

Inspector Mrs C Sherratt
(via Programme Officer)

Please ask for: Garry Legg
Direct Line: 01228 817160
E-mail: garry.legg@carlisle.gov.uk
Your ref:
Our ref: 026-PS002

24 July 2015

Dear Mrs Sherratt,

**EXAMINATION OF THE CARLISLE DISTRICT LOCAL PLAN (2015 – 2030) –
RESPONSE TO INITIAL COMMENTS / QUESTIONS TO THE COUNCIL**

I write further to the receipt of your initial questions received by the Council on the 9th July. Each of the questions is considered in turn below. The Council has endeavoured to provide as comprehensive as possible a response but this has not been possible in all instances. Where this is the case, a clear course of action and timescale for when the Council will be in a position to provide a definitive response is set out. The Council consider that there is some interesting and genuine debate to be had around some of the points raised and as such look forward to these being opened up to a wider audience through the examination process in due course.

Q1. Is it the Council's intention to have any further discussions with representors? If so, could the Council please confirm when any statements of Common Ground are likely to be completed?

There are a small number of matters upon which the Council intend to have further discussions with representors, which may culminate with the preparation of a statement of common ground, as follows:

- Housing Allocation Reference R15 'Land north of Hill Head, Scotby' – The City Council intend to clarify with the promoters of the site, and Cumbria County Council in their capacity as the Local Highway Authority, where the land subject to this allocation would be best accessed from, how many dwellings this access would support and ultimately whether the land to the north of the allocation can and should also be allocated. The land to the north of the site was previously identified as the preferred allocation, over and above the existing R15, but was subsequently withdrawn following significant concerns over site access. The site promoter has since however prepared evidence to support that the land would be

best served by an access to the north and that adequate and safe access can be achieved. A definitive position on this issue needs to be secured and in the circumstances it is considered beneficial to identify common ground between the aforementioned parties.

- Housing Allocation Reference R13 'Linstock North' - The City Council intend to continue discussions with the site promoters to better ascertain the reasons why this site is no longer deemed to be available for development and furthermore to understand alternatives in the same location and ownership.
- Housing Allocation Reference U19 'Land at Carleton Clinic' - The City Council intend to continue discussions with the site promoters to better ascertain the reasons why this site is no longer deemed to be deliverable/ developable and furthermore to understand alternatives in the same location and ownership.
- Highways Agency – The City Council and Cumbria County Council continue to jointly engage in discussions with the Highways Agency. These discussions are currently focussed on clarifying a small number of outstanding queries on the transport modelling and evidence underpinning the Local Plan raised by the Agency in their representation on the Plan. These discussions will conclude by way of an agreed position with the Agency.
- Infrastructure Delivery Plan – The infrastructure delivery plan is intended to be a living document which should be updated as and when new or updated information on any aspect of infrastructure requirements or delivery becomes available. Discussions between the City and Cumbria County Council remain ongoing specifically in relation to better understanding the implications of planned housing growth on education provision within the District. The Council intend to publish an updated IDP, inclusive of updated education commentary; transport and more general comments in response to representations from the County Council, before the end of August. It is intended that any further updates beyond this can be provided verbally throughout the course of the examination hearing sessions.
- Carlisle South – With regards to Carlisle South, a broad location identified through Policy SP3 of the submitted Plan, the City Council are in discussions with Cumbria County Council to better understand the issues raised in their representation with respect to ensuring that appropriate and effective safeguards are built into this policy to ensure that the delivery of the infrastructure needed to serve the location in its widest sense is not prejudiced. It is likely that these discussions will conclude with an agreed position and therefore statement of common ground.

The Council will endeavour to conclude the above discussions and any associated statements of common ground before the end of August. It is acknowledged however that the need for any statements of common ground will predominately be driven by the key matters and issues which are yet to be published, and as such further discussions with representors may be beneficial and occur in due course.

Q2. Is any other substantial work / reports likely to be undertaken for the examination, and if so, what is the timetable for such work?

Following representations raising concerns with respect to the retail impact threshold set out in Policy EC6 of the submitted Plan, the Council have instructed appropriate consultants to refresh the evidence underpinning this threshold and ultimately to recommend whether a locally derived threshold is necessary and if so what the appropriate threshold should be. It is anticipated that this work will be completed by the end of August. The Council would be happy to elaborate upon the scope of this work should this be deemed necessary or helpful.

