

APPENDIX 2 – INSPECTOR’S FURTHER INTERIM VIEWS (11/12/15)**CHESHIRE EAST COUNCIL****EXAMINATION OF THE CHESHIRE EAST LOCAL PLAN STRATEGY****INSPECTOR’S FURTHER INTERIM VIEWS ON THE ADDITIONAL EVIDENCE PRODUCED BY THE COUNCIL DURING THE SUSPENSION OF THE EXAMINATION AND ITS IMPLICATIONS FOR THE SUBMITTED LOCAL PLAN STRATEGY**

1. Following the first round of hearings of the Cheshire East Local Plan Strategy examination in September-October 2014, I published my Interim Views on the legal compliance and soundness of the submitted Plan¹. Cheshire East Council (CEC) then asked me to formally suspend the examination to enable further work to be undertaken². This involved reassessing the economic strategy, housing need and employment land requirements, aligning the economic and housing strategy, updating the Green Belt Assessment, reviewing the amount of Safeguarded Land and the need for a new Green Belt in the south of the borough, and revising the Spatial Distribution of Development. CEC also undertook Urban Potential/Edge of Settlement Assessments and set out a Site-Selection Methodology, commissioned further highway studies, outlined suggested revisions to the submitted Plan and updated the Sustainability Appraisal and Habitats Regulations Assessment. During this period, technical workshops and meetings with stakeholders and other interested parties were held to discuss the additional evidence.
2. On 21 July 2015, CEC’s Cabinet³ endorsed the additional evidence and suggested revisions to the submitted Plan for publication, additional stakeholder engagement and submission to the examination. On 31 July 2015, CEC asked me to formally resume the examination⁴, which I confirmed on 14 August 2015⁵, and later invited participants to submit brief statements addressing the main matters and issues raised by the additional evidence.
3. Following a Procedural Meeting on 6 October 2015, I resumed the hearing sessions of the examination on 21-30 October 2015. The purpose of these hearings was to review the additional evidence produced during the suspension period, assess its implications for the submitted Local Plan Strategy, and consider whether it had addressed the concerns set out in my earlier Interim Views. Following these hearings, CEC asked me to set out my Further Interim Views on these matters.
4. CEC would undoubtedly wish me to fully endorse the key elements and conclusions of the additional evidence produced during the suspension of the examination. However, this is not possible for several reasons. Firstly, the scope, nature and content of the additional evidence has significant and wide-ranging implications for the submitted Local Plan Strategy (LPS), not only for the overall amount of housing, the economic strategy and employment land requirements, but also the replacement of a proposed new area of Green Belt in the south of the borough with a Strategic Green Gaps policy and a reassessment of the amount of Safeguarded Land. In addition, it will require the identification of additional or amended strategic site allocations to meet the revised development requirements, which will probably include releasing land from the Green Belt, particularly in the north of the borough; CEC has not yet made any decisions on the revised selection of strategic sites to meet these needs.
5. Furthermore, although CEC has informed and engaged with stakeholders and other interested parties about the additional evidence during the suspension period, this evidence has not been subject to wider-ranging formal public consultation. Many divergent views were expressed during the engagement process and at the resumed hearings, but there is little common ground, and there may be other views expressed by those outside the current examination process. I would not wish to pre-judge, pre-empt or circumscribe any further views expressed as a result of any future public consultation about the amendments to the submitted LPS and the supporting evidence.
Any views given in this interim report are entirely without prejudice to my final conclusions on the soundness and legal compliance of the submitted or any amended Plan.

¹ PS/A017a/b-A018

² PS/B033

³ PS/E031/a.1-6 & PS/E032-E043

⁴ PS/E030

⁵ PS/A037

6. Decisions relating to the additional evidence produced during the suspension period involve a series of technical, professional and policy judgements and assumptions about matters such as migration, commuting, economic factors relating to jobs growth, housing factors relating to market signals and household formation rates, the contribution of land parcels to Green Belt functions and site assessments. There is no single method or set of data which determines the outcome of these decisions; it is a matter of overall judgement based on an objective analysis of the available evidence, rather than a forensic examination of each figure and assumption.
7. CEC has to make these judgements in a rational and reasonable manner, based on proportionate and available evidence. Others may come to different conclusions and judgements based on the same evidence, but the key issue for this part of the examination is whether CEC has made coherent, rational, logical, consistent and reasonable judgements, having regard to the available evidence, and whether it provides a firm foundation for any revised Plan. Furthermore, CEC has not made these judgements lightly, but has commissioned independent consultants to undertake technical studies to examine and make recommendations on these key matters, including the economic strategy, employment land, objective assessment of housing need, Green Belt, site assessments, spatial distribution of development, Sustainability Appraisal and Habitats Regulations Assessment, and highways and traffic implications.
8. Having considered the additional evidence, the statements and discussions at the resumed hearing sessions, I outline below my Further Interim Views on these matters. I also outline the procedure for the future progress of the examination.

A. Summary of further interim views

9. In summary, my further interim views are that:
 - CEC seems to have undertaken a comprehensive reassessment of the economic strategy, employment land requirements and an objective assessment of housing need, including affordable housing and elderly persons accommodation, and has aligned the economic and housing strategies;
 - CEC has also undertaken a comprehensive assessment of the Green Belt, including the contribution that land parcels make to the purposes of the Green Belt, and reassessed the need for Safeguarded Land and the justification for a new area of Green Belt in the south of the borough;
 - CEC seems to have undertaken a thorough assessment of the potential for development within and on the edge of the towns and settlements within Cheshire East, including the potential for smaller-scale development in and around the northern towns and settlements;
 - CEC has set out a site-selection methodology for selecting strategic and other site allocations in the LPS and subsequent plans, although some further detail is needed about the later stages of the process;
 - CEC has commissioned consultants to review the Spatial Distribution of Development, focusing on apportioning the additional housing and employment development resulting from the revised assessment of housing needs and employment requirements, which seems to represent a reasonable starting point for establishing how future development needs are to be met, including the selection of strategic sites;
 - CEC has also commissioned several reports on the highways and traffic implications of the increased amount of housing and employment development, and assessed the implications of these increased amounts of development through a Sustainability Appraisal Addendum and an updated Habitats Regulations Assessment;
 - The additional evidence has significant and wide-ranging implications for the submitted LPS, not only due to the increased amounts of housing and employment development, but also due to the replacement of the proposed new Green Belt in the south of the borough with a Strategic Green Gaps policy, and a reassessment of the amount of Safeguarded Land; further strategic site allocations will also have to be identified, which may include releasing land from the Green Belt, particularly in the north of the borough;
 - Although CEC has informed and engaged with stakeholders and other interested parties during the suspension period about the additional evidence, holding meetings and technical workshops, the additional evidence has not been subject to wider-ranging public consultation; consequently, further representations and views may be made about the amendments needed to the submitted LPS and the supporting evidence;
 - The nature, scope and approach of the additional evidence has largely met the concerns set out in my earlier Interim Views relating to the adequacy of the evidence base;
 - The future progress of the examination would be best served by CEC finalising and completing work on the amended LPS, undertaking formal public consultation on the proposed changes and supporting evidence, considering the representations made and submitting the completed amended Plan to the examination, so that all matters and issues relating to the soundness of the amended LPS can be considered at one time.

