Settlement studies (Appendices 7 and 8). This evidence illustrates that brownfield opportunities have been thoroughly examined – and that there are likely to be an ample amount of potential sites available to underpin and deliver the suggested revisions to the Spatial Distribution of development in the submitted Local Plan Strategy.

The Implications of the Suggested Revisions

- 14.6 Changes to the submitted Local Plan Strategy should not result in a plan that involves substantial changes, or significant alterations to the underlying strategy. There is no formal guidance as to what may constitute a significantly different plan, which in any event, will depend upon the specific facts and circumstances that are relevant to any particular case.
- 14.7 Moreover, it is important to remember the fundamental role that an up-to-date adopted Local Plan has in the delivery of sustainable development in a planned manner in accordance with the Planning Acts and the importance Government policy places upon putting in place Local Plans prepared and adopted in accordance with the National Planning Policy Framework as a matter without undue delay.
- 14.8 Furthermore, the powers of a person appointed to examine a submitted Local Plan were amended by the Localism Act 2011 and a duty on the appointed person, where requested to do so by the local planning authority, to recommend modifications to make the Plan sound and legally compliant. The effect of those amendments is that, since January 2012, persons appointed to examine local plans are now empowered to deliver the national policy objective of ensuring up-to-date local plans are adopted without delay.
- 14.9 In terms of the nature and scope of the suggestion revisions, it is important to note that the Local Plan Strategy is of course a *strategic* document. It is this strategy that lies at the heart of the document – the essential spatial vision that the Council has for the area. Fundamentally this is reinforced and not altered by the updated evidence. The Local Plan Strategy always sought to boost growth of jobs and homes, based on the special characteristics of the area. Principles such as economic development in key sectors, increasing housing supply above former levels and selective amendment of the green belt remain unaltered. The metrics within the Plan may be changed by the suggested revisions – but the fundamental strategy is unaltered.
- 14.10 Even in terms of the numerical adjustments – the change in housing requirement, after factoring in older persons accommodation shows an

increase of 24%. The recently published report on the Examination of the Cherwell District Council has accepted uplifts in the order of 36%. Similarly whilst jobs growth unquestionably rises markedly from 13,900 to 31,400, the increase in employment land translates into 27 additional hectares – a rise of just 8%.

- 14.11 Therefore in terms of both scale – and above all the nature and scope of change, the updated evidence points towards suggested revisions which do not constitute a fundamentally different plan.

Next Steps

- 14.12 Should the Cabinet decide to accept the recommendation, the additional evidence and the suggested revisions to the submitted Local Plan Strategy will be sent to the Inspector by 31 July 2015. In addition it is proposed to further engage with stakeholders upon the outcomes of the additional work, including our suggested revisions to the submitted Local Plan Strategy.
- 14.13 It is suggested that two further engagement events be held, one with other interested parties, which will look at the key elements of the revised evidence base and any suggested revisions to the submitted Plan. There will also be a third Technical Workshop with interested parties of the examination which will look at the Spatial Distribution of Development. The outcome of these meetings will be reported back to cabinet prior to any resumption of the examination hearings.
- 14.14 The Inspector has indicated that he intends to convene additional Examination hearings to address the matters addressed in the Council's additional evidence and suggested revisions to the submitted Local Plan Strategy. It is hoped that those additional hearings will be scheduled in the early autumn. Thereafter, the Inspector will decide whether those matters address and rectify the the specific concerns identified in his Interim Views and, if so, it is likely that he will reschedule the remaining Examination hearings.

15.0 Access to Information

- 15.1 The background papers relating to this report can be inspected by contacting the report writer:

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Due to the amount of appendices relating to this cabinet paper, only Appendix 1 will be published with the paper itself. It's annexes and the remaining appendices 2-11 can be found on Cheshire East's website at the following address:

<http://cheshireeast-consult.limehouse.co.uk/portal/planning/cs/hs/cabinet>

APPENDICES

Appendix 1 - Report of the additional work undertaken during the suspension period of the local plan strategy

Core Evidence

Appendix 2 - Alignment of Economic, Employment & Housing Strategies – Ekosgen
Appendix 3 - Housing development Study –ORS
Appendix 4 - Green Belt Assessment – Arup & Cheshire East Council
Appendix 5 - Spatial Distribution Report – AECOM
Appendix 6 Highway Studies –
(a) Impact of Spatial Distribution of Local Plan Development on Cross Boundary Highway Networks
(b) Crewe VISSIM study
(c) Alsager Highway Study

Supporting Evidence

Appendix 7 - Assessment of the Urban Potential of the Principal Towns, Key Service Centres and Local Service Centres and Possible Development Sites Adjacent to those Settlements
Appendix 8 - Cheshire East Local Plan Strategy Site Selection Methodology

Suggested Revisions

Appendix 9 - Schedule of Suggested Revisions to the Local Plan Strategy

Statutory Assessment

Appendix 10 - Sustainability Appraisal
Appendix 11 - Habitats Regulation Assessment