With regards to Carlisle South, a broad location identified through Policy SP3 of the submitted Plan, the City Council are continuing to advance initial evidence gathering for the preparation of a subsequent Development Plan Document. The Council are being supported in its efforts through the Homes and Communities Agency major project support team – ATLAS – following a successful bid for such assistance. The City and County Councils have recently jointly commissioned consultants to undertake a feasibility study to identify a preferred route corridor for a southern link road. Key stakeholders from the City and County Councils are also engaged, aided by ATLAS, in preliminary vision and objective setting for the location and in developing a programme for initial stakeholder engagement. Whilst no aspect of this work is considered by the Council to be critical to complete in advance of the examination, it nevertheless constitutes important evidence which demonstrates the Council's commitment to bringing Carlisle South forward. Given the pace of such work and that it will continue to be developed in tandem whilst the examination is ongoing, the City Council considers that a position statement at a future point in time may be beneficial. The Council would be happy to respond to any steer for preparing such a statement should you have a specific date in mind as to when based on your experience it would be beneficial.

Q3. Please give an indication of the Council's position on main modifications?

The City Council identified at the point of submission their belief that a small number of main modifications to the Plan may be necessary. The Council also highlighted that the necessary approval was in place to extend an invitation to the appointed Inspector to recommend such modifications under section 20(7C) of the Planning and Compulsory Purchase Act 2004 (as amended). I can confirm that the City Council consider it appropriate to now enact this invitation and I would ask that you therefore accept this response as a formal request under the aforementioned provisions of the 2004 Act.

The City Council would, if required, be in a position to provide a schedule of modifications it considers necessary no later than the week commencing the 17th August, differentiating between main and minor ones. The Council would however reserve the right to revisit the suggested modifications throughout the course of the examination if for example necessary in response to discussions which may ensue on key matters and issues.

Q4. In light of this WMS [Written Ministerial Statement on support for small-scale developers] and the identification of the built-up area of Brampton as Zone C, does Zone A now fully align with a designated rural area such that Policy HO4 is consistent with national policy?

The affordable housing thresholds within the Plan have, as it has emerged, been previously informed via the relevant evidence on housing need and demand and the 'Affordable Housing Economic Viability Assessment Jan 2013' (AHEVA) (Document library ref: EB 006).

Following the Planning Practice Guidance update (initial update November 2014) and WMS, which set out the circumstances where infrastructure contributions through planning obligations should not be sought from developers, the thresholds and consequently zones within the Plan were revisited. Consequently the site size thresholds in the submitted Plan are considered to have regard to the PPG with affordable housing sought on sites of 11 units or over in the urban areas of Carlisle and Brampton, and the low market rural area of Zone B (owing to viability considerations), and 6 units and over within the remainder of the rural area of the District (Zone A).

In identifying 'designated rural areas' as set out in the PPG, the Council has referred to section 157 (1) of the Housing Act of which (b) is AONBs, and (c) is an area designated by order of the Secretary of State as a rural area. There are two AONBs within Carlisle District, the North Pennines and the Solway Coast. Both AONBs contain a small number of villages where housing could be acceptable. When interpreting (c), the Council has referred to the Housing (Right to Acquire or Enfranchise) (Designated Rural Areas in the North West and Merseyside) Order 1997/622. This Order sets out designated rural areas in Cumbria, and in Schedule 1, Designated Rural Areas – Entire Parishes, Part II Cumbria, lists all the rural parishes within Carlisle District.

Reliance on this Order followed much consideration pursuant to discussions with neighbouring local planning and other relevant organisations including the Homes and Communities Agency. In this regard the Council is aware of a number of other authorities who have satisfied themselves that they can legitimately rely on this same Instrument. Notwithstanding this however, and owing to additional ambiguity following the apparent recent publication by Communities and Local Government of only one of the eleven Statutory Instruments in seemingly defining 'protected rural areas', a legal opinion was sought on this matter. This opinion concludes that the rural parishes within the District are designated as rural areas by virtue of the Housing (Right to Acquire or Enfranchise) (Designated Rural Areas in the North West and Merseyside) Order 1997/622. The only area excluded from this definition is the built up area of Brampton, by virtue of it being a non-cross hatched area shown bounded with a black line on one of the 86 maps entitled "Maps referred to in the Housing (Right to Acquire or Enfranchise) (Designated Rural Areas in the North West and Merseyside) Order 1997".