B. Review of the additional evidence produced by the Council during the suspension period

10. There is no doubt that CEC has produced an impressive and comprehensive set of additional evidence within a relatively limited amount of time during the suspension of the examination. However, the nature, extent, content and conclusions of this additional evidence will have significant and wide-ranging implications for the submitted Local Plan Strategy.
 - i. **Economic strategy and employment land requirements**
11. CEC has commissioned consultants to undertake specific work on the *Alignment of the Economic, Employment and Housing Strategy*⁶ (AEEHSR). This report examines employment trends, future economic activity rates and labour supply, economic and jobs growth, unemployment, commuting, migration and cross-boundary employment flows; it recommends a jobs growth rate of 0.7%/year, equating to the provision of 31,400 new jobs (2010-2030) and 378ha of employment land, compared with a jobs growth rate of 0.4%/year, 13,900 new jobs and 300-351ha of employment land in the submitted LPS. Further information is given in CEC's hearing statements⁷. The main issue is whether this revised assessment of economic growth and employment land requirements is fully justified, effective, positively prepared and soundly based, and aligns with the housing strategy.
12. The assessment of the future economic growth and performance of Cheshire East is a key driver of the revised strategy, not only for the economic strategy, but also for the housing strategy. CEC has selected an economic/jobs growth rate of 0.7%/year (2010-2030), which points to the need for 31,400 new jobs (including both full and part-time jobs) and 36,000 new homes. However, past rates of economic growth have ranged between 0.6-0.8%/year and future projections predict growth rates of between 0.7-1.1%/year. At first sight, this may seem to be a strategy based on continuing past trends. Moreover, the economic assessment uses a limited range of economic models (CWEM & Oxford Economics), and has not considered other models such as Experian. However, past growth rates have involved significant growth in the public sector, whilst future growth is expected to be largely generated by the private sector. CEC's proposed growth rate and the number of new jobs is in line with national forecasts and those of the Local Economic Partnership (LEP) in the Strategic Economic Plan (SEP). CEC has set out the assumptions and evidence supporting its judgements, with clear and coherent reasoning covering all the main economic factors.
13. Nevertheless, the implications of this modest rate of economic growth are wide-ranging. Looking at the demographic projections, there seems to be a shortfall over the plan period of around 11,800 workers needed to ensure that there is a sufficient workforce to take up the additional jobs proposed. This would require significantly increased levels of commuting and migration into Cheshire East from neighbouring areas; in fact, if current migration and commuting patterns continued, this would require unprecedented higher levels of migration and commuting into the borough, which CEC believes are unrealistic and unsustainable. Adjustments to the rates of commuting and migration to more realistic levels result in a need for 36,000 new homes. CEC has also considered the implications of an ageing population in Cheshire East and the need to provide more potential employees to take up the increase in jobs needed to ensure the success of the economic strategy, as well as the quality of new jobs and increases in productivity.
14. The relationship between jobs growth and the labour force is complex and involves many judgements and assumptions. Options involving reducing the overall rate of jobs growth to minimise the increased rates of commuting and migration into the borough may result in lower rates of economic growth and fail to deliver the economic strategy. Options involving economic growth rates of 0.9%/year or more would probably require a higher number of jobs (38,600), involving much higher levels of growth in financial, professional and business services and construction, which are considered unduly optimistic where Cheshire East is competing with locations like Manchester city centre and Salford Quays. They might also exacerbate the situation in terms of increased rates of migration and commuting into Cheshire East.

⁶ PS/E032

⁷ RM2.001-001a; RE/B011

15. In considering this matter, the need to create sustainable migration and commuting patterns is particularly relevant, as confirmed in the NPPF, as well as considering the concerns of some neighbouring authorities about the implications of increased commuting and migration into Cheshire East. The longer term implications for growth of proposals such as High-Speed 2 (HS2) have not been finalised and are assumed to take place towards the end of the current plan period. At the hearing sessions, CEC thought these matters would more appropriately be considered when the LPS is reviewed. In response to my recent request, CEC has considered the possible implications of the recent Government announcement⁸ which envisages bringing forward the timescale for the northern section of HS2 between Birmingham and Crewe; CEC has been assuming this revised timescale and points out that the full benefits of HS2 will only occur with a hub station at Crewe, which has not yet been confirmed⁹. Forecasts of future economic growth based on the emerging devolution bid cover a much longer timeframe and assume decisions are made on key projects such as HS2; they would be more appropriately considered in a future review of the LPS. Similarly, work on the LEPs' Northern Gateway Partnership and Greater Manchester's Spatial Development Framework has only just commenced, with few details of likely development needs and their implications for the wider area.
16. Some participants highlight the relatively higher economic growth rates of recent years, but over the 20-year period of the LPS, economic growth is likely to vary; an average of 0.7%/year seems realistic, particularly since it covers the period from 2010, when during the early years of the plan period, growth rates were lower. This level of growth is likely to be deliverable and takes account of the economic proposals and initiatives likely to come forward within the borough, including the LEP's strategies for Crewe, High Growth City and Engine of the North and the Cheshire Science Corridor. CEC's evidence also considers economic proposals with cross-boundary implications, such as Atlantic Gateway, Airport City, Liverpool Super Port and Omega South. Although it is important to have regard to economic initiatives related to the Northern Powerhouse within the wider sub-region, Cheshire East is likely to address a somewhat different economic market than other proposals in the Greater Manchester area. Future jobs growth in Cheshire East is more likely to be focused on financial, professional and business, information and communication, accommodation/food and drink and transport/storage¹⁰, which in some cases compete with other parts of the sub-region.
17. The revised estimate of employment land requirements points to a need for some 380ha of employment land, an increase from 300-351ha in the submitted Plan. However, this only partly addresses the need to provide new jobs, since it is limited to Class B1, B2 & B8 uses. The additional land proposed would only cater for some 21,800 new jobs, with the remainder being taken up by jobs located elsewhere in sectors such as retail, health, education, leisure, tourism, homeworking and self-employment¹¹. Although the estimates include logistics uses, some further work may be required on the need for this type of development, particularly given the wider sub-regional needs and cross-boundary implications, including competing sites for this type of development and recent sub-regional studies. There is also some dispute about the assumptions of employment land lost to other uses and the 20% flexibility factor, representing over half the additional amount of employment land proposed. However, land losses continue to average around 6ha/year¹² and the 20% flexibility allowance is at the lower end of the options considered and ensures a range and choice of sites.
18. The revised economic strategy, including the proposed job growth rates, numbers of new jobs and additional employment land, has been discussed as part of the Duty to Co-operate/engagement processes, with detailed migration and commuting models produced. Although some neighbouring authorities are concerned about the increased levels of migration and commuting into Cheshire East, these seem to be more related to the highways and traffic implications, rather than the implications for the economic strategies of these authorities. Memoranda of Understanding¹³ and future work are proposed to address these concerns in more detail.

⁸ High Speed Two: East and West; The next steps to Crewe and beyond [Cm 9157; November 2015]

⁹ RE/B012

¹⁰ RE/D015

¹¹ RE/D014

¹² RE/D012

¹³ RE/D003

19. Having considered all the evidence, discussions and statements at the hearing sessions, CEC seems to have adopted a balanced and rational approach to economic and jobs growth, which is both ambitious and aspirational, yet realistic and with a reasonable prospect of success; it balances migration and commuting to ensure sustainable movements and patterns of development, and is based on up-to-date, proportionate and robust evidence. CEC also seems to have considered all the relevant economic factors, including the likely future economic performance of Cheshire East and future employment land requirements. The amended economic growth strategy not only aligns with the LEP's economic plans and strategies and considers cross-boundary implications, but also takes account of recent employment projections and likely trends. There also seems to be a more direct relationship and closer alignment between the economic and housing strategy than in the previous submitted Plan, and it seems to be justified, positively prepared and soundly based.

ii. Housing requirements

20. CEC has commissioned consultants to undertake an updated assessment of housing needs in the *Housing Development Study*¹⁴ (HDS), with further information provided in the hearing statements¹⁵. This establishes an objective assessment of housing need (OAN) of 36,000 new dwellings, equivalent to 1,800 dw/year over the plan period (2010-2030). This represents an increase from 27,000 new dwellings proposed in the submitted LPS, but now includes 2,185 additional units of elderly persons accommodation, a revised assessment of affordable housing need and excludes the provision of 500 dwellings for High Peak BC. The resulting OAN also incorporates an uplift of some 65% above the base demographic need, to reflect the proposed economic growth rate (0.7% jobs growth/year) and the need to provide sufficient homes for the employees needed to take up the additional 31,400 new jobs proposed; CEC considers that this is more than enough to reflect market signals, the need for affordable housing and other social, economic and housing factors.
21. The assessment of housing need requires assumptions and judgements to be made about various trends, based on a variety of empirical evidence, for which there is no one set of data or methodology which will give the "right" answer¹⁶. The NPPF (¶ 14; 159) indicates that plans should fully meet the objectively assessed needs for market and affordable housing unless the adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the NPPF's policies, including specific constraint policies. The PPG [ID-2a] sets out good practice and confirms that establishing future housing needs is not an exact science; DCLG's household projections are the starting point for assessing overall housing need, which can be adjusted to reflect local circumstances, such as demography, migration and household formation; housing factors, including market signals, and economic factors, including economic projections and jobs, should also be taken into account. Further non-statutory advice is given in the recently updated PAS guidance¹⁷.
22. Although other participants suggest alternative OAN and housing requirement figures, ranging from 23,600 to over 45,000 dwellings, the key issue is whether CEC's revised assessment represents a soundly based, effective and objective assessment of housing need for Cheshire East, which takes account of all the relevant demographic, housing and economic factors, is justified with reliable and proportionate evidence, and is consistent with national guidance.
23. Turning firstly to **demographic housing need**, the base figure using the latest DCLG 2012-based household projections equates to just under 22,000 new dwellings (2010-2030). Making adjustments to reflect a longer 10-year period on which to base future migration rates, along with vacant/second homes (4%), that figure is increased to almost 27,000 new dwellings. CEC has not included any adjustment to reflect local household formation rates (HFRs), particularly for the younger age groups (which may have been depressed in previous years), or for previous lower rates of housing delivery, which may have been affected by previous policy constraints and influenced past migration. However, the latest 2012-based household projections incorporate

¹⁴ PS/E033

¹⁵ RM1.001-001a; RE/B011

¹⁶ RE/B010: Borough of Kings Lynn & West Norfolk v SSCLG, ELM Park Holdings Ltd [2015] EWHC 2464 (¶ 31)

¹⁷ Objectively Assessed Need and Housing Targets: Technical Advice Note (2nd edition: July 2015); Planning Advisory Service

some uplift in HFRs compared with the lower rates in the superseded 2011-based projections, and so there is no specific need for any further adjustment, especially since PAS guidance¹⁶ advises that this is the best information available at present.

