

## Appendix 5



The Planning Inspectorate

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# **Report to Herefordshire Council**

**by Christine Thorby MRTPI IHBC**

**an Inspector appointed by the Secretary of State for Communities and Local Government**

Date **29 September 2015**

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PLANNING AND COMPULSORY PURCHASE ACT 2004 (AS AMENDED)

SECTION 20

**REPORT ON THE EXAMINATION OF THE**

**THE HEREFORDSHIRE LOCAL PLAN**

**CORE STRATEGY 2011 - 2031**

Document submitted for examination on 23 September 2014

Examination hearings held between 10 February and 25 February 2015

File Ref: PINS/W1850/429/3

### **Issue 3 - Whether the approach towards the supply and delivery of housing land is positively prepared, effective and consistent with national policy?**

#### *Housing land supply targets and the five year housing land supply*

46. The spatial/development strategy rightly seeks to steer the majority of development to the key settlements and strategic sites which would provide access to jobs, services and public transport. The distribution of new housing and development proposed is appropriate, given the economies of scale/concentration of new infrastructure that is likely to assist delivery, particularly of the strategic sites. In recognition of the longer lead in times for the SUEs/UEAs and larger strategic sites, which could provide around a third of the housing, it is clear that more homes will be delivered in the middle and late stages of the plan. The CS indicative trajectory for expected completions shows a greater proportion of homes being delivered later on in the plan period. To address this, the Council considered various options in the Revised Preferred Option Background Paper [B6b]. The CS proposes a stepped housing target (reflecting the expected delivery rates) of 600 dpa for the first five years of the plan (2011-2016), 850 dpa for years 6-10 (2016-2021), 900 dpa for years 11-15 (2021-2026) and 950 dpa for years 16-20 (2026-2031) as a means of addressing this in relation to delivery targets. I consider that a stepped target would be a likely and not unexpected consequence of this approach.
47. In addition, figures show that the market has been depressed with a shortfall of over 900 dwellings as of April 2014 identified in the Housing Land Supply document of October 2014 [PS1a]. Although there has been significant increase in the land supply position during 2014 – 2015 and increase in housing, delivery would take some time to achieve. The target figures do not seek to constrain development which should come forward as soon as possible, but I accept that the stepped target would be realistic and a sound basis for monitoring and assessing land supply (including the five year housing land supply) throughout the plan period. In accordance with paragraph 47 of the NPPF to boost the supply of housing, a buffer of 20% would be appropriate for Herefordshire as there was a consensus that under delivery had been persistent from at least 2008 set out in the LHRS and housing position papers [PS1a and b]. To make clear the approach to the 5 year housing land supply, I have added wording to this effect to **MM07**.
48. During the examination the Council updated its position on the five year housing supply with the Update to Herefordshire Local Plan – Core Strategy Five Year Housing Land Supply, March 2015 [PH1]. The five year supply date was taken to be April 2014 (a reasonable date as the hearings took place in February 2015) – 31 March 2019. The stepped targets for these years were added together. The shortfall was added to the stepped target figure. Applying the 20% buffer (to the target plus the shortfall), a five year housing land supply could be demonstrated, albeit it with less than 5.5 years supply (see figure below). In this calculation the shortfall is spread over the five year housing period.



**Extract from the Council's Housing Land Supply Position Statement March 2015:**

This figure shows that with an indicative trajectory target and the shortfall being addressed over the forthcoming five years there would be a five year supply of housing land in the county:

**A** Core Strategy 2011 – 2031 16500

**B** Core Strategy requirement 1800 Using indicative trajectories: 1/4/2011 – 1/4/2014 600 dpa

**C** Homes Completed (net) 873 Net reduction includes demolitions and conversions 1/4/2011 – 31/3/2014

**D** Requirement for next five years 4000 using trajectories 15/16 – 600 pa (1yr) 16/17 – 19/20 – 850 pa (4yrs)

**E** Plus Residual Shortfall 927 (over next five years as per PPG)

**F** Plus 20% buffer 985 added after shortfall

**G** Total Requirement 5912

**H** Annualised requirement 1182

**I** Total Deliverable dwellings 6201

**J** Housing Supply 5.24yrs

49. The Council's preferred option is to spread the shortfall over the plan period which would, in addition to a stepped target, add a further delay to the provision of homes and would not be a proactive approach. Therefore, I conclude that for the CS to be positively prepared and for the five year housing land supply to be effective, the shortfall should be spread across the five year period. This approach would be consistent with the advice in the PPG.
50. Details of deliverable sites are contained with the Update to Herefordshire Local Plan – Core Strategy Five Year Housing Land Supply [PH1] March 2015 document. Their assessment complies with advice in the PPG about whether sites are deliverable. The sites include the CS strategic housing sites where they can make a contribution, sites with planning permission or a resolution to grant planning permission, assessment of NP sites (based on the SHLAA, emerging NP allocations and an assessment of deliverability), previously allocated sites where they are considered deliverable, past housing completions and a windfall allowance. The windfall allowance is justified by a figures from past monitoring reports [B21a-f] showing a consistent level of windfalls throughout the county over many years. The HLS provides information about the UEAs and SUEs, including ownership and progress towards submitting a planning application, and there is convincing information that these sites could start to deliver housing within the 5 year period.
51. The five year housing land supply (PH1) is marginal but realistic and to maintain this position the Council will have to closely monitor the sites shown on the indicative trajectory to deliver housing within the five year period, with appropriate action taken if the supply appears at risk. The way this will be undertaken to be effective is addressed in the paragraphs below.