In conclusion Policy HO4 is therefore deemed to be consistent with national policy.

Q5. In light of this WMS [Written Ministerial Statement regarding onshore wind turbine development], can Policy CC2 be regarded as being effective and consistent with national policy? If not, what modifications would be necessary to the Local Plan?

The evidence base used to inform the Plan's renewable energy policies was jointly commissioned on a County wide basis which in part reflects that in Cumbria the issue of renewable energy production is deemed to be a cross boundary issue. Such evidence includes the Cumbria Renewable Energy Capacity and Deployment Study (Document library ref: EB 018); the Cumulative Impacts of Vertical Infrastructure Study (Document library ref: EB 019, EB 020 and EB 021); and the Cumbria Wind Energy SPD. Consequently the City Council are, following the recent WMS, engaged in ongoing discussions with Cumbria County Council and the Cumbrian Districts with a view to identifying the implications of the WMS and a consistent way forward.

Whilst initial thinking is that Policy CC2 could be deleted by way of a main modification to the Plan, and Policy CC1 modified to extend its coverage to non-commercial onshore wind turbines which are considered capable of constituting an important component of sustainable development locally, the Council wishes to reserve its position at this stage until the aforementioned discussions have been afforded an opportunity to conclude. The Council hope to be in a position to confirm its definitive stance on this matter no later than the end of August.

Q6. Could the Council please provide further supplementary five-year housing land supply calculations applying the 5% buffer to the sum of the base requirement + shortfall (2013-2015)? (In doing so, it would also be prudent to acknowledge the indication that proposed allocated site U19 is to be withdrawn by the land owner and so will not therefore be deliverable in years 0 – 5).

Tables one and two mirror the range of land supply calculations set out in the submitted Five Year Housing Land Supply Position Statement (April 2015) (EB007) adjusted however to apply the buffer to the base requirement + backlog as requested. The full assessments which have informed Tables one and two are appended for information. Any supply from site reference U19 within the submitted Plan has been omitted.

Assessment Reference	Base Annualised Housing Target	Buffer Applied	Under delivery spread over?	Land Supply in Years
n/a	480	0	0	6.56
Scenario 1	480	5%	5 Years	5.45
Scenario 2	480	5%	15 Years	5.96
Scenario 3	480	20%	5 Years	4.77
Scenario 4	480	20%	15 Years	5.22

Table 1 – Housing Land Supply Calculation (Base + Backlog + Buffer) based on Annualised Housing Requirement of 480 net new homes.

Assessment Reference	Base Annualised Housing Target	Buffer Applied	Under delivery spread over?	Land Supply in Years
n/a	565	0	0	5.57
Scenario 5	565	5%	5 Years	4.48
Scenario 6	565	5%	15 Years	5.00
Scenario 7	565	20%	5 Years	3.92
Scenario 8	565	20%	15 Years	4.38

Table 2 – Housing Land Supply Calculation (Base + Backlog + Buffer) based on Annualised Housing Requirement of 565 net new homes.

It is acknowledged that there is a degree of ambiguity currently regarding whether the required buffer should be applied to the base requirement inclusive or exclusive of the backlog. The Council are aware that the PAS ‘Five Year Land Supply FAQ’ advocates that the buffer should also be applied to any backlog, but recognises that these FAQs are technical advice which has no formal weight. The Council are also aware of a number of appeals in which this issue has been addressed. Of note however is considered to be appeal reference APP/R0660/A/13/2209335 given that this was recovered by the Secretary of State. Paragraph 14 of the Secretary of State’s decision issued in January 2015, a full copy of which is appended, states that:

“...However, the Secretary of State disagrees with the Inspector’s approach of including the allowances of each years backlog in the overall sum to which the buffer should be applied as he sees this as double-counting”.