24. CEC's consultants considered a range of HFRs and migration assumptions, giving reasons for selecting the preferred option. Previous policy restrictions on housing provision only lasted for a limited time and did not cover the whole Plan area; and there is no shortfall in housing provision in the period before the current Plan, based on contemporary housing targets. More recent migration and population figures may not provide a reliable guide for longer-term trends and do not necessarily undermine CEC's estimates and assumptions. In any event, the uplift proposed between the base demographic need and the proposed OAN/housing requirement figure would more than account for any adjustment needed to reflect these demographic factors.
25. As for **housing factors**, it is generally agreed that Cheshire East is a reasonably self-contained housing market area, including two smaller housing sub-markets linked to Greater Manchester and the Potteries. Some participants consider separate housing need assessments should have been undertaken for these smaller housing market areas, but complete information is not available or reliable, and there is little support for this approach in published guidance. CEC has made a modest adjustment to the OAN to reflect market signals related to overcrowding and concealed households, but makes no adjustments to reflect house prices and affordability, since these have been in line with national trends and comparator areas; land prices have not been examined, due to a lack of reliable information. Past delivery of housing, although relatively low in recent years, has been higher than the national average. Although previous restraint policies may have suppressed in-migration and housing demand in the past, little evidence is available to determine the scale or implications of these past trends.
26. At first sight, some of the comparisons used (such as Wiltshire, Somerset and East Yorkshire) may not appear to relate well to Cheshire East, and there has been no comparison with neighbouring areas (apart from Cheshire West & Chester), or with the wider housing markets in Greater Manchester and the Potteries. However, PPG [ID-2a-020] confirms that comparisons should be made with longer term trends in the housing market area and at national level, and with similar demographic and economic areas. CEC's consultants have followed this guidance in comparing Cheshire East with areas with similar demographic and economic characteristics, which seems to represent a proportionate and justified approach. In any event, the proposed uplift applied to the OAN to help balance jobs, workers and housing should take account of any adjustments needed as a result of any adverse market signals.
27. CEC has also reassessed the need for **affordable housing**, identifying a need for 7,100 new affordable units¹⁸ (355 units/year); this figure has been included within the OAN and supersedes the previous assessment in the earlier SHMAs¹⁹, which estimated an annual need for 1,243-1,401 affordable units (2009/10-2013/14 & 2013/14-2017/18). Recent legal judgements have confirmed that local authorities should address the need for all types of housing, including affordable housing, and consider whether the OAN should be increased in order to deliver the required number of affordable homes²⁰. Affordable housing is clearly an important component of the OAN and, in this instance, CEC has set a viable 30% target for the provision of affordable housing through market housing schemes (LPS Policy SC5); at this rate, the uplifted OAN of 36,000 dwellings can easily meet the need for 7,100 affordable units, especially when seen together with other sources of supply.
28. However, there are issues about the approach to the backlog of affordable housing need, the definition of those in affordable housing need (using housing benefit criteria), the role of the private sector and the future supply of affordable housing; guidance on these matters is given in the PPG [ID-2a; 021-029]. CEC has set out its approach, which assumes that the level of housing benefit provided to households living in private rented accommodation will remain constant. However, this does not precisely reflect the guidance in the NPPF (Glossary) and PPG [ID:2a; 021-029], which excludes private rented accommodation from the definition of affordable housing. The private rented sector may play a supporting role for those unable to buy or needing flexible/short-

¹⁸ PS/E033

¹⁹ BE001; BE002

²⁰ RE/B010

term accommodation, and may help to bridge the gap between affordable housing and the owner-occupied sector, but it should not be taken into account in determining the overall need for affordable housing. CEC may therefore wish to review its approach to establishing the need for affordable housing, even though any further uplift which might be needed to reflect these factors could probably be met by the increase in the OAN needed to balance jobs, homes and workforce. CEC has now clarified the position with respect to the use of housing benefit criteria and the future supply of affordable housing²¹, and other issues, such as starter homes and the implications of the right to buy, are not matters which need to be addressed specifically as part of assessing the need for affordable housing.

29. CEC has also assessed the need for **elderly persons accommodation**, identifying a need for some 2,185 bedspaces, which has been included in the OAN. Although the DCLG household projections exclude population resident in institutions, both the NPPF & PPG confirm that housing need assessments should consider all types of residential accommodation. The inclusion of this element within the OAN addresses a more specific form of accommodation, which may include both conventional housing and residential care; it also provides a more comprehensive assessment of housing needs and, providing an assessment of existing accommodation is undertaken, enables this form of accommodation to be counted in housing land supply figures. As for student accommodation, future rates of household formation are included in the household projections, but there is little hard evidence about the future need for student accommodation in the borough and current trends are expected to continue. The accommodation needs of gypsies and travellers have been assessed separately²², and given the relatively low numbers, the impact on housing needs is very small.
30. Turning to **economic factors**, the HDS takes on board the conclusions of the revised economic assessment based on a 0.7%/year growth in jobs, equating to a need for 31,400 extra jobs. Taking account of commuting and economic activity rates, and given the ageing population in Cheshire East, this points to a shortfall of almost 11,800 workers compared with demographic projections. Addressing this shortfall through in-migration alone would increase the housing need to 37,880 dwellings (1,894 dw/year), in order to provide the houses for the extra workers to take up the balance of the new jobs. However, this would lead to unprecedented additional levels of migration and commuting into Cheshire East, which CEC considers would be unsustainable, unrealistic and undeliverable.
31. CEC has examined a range of assumptions about migration and commuting into the borough, and has selected an option which makes modest adjustments to current trends, resulting in a need for almost 36,000 new dwellings, which is seen to be more realistic and sustainable. Even these assumptions would see an average increase of commuting into Cheshire East of some 400 persons/year and increased levels of migration of 2,600 persons/year, the highest level ever achieved; but in the context of overall migration and commuting within the wider area, these would represent relatively modest changes to current migration and commuting levels, involving less than 5% of the total projected number of jobs. Less out-migration may also occur with more jobs being provided in Cheshire East.
32. Much depends on the actual patterns of migration and commuting in the future, and in particular, where migrants and commuters come from; not all would necessarily come from the surrounding areas, some could come from much further afield. The cross-boundary migration assumptions have been addressed, and neighbouring authorities have commented on the detailed models and projections; the implications seem to be relatively modest in terms of the strategic patterns of migration and commuting and the inter-relationships between the housing and jobs markets and the economic strategies of the adjoining areas. Having considered all the evidence, discussions and statements at the hearing sessions, CEC seems to have reached a reasonably balanced judgement about the relationship between new jobs and houses, which is supported by the evidence and would result in sustainable levels of migration and commuting and patterns of development, in line with the guidance in the NPPF and PPG [ID-2a-018].