*Delivery*

52. The reliance on larger sites coming forward later in the plan period is not without risk, particularly of delay in timing and the consequential failure to deliver the number of houses within the plan period. In this respect, one of the main concerns with the submitted Plan was the relationship between the supply and delivery of the strategic sites, critical infrastructure and/or the



impact on the environment. The CS identified three significant areas of risk: the proposed Hereford Relief Road (HRR); water infrastructure and the effect on the River Wye Special Area of Conservation (SAC).

53. *Hereford Relief Road.* The plan identifies a new strategic road, the Hereford Relief Road, to be built to the west of the city to ensure there is capacity and mitigate the effect of transport on the town centre and the A49 trunk road which runs through Hereford, from the three Hereford UEAs (HD3, HD4 and HD5) and the Hereford City centre development (HD1 and HD2). There is support for the approach from Highways England and it is likely that funding towards the HRR would come forward through developer contributions where appropriate, and the HRR may be delivered during the plan period.
54. However, the HRR is not identified in the Council's Local Transport Plan [C46a] as planned infrastructure, the funding is not secure and it is not part of Highways England (HE) Road Investment Strategy for 2015 – 2020 (Statement of Common Ground between the Council and HE). The route has not been modelled or identified in detail and there is a high degree of uncertainty about whether the HRR is viable and can be achieved within the plan period. A key consideration for soundness of the plan is, therefore, whether the substantial growth identified for Hereford is deliverable.
55. *Water Infrastructure.* Dŵr Cymru Welsh Water (DCWW), statutory undertakers providing water and sewerage infrastructure, make clear that the existing infrastructure would not be sufficient to cope with the identified growth across the county. However, over the plan period DCWW indicate that their investment programmes, in combination with improvements funded/undertaken by developers could provide the required infrastructure. The whole plan viability study 2014 satisfactorily addresses the implications for housing development identified in the Plan and the role of the developer; nevertheless, a co-ordinated approach with DCWW is required as set out in the Statement of Common Ground and other studies [C50a, PS57 and PS59] and this could affect the timing and the deliverability of sites.
56. *River Wye SAC.* The River Wye SAC is vulnerable to phosphate loading which could come from an increased flow of sewage into the rivers from a growth in housing in Leominster and the rural areas and from the location and construction of the HRR (place shaping policies LO1, LO2, RA1, RA2, RA6 and HD3). A Nutrient Management Plan November 2014 (NMP) [C51] has been produced by Natural England and the Environment Agency who have worked with the Council during preparation of the CS to manage planned growth and the effect on the SAC. The HRA May 2014 (updated in September 2014) [A5] concluded that an appropriate assessment (AA) was necessary and this was undertaken as part of the 2014 HRA. This concluded that having regard to mitigation measures required by CS place shaping and general policies, delivered in-combination with the measures set out in the NMP that there would not be an adverse effect on the integrity of the SAC from the plan as a whole.
57. The AA[A5] conclusions on the SAC are based on delivery rates set out in the trajectory for the achievement of the total housing target, and the related water cycle study, including water infrastructure improvements. At this stage the evidence shows that there would be no adverse effect; however, the level



of phosphates could be influenced throughout the plan period by a wide range of factors other than the Planned CS development. Although the NMP is an on-going programme addressing changes, the NPs and local area DPDs would require separate HRA's as would any planning applications for the Hereford Relief Road and development coming forward in Leominster and the rural areas. The financial implications for mitigation have been satisfactorily assessed in the whole plan viability study; nevertheless a co-ordinated approach with DCWW, EA and NE is required and this could affect the timing and the deliverability of sites.

58. The submission Plan policy SS3 sought to deal with the identified risks to the delivery of housing; however, the policy was worded in a negative way which would prevent or delay development if the critical infrastructure/mitigation measures were not in place. In addition, intervention strategies to address any delay were unclear and there was a lack of a site specific indicative trajectory, or targets and dates to monitor the delivery of development. The policy was unsound as it introduced a significant level of uncertainty about when and if the required housing could be delivered.
59. In order to ensure that the approach to supply, delivery and monitoring is sound taking into account the aforementioned factors **MM07** and **MM065** (in part) introduces a combination of measures enabled by a new policy to effectively monitor progress and take action necessary to ensure the delivery of the housing target.
60. Firstly, it introduces an appendix (5) to the Plan with a table identifying the necessary infrastructure, including links to the NMP, for each strategic site, and the date by which it is required. It identifies by number the amount of housing that can go ahead before the infrastructure becomes critical; it sets out a programme and key progressions points for the critical infrastructure so that progress can be monitored and it identifies what action will be taken if the delivery of infrastructure fails to progress as expected. Secondly, MM07 and MM065 introduce a revised, comprehensive trajectory (appendix 4) identifying all of the strategic sites, housing projected to come forward through NPs and local DPDs, and windfalls, against delivery for each year sufficient to meet the housing target of 16,500. Finally, a re-worded policy SS3 makes a commitment to annual monitoring against the revised housing trajectory, including the production of a policy monitoring document. It links a commitment to take action if critical infrastructure does not come forward as expected and it identifies measures to be undertaken if the housing falls below the projected target in any one year including identifying further land.
61. I am satisfied that this is a positive and flexible approach and the MMs are necessary to ensure that development can go ahead where it meets the plan policies, that there is always a forward looking monitoring process to identify problems with the critical infrastructure programme long in advance of any difficulties arising and appropriate action can be taken to ensure targets are met.
62. Overall, the approach to the supply and delivery of housing is consistent with national policy and guidance, is based on a sound and thorough analysis of the current situation in the county, as demonstrated in the comprehensive and detailed evidence base.