The City Council concur with concerns that applying the buffer to backlog would constitute double-counting and be non-pragmatic in that it could potentially entrap an authority in a situation whereby a sufficient quantum of deliverable land could never be identified. These concerns resonate in that making the land available does not in itself

guarantee that it can be regarded as deliverable, if for example there are doubts over the ability and capacity of the development industry to bring forward that land and yield completions from it within the required time frame.

Tables 3 and 4 below mirror the assumptions employed in Tables 1 and 2 with the exception that the buffer has only be applied to the base requirement and not the backlog. This enables a direct comparison between the two methodologies and supports that in any event, at the current time at least, there is no significant difference to the land supply position depending on which methodology is followed. Notwithstanding this the Council consider that this is a key issue upon which certainty will need to be secured through the process of examination.

Assessment Reference	Base Annualised Housing Target	Buffer Applied	Under delivery spread over?	Land Supply in Years
n/a	480	0	0	6.56
Scenario 9	480	5%	5 Years	5.49
Scenario 10	480	5%	15 Years	5.97
Scenario 11	480	20%	5 Years	4.87
Scenario 12	480	20%	15 Years	5.26

Table 3 – Housing Land Supply Calculation (Base + Buffer + Backlog) based on Annualised Housing Requirement of 480 net new homes.

Assessment Reference	Base Annualised Housing Target	Buffer Applied	Under delivery spread over?	Land Supply in Years
n/a	565	0	0	5.57
Scenario 13	565	5%	5 Years	4.52
Scenario 14	565	5%	15 Years	5.02
Scenario 15	565	20%	5 Years	4.03
Scenario 16	565	20%	15 Years	4.42

Table 4 – Housing Land Supply Calculation (Base + Buffer + Backlog) based on Annualised Housing Requirement of 565 net new homes.

Q7. Should I consider that the appropriate buffer to be applied in this case is 20%, can the Council demonstrate a five year housing land supply?

The application of a 20% buffer can be seen by way of reference to the Tables included in response to question 6 to adversely affect the Council's ability to demonstrate a five year land supply on the basis of a target of 565 net new homes per annum.

Notwithstanding this the City Council maintain that there is a strong case owing to Carlisle's circumstances as to why the application of a 5% buffer is justified. More detailed analysis to support this contention is ongoing and it is hoped can be shared with you no later than the week commencing 27th July.

Q8. Could the Council please provide further five-year housing land supply calculations applying the 20% buffer to the sum of the base requirement + shortfall (2013-2015)? (In doing so, it would also be prudent to acknowledge the indication that proposed allocated site U19 is to be withdrawn by the land owner and so will not therefore be deliverable in years 0 – 5)

Tables 1, 2, 3 and 4 also demonstrate the application of a 20% buffer within the land supply position, mirroring the same assumptions employed in response to Question 6 (including the exclusion of any supply from site reference U19).

Q9. If the Council cannot demonstrate a five year housing land supply having applied a 20% buffer, what measures can the Council undertake to achieve a five-year housing land supply that includes a 20% buffer?

It is evident by way of reference to Tables 1 to 4 (provided in response to question 6) that the Council are unable to demonstrate a five year supply of deliverable land if the 20% buffer is applied to the base requirement of 565 net new homes per annum. The two most obvious options open to the Council to address this would appear to be to either:

1. allocate additional deliverable land; or
2. reduce the Plans housing requirement.

There are significant concerns that acting to allocate additional land will not improve the five year land supply position. This reflects that in order to be regarded as deliverable the definition within the NPPF specifies that there must be "a realistic prospect that housing will be delivered on the site within five years". Whilst there are a number of land owners within the District promoting additional and alternative sites few of these are known to have firm developer interest at this stage. Whilst there may be no physical or other constraints preventing these sites from being developed now, there are currently constraints concerning the capacity of the development industry within the District to deliver on these in the short-term. These latter constraints reflect that in recent years only two volume housebuilders have been consistently active within the District and that in

reality there is a limit to the number of sites, and build rates upon these sites, which can be progressed simultaneously.