²¹ RE/D026; RE/D029

²² BE/008

33. Having established the OAN, the next step is to establish the **housing requirement figure**, after considering whether meeting the full OAN would have adverse impacts which would significantly and demonstrably outweigh the benefits of doing so, bearing in mind any specific constraint policies. CEC has considered this issue²³, assessing the implications through SA & HRA reports, and confirms that the figure of 36,000 dwellings represents the full unconstrained housing need for Cheshire East, without being influenced by policy considerations or constraints. Restrictive policy designations, such as Green Belt and National Park, cover over 40% of the borough's area. These policy constraints have important spatial dimensions, but leave over 50% of the borough without any of these constraints; theoretically, it would be possible to meet all of the OAN without encroaching into these constraint areas.
34. However, the main constraint, Green Belt, has more complex spatial implications, which could exclude from development large swathes of land in the north and west of the borough, as well as less extensive areas in the south. Some argue that development should be restricted in Green Belt areas, whilst others emphasise the need for each community to fully meet its development needs. CEC has considered various options, both in terms of scale and spatial distribution, but concludes that a balanced and sustainable distribution of development could fully meet the identified OAN without undermining the principle and purposes of these constraint policies or having significantly adverse impacts which might justify reducing the overall OAN. The deliverability of 1,800 new dwellings/year would be challenging, given current and past rates of performance, but is partly dependent on the number and range of sites available and allocated for development; this has not yet been finally determined. To establish a housing requirement figure which fully meets the OAN is not only an underlying requirement of national policy, but also seems to be a rational and pragmatic approach which positively addresses the need to fully meet overall housing and employment needs in Cheshire East.
35. Turning to **housing land supply**, since CEC has not updated its housing land supply assessment or made any final decisions about the complete list of strategic site allocations to be included in the amended LPS, it is not yet possible to scrutinise the 5, 10 & 15-year supply of housing land. However, some general conclusions can be drawn at this stage. Firstly, CEC has previously acknowledged that it does not currently have sufficient deliverable housing sites to meet its current 5-year requirements, as confirmed in several recent planning appeals. The allocation of further strategic sites in the LPS would hopefully assist in resolving that issue, assisted by abandoning the previous policy of phasing housing supply.
36. Furthermore, due to the previous under-supply of housing against the agreed requirement, CEC intends to apply a 20% buffer to the first 5-year housing requirement figure. This is a challenging situation, particularly given past and current rates of housing delivery. Normally, any backlog in housing provision is met within the first 5 years of the plan period (the "Sedgefield" method), but where that approach would result in unrealistic and undeliverable rates of housing provision, a longer time period may be justified (the "Liverpool" approach). However, until the detailed housing supply is established, it is difficult to come to a firm view, but clearly CEC will have to set out the specific reasons if it wishes to depart from the normal 5-year time period of meeting any backlog. CEC will also need to set out the specific reasons for not applying the 20% buffer to the current backlog of housing provision if it wishes to adopt an approach contrary to that set out in the PAS guidance²⁴.
37. Before leaving housing land supply, there has to be one major qualification about establishing a proposed housing requirement figure which fully meets the OAN. CEC seems to have adopted a reasonably objective assessment of housing need, but as yet, final decisions on the supply side of the equation have not been made. CEC has confirmed that it intends to meet the full OAN in any amended plan, but whilst there may well be a large pool of potential sites to choose from, these have not yet been fully examined, assessed or subjected to the anticipated site-selection process. At present, it is not known where, when and how much new housing development will be identified and allocated in the amended LPS, and how much might be left for

²³ RM1.001/001a; RE/B011; PS/E031a.4; RE/D026; RE/D029

²⁴ Objectively Assessed Need and Housing Targets: Technical Advice Note (2nd edition: July 2015); Planning Advisory Service

the subsequent Site Allocations Local Plan and Neighbourhood Plans. Until this is established, I cannot take a firm or final view on the most appropriate housing requirement figure for Cheshire East.

38. As regards the **cross-boundary implications** of the proposed amount of new housing, CEC has set out the latest position, as part of the Duty to Co-operate and other engagement processes, in its hearing statements and accompanying evidence²⁵. The previously accepted position whereby adjoining authorities cannot assist in meeting any of Cheshire East's housing needs and Cheshire East does not now have to meet any of the housing needs of adjoining areas, has not changed. However, the increased provision of homes and jobs in Cheshire East may have implications for neighbouring authorities, particularly as a result of the changes to commuting and migration patterns needed to ensure that enough workers are available to take up the increased number of jobs proposed in Cheshire East.
39. Some neighbouring authorities have expressed concern about these implications, not only due to the loss of workforce and residents, but also due to the impact of additional traffic on the cross-border road networks. However, given the relatively limited effect of increased migration and commuting in overall strategic terms and since CEC intends to examine cross-boundary traffic flows in more detail, this is not a fundamental obstacle in the proposed housing requirement figure. Higher levels of development, as suggested by some participants, would probably exacerbate the commuting, migration and traffic implications of increased levels of housing development, and may be less acceptable to neighbouring authorities. Consequently, it seems that the cross-boundary implications of the proposed level of housing can be satisfactorily addressed.
40. On the basis of all the evidence, discussions and statements at the hearing sessions, CEC seems to have undertaken a comprehensive and objective assessment of housing need for Cheshire East, which uses the DCLG household projections as its starting point, adjusted to reflect local circumstances, considers housing factors, including market signals, and addresses the need for affordable housing and accommodation for the elderly. It also makes a significant uplift to the overall housing need to reflect economic factors, including future rates of economic/job growth, which results in a need for increased levels of migration and commuting into Cheshire East to provide the extra workers to take up the additional jobs. The overall housing requirement figure of 36,000 additional dwellings would seem to provide a balanced level of housing provision, which is aligned with the economic strategy and would fully meet the identified objective assessment of housing needs.

iii. **Green Belt and Safeguarded Land**

41. CEC's consultants have undertaken an updated *Green Belt Assessment*²⁶ (GBAU) which assesses the contribution that over 400 land parcels make to the five purposes of the Green Belt. This assessment covers all of the Green Belt in Cheshire East, both in the north and south of the borough, with further details given in CEC's hearing statements²⁷. The main issue is whether this updated Green Belt study fully assesses the contribution that Green Belt sites make to the purposes of the Green Belt in a consistent, objective and comprehensive manner, and identifies the exceptional circumstances needed to justify the release of Green Belt land.
42. The GBAU involved an independent two-stage assessment of the Green Belt in Cheshire East, starting with a strategic assessment of 44 general areas which was used to identify over 400 smaller parcels of land adjoining the main settlements at stage two; this was based on establishing appropriate boundaries and assessing the relative significance of the contribution that each land parcel makes to each of the recognised purposes of the Green Belt, and then reaches a judgement on the overall significance of that contribution, enabling a comprehensive, consistent and proportionate approach to the assessment. It develops the methodology in the earlier assessment²⁸, and effectively supersedes it, adding specific assessments relating to the setting of historic towns and regeneration, and undertaking a sequential assessment to examine the potential development from non-Green Belt and Green Belt sites.

²⁵ RM1.001-001a; RE/B008; RE/B011

²⁶ PS/E034

²⁷ RM3.001-001a; RE/B011; RE/D026

²⁸ BE012

43. The GBAU only assesses Green Belt factors, without identifying potential areas for development, to provide a key input into the site-selection process. It reviews and endorses the exceptional circumstances that are needed to justify releasing Green Belt sites²⁹. It also considers alternative options involving reducing the overall amount of development, channelling development to locations beyond the Green Belt and accommodating as much of the development needs within the urban areas and boundaries of settlements, minimising the overall amount of Green Belt release. However, some of these options might result in unsustainable patterns of development or fail to meet development needs.
44. The GBAU seems to treat all land parcels on an equal footing and does not pre-determine the outcome of the study. The approach, methodology and findings of the study were publicised and discussed as part of the Duty to Co-operate/engagement processes, some revisions were made to detailed land parcels, and there is general agreement with neighbouring local authorities, including Stockport MBC, about its methodology and approach. Some participants are concerned about the assessment of specific land parcels, including boundaries and the significance to Green Belt purposes. However, in most cases, "strong" boundaries have been used, taking account of established physical features and committed new road schemes, where appropriate; the size of most of the larger land parcels has been reduced, with a 5ha indicative threshold for strategic sites, and detailed points about specific land parcels, including the identification of smaller and larger sites, can be reconsidered at the site-selection stage. This is a complex process, which needs to be undertaken in a consistent and transparent manner using available and proportionate evidence, involving professional judgements; it was not simply a desk-based study, but one which involved many site visits by CEC's officers or consultants to confirm the assessments and judgements. More particularly, the GBAU is the only comprehensive evidence which assesses all potential land parcels on an objective, consistent and comprehensive basis.
45. The GBAU refined and expanded the previous assessment of the contribution of sites to the purposes of the Green Belt and carried out further assessments about the impact on the setting of historic towns and the regeneration implications. The assessment utilises a variety of historical evidence, which enables a full assessment of the smaller settlements; this could be criticised as being too detailed for a Green Belt assessment which focuses on the larger historic towns, but is not necessarily inappropriate or irrelevant. The approach to assessing regeneration implications largely focuses on brownfield sites within the nearest settlement, and enables a differentiation between settlements to be made and provides a consistent, transparent and proportionate approach to this element of the assessment; the focus on regeneration issues internal to Cheshire East reflects the views of the Greater Manchester authorities³⁰. The overall assessment involves matters of judgement, and confirms that each purpose was given equal weighting and provides the reasons for the overall assessment.
46. Having considered all the evidence, discussions and statements at the hearing sessions, the approach set out in the GBUA seems to reflect national policy and address most of the shortcomings of the previous Green Belt assessment. It provides a set of more comprehensive and proportionate evidence to inform, rather than determine, where the release of Green Belt land may be necessary at the site-selection stage, within the wider context of increased development requirements and the other studies, including the UPA & ESA. There are outstanding concerns about specific land parcels and the designation of specific areas of land to be released from the Green Belt, including whether such designations will be made in subsequent plans, but these do not detract from the overall adequacy and approach of the GBAU.

Safeguarded Land

47. CEC sought advice from consultants about the amount of Safeguarded Land that should to be removed from the Green Belt (SLAN) and set out its approach in a technical annex³¹ (SLTA) and in the hearing statements³². This revised assessment proposes to

²⁹ summarised as "the requirement to allocate sufficient land for market and affordable housing and employment development, combined with the significant adverse consequences for patterns of sustainable development of not doing so"

³⁰ RM3.001a (Appx 1)

³¹ PS/E016 & PS/E031a.5

³² RM3.001-001a; RE/B011

designate 200ha of Safeguarded Land, an increase from 130ha in the submitted LPS, based on projecting forward development requirements in the northern part of the borough for a period of 8-10 years beyond the end of the current Plan period. The main issue is whether the proposed amount and timescale of Safeguarded Land is sufficient, soundly based and fully justified.

48. The NPPF (¶ 79, 83-85) sets out the approach to identifying Safeguarded Land, to ensure that Green Belt boundaries can endure beyond the plan period and longer-term development needs can be met without altering the Green Belt at the end of the current plan period. CEC's approach aims to strike a balance between preserving the Green Belt and the need for further expansion, by evaluating existing safeguarded land, assessing the likely future contribution from brownfield, windfall and other non-Green Belt sites, and predicting the likely future need for development in the northern part of the borough; no safeguarded land is considered necessary in the southern part of the borough.
49. The SLAN & SLTA consider various options for Safeguarded Land, including different amounts and timescales, and conclude that the identification of 200ha of land (the mid-point of a range between 155-244ha) would be sufficient to accommodate development needs for a period of 8-10 years beyond the current plan period; with other sources of land outside the Green Belt, including brownfield/recycled and windfall sites, this would meet predicted development requirements for a period of 15 years beyond 2030. CEC intends to identify Safeguarded Land as part of its site-selection process, in line with the revised spatial distribution of development and the settlement hierarchy. However, there is some uncertainty about whether Safeguarded Land should be designated in subsequent plans, as well as in the amended LPS.
50. There is little guidance available on defining the appropriate amount of Safeguarded Land, but after considering best practice, an approach which considers a 10-15 year period beyond the end of the current plan period seems reasonable in the context of Cheshire East; it strikes a reasonable balance between avoiding the need to review the Green Belt at the end of the current plan period and avoiding unnecessary releases of Green Belt land at this time. Furthermore, it seems appropriate to predict the development needs of the northern part of the borough separately, since this is a proportionate approach which recognises where there is likely to be most pressure for development affecting the Green Belt in the future; figures of 605dw/year and 4.2ha/year of employment land seem realistic at this stage. It is also reasonable to assume that not all future development will take place on Safeguarded or Green Belt land; on past experience, other brownfield and windfall sites within the existing settlements and sites beyond the Green Belt are likely to come forward.
51. CEC has assessed a realistic range of density assumptions, between 30-40dw/ha (gross), which seems appropriate in this type of broad assessment, and helps to minimise the loss of Green Belt land. The approach to Safeguarded Land has been raised through the Duty to Co-operate/engagement processes, and has been found to be adequate and reasonable. On the basis of the current evidence, CEC seems to have taken a balanced and cautious approach to the issue of Safeguarded Land, which seems logical, rational, effective and justified by the supporting evidence.

Strategic Green Gaps Policy

52. CEC has sought advice from consultants about the soundness of the proposed new Green Belt in the south of the borough and the justification for the newly proposed Strategic Green Gaps policy, and set out its approach in a technical annex³³. This concludes that the original proposal in the submitted LPS to establish a new area of Green Belt around Crewe and Nantwich was not fully justified and that a new Strategic Green Gaps policy would provide sufficient protection to prevent these towns from merging and reducing the gap between them and the surrounding rural settlements.
53. At the resumed hearing sessions, I indicated that since this was a new policy, replacing the earlier proposal for a new Green Belt area, which had not been subject to any formal public consultation, it would not be appropriate to discuss its merits or details at this stage. The existing open gaps policy in the current Local Plan has met with mixed success at recent planning appeals, with several housing schemes being approved largely on the basis of a lack of 5-year supply. It is therefore important that all aspects

³³ PS/E015 & PS/E031a.6

of the proposed new Strategic Green Gaps policy, including its justification, application, extent and detailed designation, are properly considered when all views are known as a result of future public consultation.

iv. **Urban Potential Study and Site-Selection Methodology**

Urban Potential and Edge of Settlement Studies

54. CEC has undertaken two related studies to identify the potential for development within and adjoining the towns and settlements in Cheshire East³⁴. The *Urban Potential Assessment* (UPA) seeks to identify all potential brownfield and greenfield sites within the current settlement boundaries, whilst the *Edge of Settlement Assessment* (ESA) evaluates all sites immediately adjacent to the main towns and settlements that have previously been considered as potential development sites, including two free-standing "omission" sites at Cheshire Gateway and Gorstyhill. These studies identify potential sites for almost 2,000 dwellings within the boundaries of these settlements, and almost 39,000 dwellings on sites immediately adjacent to these settlements, totalling over 40,000 potential dwellings within the plan period, as confirmed in CEC's hearing statements³⁵. The main issue is whether these assessments are comprehensive, objective, consistent and justified.
55. The UPA methodology is similar to that used in CEC's Strategic Housing Land Availability Assessment³⁶ (SHLAA), and covers some 400 sites, including new sites and updates since the original SHLAA was published. Although the UPA did not directly involve developers, landowners and community groups, it took account of some work undertaken by local residents groups and broadly reflects the approach advised in the NPPF (¶ 47, 159) and the PPG [ID-3]. Some participants contend that it is unduly optimistic, including sites that will not come forward, whilst others consider it is too pessimistic, omitting brownfield sites that could come forward during the plan period. Sites within the 5-year supply should be available now, suitable, viable and deliverable within 5 years, whilst other sites should be developable, suitable and have a reasonable prospect of being available, viable and deliverable within the plan period³⁷; these criteria may not be met by some of the sites suggested by some participants.
56. The UPA has not only considered vacant sites, but also assessed developed sites where there is information that they may become available in the future. There is often no certainty that sites in active use will come forward, and CEC seems to have used reliable and up-to-date information on the prospect of such sites being redeveloped or coming forward for development. For Crewe, there seems to be the potential for many more brownfield sites to come forward than needed under LPS Policy SL1 (250 dwellings), but at Macclesfield, some further sites may have to be identified to fully meet the estimate set out in Policy SL4 (500 dwellings); these could come forward through Local Development Orders and other initiatives. For Middlewich, the main issue is whether there is a realistic prospect of the proposed strategic site at Brooks Lane (Policy SL9) coming forward, since much of this site comprises an operational industrial estate, but this is a site-specific issue to be considered later.
57. Some of the smaller settlements (such as Knutsford and Middlewich) seem to have limited potential for brownfield sites to be developed within the plan period, but it is important not to over-estimate the likely contribution from this source, since this may cause difficulties in implementation; there seem to be good reasons for screening out the disputed sites, particularly where they are in existing use. Density and capacity assumptions and site size thresholds seem realistic, and updates of housing land supply, including assessments of the contribution from unidentified windfall sites, will be considered later in the examination process.
58. After reviewing the methodology and specific sites identified, CEC seems to have adopted a reasonable and balanced approach in the UPA, which identifies a realistic number of potential sites with appropriate size thresholds, focusing on brownfield sites within the built-up areas of the Principal Towns and Key/Local Service Centres, including within the northern settlements. In terms of meeting the updated housing and employment requirements, it is clear that not all of the required development can

³⁴ PS/E039a-b

³⁵ RM5.001/001a; RE/B011

³⁶ BE005

³⁷ NPPF (¶ 47; Footnotes 11-12)

be accommodated within the urban area of these settlements and so greenfield sites and releases of land from the Green Belt will have to be considered to fully meet these development requirements. Furthermore, although there may be few opportunities to allocate new strategic sites within the urban areas of the Key Service Centres, the possibility of allocating smaller non-strategic sites within these settlements could be considered at the Site Allocations DPD stage.

59. The ESA is a more wide-ranging exercise, involving over 170 sites immediately adjoining the urban edge of the existing towns and settlements, including two free-standing sites and sites currently within the Green Belt, taking account of the results of the GBAU. It does not identify specific sites for development, but provides the “pool” from which the final sites could be selected. Most of the sites comprise greenfield land and some have been assessed for both housing and employment potential. Some participants are concerned about the size and location of the sites assessed, but the detailed boundaries and extent of potential development sites can be considered again at the site-selection stage, including the possibility of amalgamating or enlarging sites to form a strategic site allocation. Given the comprehensive, objective and consistent nature of the ESA, it will form a key input into the site-selection process.