It is therefore contended that land availability in itself is not the issue in Carlisle and that instead it is the capacity of the industry which is constraining the extent to which land can be considered 'deliverable'. A good illustration of this is that no phasing mechanisms are proposed by the submitted Plan with regards to the residential allocations within, and few have any site specific circumstances precluding them from being brought forward at the earliest possible opportunity. Instead what is required to realise their potential is a willing developer with the ability to take the sites on and deliver in the short term. The Council maintain that the range of allocations included in the Plan constitutes an attractive and flexible portfolio and as such there are no concerns that the sites selected are unlikely to appeal to developers or that they cannot be viably acquired.

On a positive note a third volume and nationally recognised house builder has recently shown firm interest in the District and their presence in Carlisle and the wider County, which experiences similar problems, has therefore been welcomed. Beyond this, in order to encourage others, the City Council are developing a Housing Delivery Action Plan and a key part of this strategy is to promote the opportunities within the District to house builders who are not presently active within Cumbria with the ultimate aim of supporting them in becoming so. These efforts are being supported by the Homes and Communities Agency with a recent promotional event with an audience of house builders at their offices in Warrington testament to this. The City Council are also keen to engage the Home Builders Federation to understand how best to engage with their Members.

The City Council is confident that in time capacity constraints can be overcome in that additional housebuilders can be attracted to become active within the District. It must be recognised however that there will be a time lag between these developers gaining a foothold in Carlisle, which itself will take time, and the point at which they would be operating at or near to their maximum capacity. Consequently it is considered that the ability to enhance development capacity in the short term is limited, and as such any positive implications for a deliverable housing land supply equally so.

Reducing the Plans housing target, whilst undesirable from the City Council's perspective, appears, without prejudice to the Council's eventual position on this matter, to be the more realistic option to enable confidence regarding a five year land supply position. Initial analysis supports that if a 20% buffer was to be considered that most appropriate, and this buffer was to be applied to backlog in addition to the base requirement, that the optimum balance between boosting supply and being able to demonstrate a five year deliverable land supply would be achieved with a net annual requirement of 495 dwellings. This figure can be seen to still fall within the range of objectively assessed need recommended by the SHMA (Document library ref: EB 002) i.e. 480 – 565 dwellings per annum. The Plan as submitted already specifies that the housing requirement is a minimum which could therefore be exceeded providing proposals accord with the Plan's overarching strategy.

Q10. What alternative solutions, if any, may be open to the Council to help deliver the required number of affordable homes? For example, what consideration has the Council given to increasing the total amount of housing to help deliver the required number of affordable homes? Would this be achievable in light of the total housing supply figure of 10,485 units (referred to in Table 1 of the Submitted Local Plan) and could such a solution be effective?

The Council does not consider that there are any alternative solutions open to it, beyond the existing provisions in the Plan as submitted, which would help to further deliver the required number of affordable homes. Notwithstanding this the Council do not share the same degree of concern regarding the role of the private rented sector in meeting affordable needs, which in reality will continue to do so, and which nothing in the NPPF explicitly seeks to prevent.

Whilst increasing the total amount of housing would ordinarily afford further opportunities to secure additional affordable homes, it is not considered that this would be effective in Carlisle's circumstances. The preceding commentary has identified that there are significant capacity constraints associated with the development industry within the region, the consequence of which is that there are considered to be genuine limitations, even in the most optimistic of scenarios, as to what can realistically be achieved in delivery terms within the plan period. Such capacity constraints extend beyond commercial house builders to Registered Providers with discussions with the latter to date highlighting issues in terms of their appetite and ability to respond to the opportunities the Plan as submitted already entails. Additional reforms to the affordable sector by the Government, including the reintroduction of the right to buy and real time social rent reductions over the course of parliament, are and will continue to exacerbate these issues.

It must also be borne in mind that increasing the total amount of housing as a means of securing additional affordable homes is a theoretical notion. Abnormal site costs could affect viability as could a consequential and additional burden on infrastructure which may flow from an increased volume of delivery. In such circumstances it is relatively common that any enhanced costs in these terms would be met, if deemed critical and therefore of greater importance, at the expense of affordable housing provision. In these regards, even if concerns over the capacity of the industry to deliver are set aside, it must be acknowledged that increasing housing land would entail no guarantee that there would be a directly proportionate increase in the number of affordable homes delivered.