Site Selection Methodology

60. CEC has developed a 10-stage site-selection process to ensure that the selection of strategic and other site allocations is undertaken in an objective, consistent and comprehensive way³⁸ (SSM). This is intended to cover the selection of sites not only in the LPS, but also in subsequent Site Allocations and Neighbourhood Plans. The main issues are whether the overall approach is coherent, consistent, objective and comprehensive and whether it is clearly related to the methodology in the UPA, ESA, GBUA and the revised assessment of housing and employment land requirements.
61. The SSM itself largely consists of a series of headings, with little information about the detailed process, especially for the later stages. CEC’s hearing statements³⁹ provide more detail, and much of this information could usefully be added to the methodology, to ensure a more precise, consistent and transparent approach. CEC confirmed that the assessment and selection of strategic sites would be undertaken on a settlement-by-settlement basis, using the revised Spatial Distribution of Development⁴⁰ (SDUR) as the starting point. This is an important qualification, since if this process was undertaken on a borough-wide basis, CEC might not be able to select Green Belt sites in the north of the borough, resulting in few sites being allocated in and around the northern settlements and failing to meet their needs. This key part of the process should be clarified in any updated site-selection methodology.
62. CEC’s hearing statements⁴¹ clearly set out the relationship with the UPA, ESA, GBUA and other studies, which all inform the SSM, and the implications of the site-selection process for the submitted and amended LPS. Since all sites are to be reassessed using this methodology, including those proposed in the submitted LPS and other potential candidates, this will ensure that the process is undertaken in an objective, transparent and consistent manner. Some participants are concerned that sites already included in the submitted LPS would not have any priority, but CEC confirmed that all the evidence supporting these proposed allocations would be taken into account, along with any new information; it is important to realise that all the strategic sites included in the submitted LPS have already been subject to a thorough site-selection process with much supporting evidence. Some expressed concern that a further call for sites had not been made, but CEC confirmed that new sites could be put forward at any time, since the SHLAA was a “living” document. The threshold size for strategic sites (150 dwellings) seems reasonable in the context of Cheshire East, and site-specific matters, including deliverability and viability, along with infrastructure, capacity of facilities and highways and traffic issues, will be considered during the site-selection process.
63. The adequacy and consistency of the approach of the UPA, ESA & SSM, including the significance of the contribution of individual sites to the purposes of Green Belt, will be seen in the end result in the final selection of strategic sites, along with the precise distribution of development to the various settlements, including those in the north

³⁸ PS/E040

³⁹ RM5.001-001a; RE/D026; RE/D029; PS/E040

⁴⁰ PS/E035

⁴¹ RM5.001-001a; RE/B011

of the borough. However, CEC may wish to consider publicising the final list of selected site allocations before public consultation, so that stakeholders and local communities can provide up-to-date information on availability and deliverability and ensure that all other potential sites have been assessed; this may help to reduce the time spent at any further hearing sessions considering the delivery of these and other “omission” sites. Both the key stages of the SSM and the approach and methodology of the UPA & ESA for assessing urban potential were presented and discussed at the technical workshops during the suspension period and there is no dispute or lack of agreement with neighbouring local authorities about the methodology.

64. On this basis, the UPA & ESA seem to adequately consider the potential for development within and around the existing towns and settlements within Cheshire East, including settlements in the north of the borough, in a consistent, transparent, objective and comprehensive manner, with a reasonable balance between brownfield and greenfield sites, having regard to the GBAU. The SSM formalises the site-selection process and, subject to further detail about the later stages of the process, seems to represent a reasonably consistent, objective and comprehensive methodology to identify and select strategic and other site allocations without retro-fitting the evidence. As such, this evidence seems to be appropriate, consistent, objective, comprehensive, justified and effective, providing a soundly based framework of evidence for identifying and selecting strategic and other site allocations, in line with the guidance in the NPPF and PPG [ID-3].

v. Revised Spatial Distribution of Development

65. CEC appointed consultants to identify and assess various options for reviewing the *Spatial Distribution of Development* required as a result of the proposed increase in the amount of housing and employment development⁴² (SDUR). The consultants drew up profiles for each of the 24 major settlements identified in LPS Policy PG6, analysing key demographic, housing and employment data, took account of the findings of the UPA, EPA & GBUA, identified and tested 5 options for distributing growth and selected Option 6 after earlier options had been assessed by SA & HRA; the methodology is set out in the study and in CEC’s hearing statements⁴³. As I said in my earlier Interim Views⁴⁴, there are almost endless permutations for the spatial distribution of development; the key issue is whether CEC’s preferred option is coherent, comprehensive, rational, logical and supported by proportionate and available evidence, having regard to physical and policy constraints.
66. The SDUR finds that the spatial distribution set out in Policy PG6 of the submitted LPS is broadly justified, and focuses on distributing the additional development needed as a result of the increased housing and employment requirements. It also addresses the need to contribute to sustainable development, explore alternative options, and address the spatial implications of economic, social and environmental change, using a proportionate and up-to-date evidence base, in line with the NPPF (¶ 151-154; 158) and PPG [ID-12]. It is a comprehensive and thorough report which addresses all stages of the methodology in a logical and coherent manner. It not only takes account of the additional studies produced during the suspension period, but also considers factors such as infrastructure requirements, highways/traffic implications, economic strategies, development needs, deliverability and viability, Green Belt and sustainability. The broad range of options are plausible, based on proportionate growth, employment-led and constraint-led approaches, with a hybrid option; the preferred Option 6 emerged only after further SA/HRA work had been undertaken and the results of other studies, including the UPA, ESA & GBUA, had been incorporated.
67. The most contentious issue is the balance of development between the north and south of the borough, and whether sufficient development would be allocated to the northern settlements, particularly those lying within the Green Belt. The preferred option directs most of the additional employment development to Macclesfield and settlements in the north of the borough, and increases the allocation of housing growth to these settlements from 23-25%, reducing the share to Crewe and the southern settlements from 61-57%; this represents a 7% swing to the north, whilst increasing the overall amount of housing at the principal towns of Crewe and Macclesfield. It takes account

⁴² PS/E035

⁴³ RM4.001-001a; RE/B011

⁴⁴ PS/A017b

of the particular characteristics and needs of each settlement, Green Belt constraints around the northern settlements and the results of the UPA, EPA & GBAU. It reflects the shortage of housing and employment opportunities in the northern settlements and recognises the particular shortage of employment land at Macclesfield, Congleton, Middlewich, Sandbach and Alsager, as well as the need for more housing at Poynton, Knutsford, Handforth, Wilmslow and Nantwich. In some cases, the additional amounts of housing are significant, and will bring challenges when selecting the specific strategic site allocations, but the levels of new development seem to reflect the development needs, constraints and opportunities at these settlements.

68. The SDUR considers alternative options, and recognises that channelling too much development to areas beyond the North Cheshire Green Belt to the south of the borough would result in unsustainable patterns of development and commuting, and would not address the development needs of the northern settlements. There is a need for a reasonable balance of development throughout the borough, and the allocation of more development to the northern settlements would almost inevitably result in the loss of some Green Belt land. The UPA & EPA identify a large "pool" of sites from which strategic site allocations could be made to meet the development needs of each settlement, and issues about specific sites will be addressed later in the examination. There is also a need for a transparent and consistent judgement based on the available evidence, which is reflected in the SDUR study.
69. Some participants contend that an objective assessment of housing need should have been undertaken for each of the settlements, or at least for the northern and southern settlements. However, this approach is not required by either the NPPF or the PPGs, and the SDUR has taken into account market signals and housing need in the housing sub-markets for each of the settlements when establishing the preferred spatial distribution of development. Some participants would prefer a more proportionate distribution based on the population or size of each settlement, but this would fail to reflect the characteristics, needs and constraints of each settlement; others would prefer less development distributed to the northern settlements, but this would not address their particular development needs.
70. Whilst some participants press the case for more or less development at particular settlements, the SDUR is the only evidence that comprehensively addresses all the relevant factors for all of the towns and settlements in Cheshire East and undertakes a comprehensive spatial distribution across the borough. Furthermore, the presence of long-established Green Belt around the northern settlements is an important factor; it is a key national constraint policy in terms of considering the spatial distribution of development, as the NPPF (¶ 79) confirms. The revised spatial distribution of development was discussed at the technical workshops and meetings, and although a wide range of views was expressed, there seemed to be little common ground. Clearly, the revised spatial distribution of development is likely to be a key consideration when further public consultation takes place on the amended LPS.
71. Much will depend on the final selection of strategic sites, but at this stage and on the basis of the evidence and discussions at the resumed hearings, the additional evidence supporting the revised spatial distribution of development seems to represent a realistic, rational and soundly-based starting point for the spatial distribution of development; it is justified by a proportionate evidence base and takes account of the relevant factors, including the crucial importance of the Green Belt and the outcome of the other studies undertaken during the suspension period. It also seems to be based on sound technical and professional judgements and a balancing exercise, which reflects a comprehensive and coherent understanding of the characteristics, development needs, opportunities and constraints of each settlement. However, until the final distribution of development is determined, including the specific site allocations to be made, I cannot firmly endorse the revised spatial distribution of development, particularly since new or site/area specific issues may be raised relating to the revised spatial distribution of development during the forthcoming public consultation period.

vi. Other Matters and Issues

Highways studies

72. CEC has commissioned several new highways studies during the suspension period⁴⁵, as explained in the hearing statements⁴⁶. The *Impact of Spatial Distribution of Development on Cross-boundary Highway Networks* is a high-level strategic highways assessment, which tested various scenarios to examine the implications of locating development in the northern part of Cheshire East, particularly on the highway network within Stockport, as part of a two-stage approach to understanding these impacts using a model developed for the A6-Manchester Airport Relief Road. At first sight, the initial findings of this concise study, that the location of proposed development in the northern part of Cheshire East would make little difference to the scale of impact on Stockport's highway network, are perhaps surprising. However, although the amounts of extra traffic generated by the proposed development in Cheshire East are significant and would increase future traffic and delays on Stockport's highway network, the relative impact would be relatively modest when seen in the context of further development planned within the Greater Manchester boundary.
73. Nevertheless, it is disappointing to note the continuing concerns of Stockport MBC⁴⁷ (SMBC) about the implications of the extra traffic generated by new development in Cheshire East on Stockport's highway network, notwithstanding the 10-year "window of opportunity" provided by extra capacity as a result of the new A6-Manchester Airport Link Road before conditions return to current levels. This demonstrates the need for close engagement with SMBC about the highways and traffic implications of proposed development in the north of Cheshire East, as well as the need to undertake more detailed work to assess the more specific impact of particular development proposals in this location, including the proposed North Cheshire Growth Village, before the strategic site allocations are finalised. I understand that an updated position statement, agreed with SMBC, will be forthcoming shortly, which will clarify the position and address the need for closer engagement and joint-working with SMBC.
74. I also note that neither this study, nor the later *Local Plan Strategic Highways Assessment*, examines the cross-boundary highways and traffic implications of proposed developments in the south of Cheshire East, in terms of north Staffordshire and The Potteries. I understand that this is to be the subject of further work, as confirmed in the latest Memorandum of Understanding⁴⁸. However, it does point to the need to undertake further assessments of the highways and traffic implications of proposed developments in Cheshire East before the strategic site allocations are finalised, in line with the guidance in the NPPF and PPG [ID-54].
75. The *North Crewe VISSIM* develops a traffic model and mitigation strategy for the highways corridor in the northern part of Crewe, examining several scenarios which take account of proposed and potential new developments. It concludes that the development proposals in this area can be delivered with specific road improvements and other mitigation measures, including those at either end of the road corridor; these would be included in an updated Infrastructure Plan. Subject to the delivery of these measures at the right time, related to the proposed developments, the study seems to have addressed the key issues in a comprehensive, logical and soundly based manner. Further work will probably be needed when more details of particular developments become available.
76. The *Alsager Highway Study* aims to provide a comprehensive assessment of the highway network in 2030, taking account of the cumulative impact of committed and planned developments, and identifies key improvement schemes which would be added to an updated Infrastructure Plan. For the most part, the approach seems to reflect that recommended in the PPG [ID-54], but CEC acknowledges that some updates and revisions are needed⁴⁹. Local residents and developers are concerned about the highways and traffic implications of committed and proposed developments in Alsager, and although this study is only part of the overall transport evidence, it is important that stakeholders and the local community have confidence in the work produced.

⁴⁵ PS/E036; PS/E037; PS/E038 & RM6.001 (Annex)

⁴⁶ RM6.001-001a; RE/B011

⁴⁷ RM6.021

⁴⁸ RE/D003

⁴⁹ RE/D022; RM6.001-001a; RE/D026

77. Concerns were also raised at the hearings about the status of, and need for, the Congleton link road, referring to a recent planning appeal where the delivery of the new link road was not found to be critical to the proposed housing development⁵⁰. CEC confirms that major development on the north-western side of Congleton will require highway mitigation to the A34 corridor, either by providing lower-cost improvements to the existing route, which would cause considerable disruption, or by constructing the new link road. Although improvements to the existing A34 could mitigate some of the impact of the extra traffic generated by proposed developments, the new link road would bring more benefits, improving linkages across a wider area, improving air quality and reducing noise; it has local support, is firmly committed with funding from both CEC and future developments, and a planning application for the new link road has now been submitted. These issues can be reviewed again when the specific strategic sites around Congleton are considered, later in the examination process.
78. Some further work may be needed to consider the detailed implications of proposed developments in the amended LPS. Any such work should preferably be undertaken and made available before public consultation takes place on the amended LPS, so that all parties can be aware of this additional evidence before the hearings resume.

Sustainability Appraisal and Habitat Regulations Assessment

79. CEC appointed consultants to prepare a further *Sustainability Appraisal Addendum* (SA) of the implications of the proposed increases in the overall amounts of housing and employment development, including the detailed amendments proposed to particular policies and sections of the submitted LPS⁵¹. These reports set out the background, approach and methodology of the SA, including the alternative options assessed. The main concern relates to the alternative options considered, including options involving higher levels of economic growth and housing provision.
80. As confirmed in the SA and in legal judgements⁵², the choice of alternatives for environmental assessment is largely a matter for the plan-making authority. The SA reports have assessed the main Options 1-6 considered in the SDUR, but CEC considers an option involving a jobs growth rate of 0.9%/year or more is not a reasonable alternative, since it is unduly optimistic, especially given the levels of growth expected in particular job sectors and the competitive role of other centres in Greater Manchester. However, this option was fully considered and assessed in the AEEHS & HDS, and even though it was rejected mainly on the basis of the need for unprecedented rates of commuting and in-migration, I would have expected it to have been included in the SA work, particularly since other options have been included in the SA addendum. Some participants are pressing for higher rates of economic growth, resulting in increased numbers of houses, and it might have been appropriate for these higher rates and levels of development to have been assessed in the SA work as part of a full assessment of alternative options available.
81. SA is an ongoing and iterative process, and further work will be needed to assess the proposed amendments to the submitted LPS, including any new or amended strategic sites. CEC will also need to consider the assessment of reasonable alternative options when further SA work is carried out, before public consultation on the proposed amendments to the LPS; otherwise, challenges may be made to the SA work.
82. CEC also commissioned consultants to undertake an updated *Habitat Regulations Assessment* (HRA), which considers the impact of the increased housing and employment development and other revisions proposed to the submitted LPS⁵³. This report concludes that the higher rates of growth arising from the additional evidence would be unlikely to have any significant effects on European sites not already identified and assessed in earlier HRA reports, highlighting the particular impact of increased growth around Knutsford. However, like SA, the HRA process is iterative and ongoing, and further assessments will be needed to consider the impact of the proposed amendments to the LPS, including any additional or amended strategic sites.

⁵⁰ RM6.031

⁵¹ PS/E042 & RE/B006

⁵² including *Save Historic Newmarket Ltd v Forest Heath DC* [2011] EWHC606; *Heard v Broadland DC, S Norfolk DC & Norwich City Council* [2012] EWHC344; *Cogent Land LLP v Rochford DC* [2012] EWHC2542; *Ashdown Forest Economic Development LLP v Wealden DC* [2015] EWCA Civ 681

⁵³ PS/E043 & RE/B007

Stakeholder engagement

83. During the suspension of the examination and shortly afterwards, CEC held several technical workshops and meetings with stakeholders and other interested parties; the details are set out in CEC's statements and accompanying evidence⁵⁴, including issues relating to the Duty to Co-operate⁵⁵. Although some of the stakeholders involved in this process seem to be reasonably content with the usefulness of this engagement, some are concerned about the lack of common ground. Others who were not involved until the later stages, including several Parish & Town Councils, are concerned that they were not involved and consulted earlier, and there are other interested parties who were not directly involved in the engagement or examination process. There is also concern about the apparent lack of feedback and changes to the evidence as a result of the engagement process.
84. Overall, I am left with the impression that the engagement process was useful as far as it went, but it did little more than inform those directly involved about the approach and content of the additional evidence, allowing a wide range of views to be expressed. Moreover, it provided little direct involvement for several local bodies, organisations and individuals who understandably feel disappointed by both the process and the outcome of the engagement. Furthermore, although some limited changes were made to the approach and methodology of the additional evidence during this process, the nature and approach of this engagement process is no replacement for full and proper public consultation, when everyone can make their views known and have them considered.
85. Several participants have raised the issue of the Duty to Co-operate (DTC). Recent High Court/Court of Appeal judgements⁵⁶ have confirmed that this duty ceases to apply when the plan is submitted to the Secretary of State for examination. Nevertheless, the evidence⁵⁷ shows that CEC has continued to engage with neighbouring local authorities and other prescribed bodies after the LPS was formally submitted. This is good practice, in line with the NPPF (¶ 178-181), particularly when cross-boundary issues are raised; it also supports the views in my earlier Interim Views⁵⁸ and confirms that CEC is continuing to engage with neighbouring authorities in the terms of the DTC.