With regards to the role of the private rented sector in meeting affordable need it is accepted that this form of provision is excluded from the definition of affordable housing within Annex 2 of the NPPF. Notwithstanding this however it is considered pertinent to note that this same definition is intended to be used for 'planning purposes'. In other words, any future additions to the 'affordable' stock must be of the types of housing described in the NPPF (i.e. social rented, affordable rented and intermediate). The NPPF definition does not deal with the current use of the housing stock, which is considered fundamental when looking at affordable housing need, as is evident through the wording

adopted in the NPPF, and specifically the last part of this definition which is of significance, as follows:

'Affordable housing: Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market.'

It is clear in Carlisle (and indeed nationally) that many households 'needs' are met by the market (through claiming Housing Benefit to be able to access the Private Rented Sector). To dismiss the role of the private rented sector is considered to confuse between a point of fact (i.e. the way the market operates to house people) and the future planning of affordable housing. A simple example to illustrate this point would be someone from outside of the District moving to Carlisle without any money and no home to move in to. If they applied for a social property there is a probability that they would be told that nothing is available (or that they are not eligible). They would however be able to seek to find a benefit supported tenancy in the private rented sector and in Carlisle all of the evidence shows that such homes are available. If they were a) able to claim housing benefit and b) able to find a suitable property then the market can evidently be seen to meet their need and therefore the NPPF definition (above) can be seen to apply. It is contended that the role of the private rented sector must therefore be fundamental in the NPPF definition of affordable housing.

In the Carlisle SHMA, the need for affordable housing is not reduced by the assumed continued role of the private rented sector. The need for affordable housing is shown as 295 per annum. The role of the private rented sector is included to demonstrate that this level of need (the 295) does not put additional pressure on the overall need for housing (as there are homes available for many of these households to access). Put another way, if 295 affordable homes were able to be provided per annum within Carlisle, then this would release a significant number of homes back into the market such that the need for housing would not be above the Objectively Assessed Needs.

The analysis in the SHMA is considered to demonstrate that the private rented sector in Carlisle is sufficient in size, that there are solutions for households where there is a lack of availability of 'genuine' affordable housing (i.e. social/affordable rented or intermediate) and as such that there is no need to consider an uplift to the Objectively Assessed Needs based on affordability alone.

Q11. Could the Council please clarify how 9 pitches [for Gypsies and Travellers] will meet the identified need over the plan period?

Reference at paragraph 5.90 to '2028' is an unfortunate typographical error which it is accepted leads to confusion and which needs to be addressed by way of a main modification. The City Council can confirm that the 'plan period' within the context of Policy HO11 is 2015 to 2030 with the need figures and this time period directly supported by the evidence in the form of the Cumbria Gypsy and Traveller Accommodation Assessment (Document library ref: EB 008). Consequently it is contended that the

proposed allocation, which is capable of accommodating the required nine pitches, will meet the identified need between now and 2030.

On this same issue it is considered pertinent to note that the City Council has recently granted permission for an additional two pitches on an alternative site within the District, resulting in the residual unmet need between now and 2030 reducing to seven pitches.

I trust that the above adequately responds to your initial questions but please do not hesitate to contact me if not or if it would be helpful to elaborate on any aspect of the Council's response.

I look forward to hearing from you in due course as to how you envisage the examination would be best progressed.

Yours sincerely,

A handwritten signature in black ink that reads "Gary Legg". The signature is written in a cursive, slightly slanted style.

G Legg

Investment & Policy Manager

Economic Development

cc. Tony Blackburn, Programme Officer

Calculations for Response to Question 6: Tables 1 – 4

Base requirement + Backlog + Buffer

Backlog made up in the first five years of the Plan

Table/Scenario	Table 1 Scenario 1	Table 1 Scenario 3
Requirement 2015 – 2020: based on 480 per annum	5% Buffer	20% Buffer
Base Requirement (5 x 480)	2,400	2,400
Backlog between 2013 and 2015	351	351
Sub Total	2,751	2,751
Buffer	137	550
Total Requirement	2,888	3,301
Forward Land Supply to 2020	Total	
Quantified net deliverable supply to 2020 (see appendix 1)	3,150	3,150
Balance		
Forward supply less requirement	+ 262	-151
	5.45 Yrs	4.77 Yrs

Backlog made up in the term of the Plan

Table/Scenario	Table 1 Scenario 2	Table 1 Scenario 4
Requirement 2015 – 2020: based on 480 per annum	5% Buffer	20% Buffer
Base Requirement (5 x 480)	2,400	2,400
Proportion of Backlog between 2013 and 2015 [(351/15) x 5]	117	117
Sub Total	2,517	2,517
Buffer	126	503
Total Requirement	2,643	3,020
Forward Land Supply to 2020	Total	
Quantified net deliverable supply to 2020 (see appendix 1)	3,150	3,150
Balance		
Forward supply less requirement	+ 507	+130
	5.96 Yrs	5.22 Yrs

Backlog made up in the first five years of the Plan

Table/Scenario	Table 2 Scenario 5	Table 2 Scenario 7
Requirement 2015 – 2020: based on 565 per annum	5% Buffer	20% Buffer
Base requirement (5 x 565)	2,825	2,825
Backlog between 2013 and 2015	521	521
Sub Total	3,346	3,346
Buffer	167	669
Total Requirement	3,513	4,015
Forward Land Supply to 2020	Total	
Quantified net deliverable supply to 2020 (see appendix 1)	3,150	3,150
Balance		
Forward supply less requirement	-363	-865
	4.48 Yrs	3.92 Yrs

Backlog made up in the term of the Plan

Table/Scenario	Table 2 Scenario 6	Table 2 Scenario 8
Requirement 2015 – 2020: based on 565 per annum	5% Buffer	20% Buffer
Base requirement (5 x 565)	2,825	2,825
Proportion of Backlog between 2013 and 2015 $[(521/15) \times 5]$	174	174
Sub total	2,999	2,999
Buffer	150	600
Total Requirement	3,149	3,599
Forward Land Supply to 2020	Total	
Quantified net deliverable supply to 2020 (see appendix 1)	3,150	3,150
Balance		
Forward supply less requirement	+ 1	-449
	5.00 Yrs	4.38 Yrs

Base requirement + Buffer + Backlog

Backlog made up in the first five years of the Plan

Table/Scenario	Table 3 Scenario 9	Table 3 Scenario 11
Requirement 2015 – 2020: based on 480 per annum	5% Buffer	20% Buffer
Base Requirement (5 x 480)	2,400	2,400
Buffer	120	480
Backlog between 2013 and 2015	351	351
Total Requirement	2,871	3,231
Forward Land Supply to 2020	Total	
Quantified net deliverable supply to 2020 (see appendix 1)	3,150	3,150
Balance		
Forward supply less requirement	+ 279	- 81
	5.49 Yrs	4.87 Yrs

Backlog made up in the term of the Plan

Table/Scenario	Table 3 Scenario 10	Table 3 Scenario 12
Requirement 2015 – 2020: based on 480 per annum	5% Buffer	20% Buffer
Base Requirement (5 x 480)	2,400	2,400
Buffer	121	480
Proportion of Backlog between 2013 and 2015 [(351/15) x 5]	117	117
Total Requirement	2,638	2,997
Forward Land Supply to 2020	Total	
Quantified net deliverable supply to 2020 (see appendix 1)	3,150	3,150
Balance		
Forward supply less requirement	+ 512	+153
	5.97 Yrs	5.26 Yrs

Backlog made up in the first five years of the Plan

Table/Scenario	Table 4 Scenario 13	Table 4 Scenario 15
Requirement 2015 – 2020: based on 565 per annum	5% Buffer	20% Buffer
Base requirement (5 x 565)	2,825	2,825
Buffer	141	565
Backlog between 2013 and 2015	521	521
Total Requirement	3,487	3,911
Forward Land Supply to 2020	Total	
Quantified net deliverable supply to 2020 (see appendix 1)	3,150	3,150
Balance		
Forward supply less requirement	-337	-761
	4.52 Yrs	4.03 Yrs