Suggested revisions to the submitted Local Plan Strategy

86. CEC has prepared two draft schedules of proposed revisions to the policies and wording of the submitted LPS⁵⁹, which have been endorsed by CEC's Cabinet or Portfolio Holder. However, since these detailed amendments have not been subject to formal public consultation, CEC agreed with me that it would not be appropriate to discuss the details of these amendments at the resumed hearings. However, all these amendments, along with the new and amended strategic site allocations and the associated evidence, would be subject to full public consultation later in the examination process.

Outstanding/forthcoming documents and evidence

87. CEC has confirmed that none of the evidence originally presented to support the submitted LPS is to be withdrawn, but it will be supplemented by the additional evidence produced during the suspension period along with further detailed technical evidence to accompany the final list of additional and amended strategic site allocations. CEC also confirms that the Cheshire Retail Study will be updated to support the Site Allocations DPD (SADPD), work is continuing on the Playing Pitch and Indoor Sports Strategies, the results of the call for mineral sites will soon be available, and preliminary work is underway for the Issues & Options stage of the SADPD.

Other relevant matters and issues

88. Several other matters and issues were raised in the statements and at the resumed hearing sessions, but they largely relate to site-specific or detailed considerations, which will be addressed later in the examination process.

⁵⁴ RM6.001-001a, RE/B.005; RE/B011; PS/E003-a/004-a; PS/E024-025; PS/E028-029; PS/E045-049

⁵⁵ RE/B008

⁵⁶ including Samuel Smith Old Brewery (Tadcaster) v Selby DC [2015] EWCA Civ 1107

⁵⁷ RE/B008; RE/D004; RE/D001; RE/D026;

⁵⁸ PS/A017a/b-A018

⁵⁹ PS/E042 & RE/B004

C. Implications for the submitted Local Plan Strategy

89. It is clear that the scope, nature and content of the additional evidence has significant and wide-ranging implications for the submitted LPS. These can be summarised as follows:
- the revised economic strategy, with its increased jobs growth rate from 0.4%-0.7%/year, significantly increasing the requirement for new jobs from 13,900-31,400, with a consequent increase in employment land requirements from 351-380ha;
 - the significant increase in the overall amount of housing proposed (increased from 27,000-36,000 dwellings between 2010-2030), including the additional need for 2,185 units of elderly persons accommodation, amended assessment of the need for affordable housing, omission of the requirement for 500 houses to meet the needs of High Peak BC, and deletion of the phasing of housing provision;
 - a revised Spatial Distribution of Development, increasing the number of new dwellings proposed for the towns and settlements in Cheshire East, including the Green Belt settlements in the north of the borough such as Poynton, Knutsford and Wilmslow, and directing most of the extra employment land required to the northern settlements;
 - the consequent need to identify additional and amended strategic site allocations to meet the increased overall housing and employment requirements, almost certainly involving the proposed release of Green Belt land in the north of the borough, and the need for all proposed sites to go through a consistent assessment and site-selection process.
 - the replacement of a proposed new area of Green Belt in the south of the borough with a Strategic Green Gaps policy, with the consequent need to identify and designate the extent and boundaries of the Strategic Green Gaps, along with a significant increase in the provision of Safeguarded Land in the north of the borough (increased from 130ha-200ha);
 - the need for all these required amendments and new/amended strategic sites to be subject to Sustainability Appraisal and Habitat Regulations Assessment;
 - the need to consider the cross-boundary implications of the revised spatial distribution of development, including specific site allocations, particularly in terms of the impact on highways and traffic.
90. CEC considers the amendments necessary to the submitted LPS would represent an evolution of the proposed strategy. However, they would inevitably require significant changes to the submitted LPS, particularly as a result of the increased housing requirement. Although the additional evidence produced during the suspension period has been subject to limited engagement with stakeholders and other interested parties, there has been no formal public consultation on this evidence or the changes to the LPS needed to accommodate its conclusions. Furthermore, CEC has not yet completed its selection of additional and amended strategic sites necessary to meet the increased housing and employment land requirements. This leads me to conclude that the proposed amendments to the LPS should be finalised and fully completed, and most importantly, subject to full and unfettered public consultation, with the Council's responses, before it is formally submitted for examination. This would ensure that all views are represented and considered and all aspects of the amended LPS can be considered at one time.

D. Addressing the concerns set out in the Inspector's Interim Views

91. CEC has responded to all the main concerns raised in my earlier Interim Views in its evidence, reports and statements to the examination and hearings⁶⁰. In general terms, the additional evidence and studies produced during the suspension of the examination seem to have addressed most of the main concerns about the adequacy of the original evidence set out in my Interim Views, published in November 2014.
92. The work on the alignment of the economic, employment and housing strategy seems to better reflect the economic ambition and potential of Cheshire East, with more realistic assumptions about economic and jobs growth; it is more optimistic than the economic strategy in the submitted LPS, supporting a more sustainable and deliverable strategy for growth. It also better reflects the proposals and initiatives of the LEP and the extent of the proposed employment allocations in the Plan, and is better aligned with the amended housing strategy.
93. The work undertaken on assessing housing needs seems to represent a more objective and comprehensive assessment of the future need for market and affordable housing, establishing a baseline figure which takes account of the relevant factors, including housing, social and economic factors and market signals, with a significant uplift to

⁶⁰ summarised in Examination document: PS/E031a.2

reflect economic factors and the need to provide more houses to accommodate the additional workers needed to take up the extra jobs proposed. It is more closely aligned with the economic strategy, overcomes a major shortcoming of the previous assessment, and would help to ensure the success of the overall economic, employment and housing strategy of the LPS.

94. The revised assessment of the Green Belt seems to provide a more comprehensive and objective assessment of the contribution that land parcels make to the purposes of the Green Belt in a consistent and transparent way, helping to provide the framework and justification for the release of Green Belt land, including Safeguarded Land. The revised assessment of the amount of Safeguarded Land needed is based on specific evidence and provides a more soundly-based framework to identify the scale and location of the additional land required. The reassessment of the need for a new area of Green Belt in the south of the borough and its proposed replacement with a Strategic Green Gaps policy seems to provide a more thorough assessment of the options available and the reasons for proposing this new policy.
95. The additional work on identifying the potential scale of development available from within the built-up area and around the fringes of existing settlements seems to be comprehensive and objective. The additional work on the revised Spatial Distribution of Development seems to provide a clearer justification for the proposed distribution of development, including a detailed assessment of options, setting out coherent reasons for selecting the preferred alternative, and helping to address the development needs of the settlements in the north of the borough. All these studies will provide a comprehensive and objective input into the site-selection process. The Site-Selection Methodology seems to provide a more objective, consistent and transparent way of assessing and selecting strategic and other sites for development, although some further detail is needed; the adequacy of its approach will be seen in the end result of the strategic site allocations. Overall, the additional evidence seems to provide a much sounder basis and framework for the amended LPS and the revised site-selection process which CEC will shortly be undertaking.

E. Future progress of the Local Plan Strategy examination

96. As indicated earlier, CEC should firstly finalise and complete the proposed amendments to the LPS, with all the necessary revisions to the policies and accompanying text, including new and amended strategic site allocations, with all the necessary supporting evidence. The amendments to the submitted LPS should be fully publicised and subject to formal and unfettered public consultation, and the Council should consider and respond to the key issues raised in the representations before submitting the proposed amendments for examination. An iterative process, during which key elements of the LPS have to be approved on an interim basis, is not the most appropriate way to complete the examination of this LPS, since I am not aware of all the points that could be raised and cannot undertake such an interim assessment of soundness with any certainty without prejudicing my final conclusions on these aspects of the LPS. Although this would inevitably extend the period of the examination, since CEC does not wish to withdraw the submitted LPS and formally resubmit an amended Plan, it seems to be the most appropriate way forward to ensure that the amended Plan is properly and comprehensively examined at any further resumed hearings.
97. These Further Interim Views are being sent to CEC for them to take the necessary action, and are being made available to other parties for information only; no other responses should be submitted. In presenting these Further Interim Views, I am fully aware of CEC's ambition to adopt a Local Plan for Cheshire East as soon as practicable and to avoid any unnecessary delays to the examination. In seeking a positive way forward, I am willing to assist CEC in a supportive and pragmatic manner, although I have a restricted role in this regard; any advice given is entirely without prejudice to my final conclusions on the soundness and legal compliance of the submitted or any amended Plan. In saying this, I retain an open mind about CEC's proposed revisions to the submitted LPS, which are likely to be subject to public consultation early in 2016.
98. Consequently, I would ask the Council to consider the implications of these Further Interim Views before advising me on their preferred course of action and timetable.