Backlog made up in the term of the Plan

Table/Scenario	Table 4 Scenario 14	Table 4 Scenario 16
Requirement 2015 – 2020: based on 565 per annum	5% Buffer	20% Buffer
Base requirement (5 x 565)	2,825	2,825
Buffer	141	565
Proportion of Backlog between 2013 and 2015 $[(521/15) \times 5]$	174	174
Total Requirement	3,140	3,564
Forward Land Supply to 2020	Total	
Quantified net deliverable supply to 2020 (see appendix 1)	3,150	3,150
Balance		
Forward supply less requirement	+ 10	-414
	5.02 Yrs	4.42 Yrs



Department for
Communities and
Local Government

Mr Stephen Bell
GVA
Norfolk House
7 Norfolk Street
Manchester
M2 1DW

Our Ref: APP/R0660/A/13/2209335
Your Ref:

19 January 2015

Dear Sir,

**TOWN AND COUNTRY PLANNING ACT 1990 – SECTION 78
APPEAL BY HIMOR GROUP LIMITED
LAND BOUNDED BY GREYSTY LANE, ROPE LANE, CREWE ROAD AND A500,
CREWE - APPLICATION REF: 13/2874N**

1. I am directed by the Secretary of State to say that consideration has been given to the report of the Inspector, Geoffrey Hill BSc DipTP MRTPI, who held a public local inquiry between 22 July and 27 August 2014 into your clients' appeal against the failure of Cheshire East Council ("the Council") to give notice within the prescribed period of a decision on an application for outline permission for residential development, retirement/care village, local centre, community building, primary school, public open space, allotments, structural landscaping, access arrangements and demolition of existing structures in accordance with application ref: 13/2874N, dated 12 July 2013.
2. The appeal was recovered for the Secretary of State's determination on 17 December 2013, in pursuance of section 79 of, and paragraph 3 of Schedule 6 to, the Town and Country Planning Act 1990 because it involves a proposal for residential development of over 150 units which would significantly impact on the Government's objective to secure a better balance between housing demand and supply and create high quality, sustainable, mixed and inclusive communities.

Inspector's recommendation and summary of the decision

3. The Inspector recommended that the appeal be dismissed, and planning permission refused. For the reasons given below, the Secretary of State agrees with the Inspector's recommendation. A copy of the Inspector's report (IR) is enclosed. All references to paragraph numbers, unless otherwise stated, are to that report.

Procedural matters

4. An application for costs by HIMOR Group Ltd (IR1.1) is the subject of a decision letter being issued separately by the Secretary of State.

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5. As recorded by the Inspector at IR1.3, the then Parliamentary Under Secretary of State (Planning) wrote to him on 14 July 2014 asking him to give special attention to the evidence put forward by the parties on the five year housing land position across Cheshire East (see paragraphs 13-14 below).
6. In reaching his decision, the Secretary of State has taken into account the Environmental Statement (ES) which was submitted under the Town and Country Planning (Environmental Impact Assessment) (England and Wales) Regulations 2011 in respect of the planning appeal (IR1.4). Like the Inspector, the Secretary of State is content that the ES complies with the above regulations and that sufficient information has been provided for him to assess the environmental impact of the appeal proposals.

Matters arising after the close of the inquiry

7. The Secretary of State has had regard to the correspondence received from Andy Gracie, Mrs S Harrison, R J Taylor and Jayne Puller, which was submitted too late to be considered by the Inspector. The Secretary of State has carefully considered these representations but, as they do not raise new matters that would affect his decision, he has not considered it necessary to circulate them to all parties. However, copies can be made available on written request to the address at the foot of the first page of this letter. The appellants' agents also wrote to the Secretary of State on 28 November and 11 December 2014 concerning the emerging Cheshire East Local Plan (CELP - see paragraph 9 below) and expressing concern that the Council had not responded to their correspondence on the matter. The Secretary of State did not consider it necessary to circulate that correspondence as he is fully informed of the developments on the CELP (see paragraph 9 below).

Policy considerations

8. In deciding this appeal, the Secretary of State has had regard to section 38(6) of the Planning and Compulsory Purchase Act 2004 which requires that proposals be determined in accordance with the development plan unless material considerations indicate otherwise. In this case, the development plan consists of the saved policies of the Borough of Crewe and Nantwich Replacement Local Plan 2011 (BCNRLP), which was adopted in 2005.
9. The Secretary of State has also had regard to the emerging Cheshire East Local Plan Strategy (CELP) (IR3.3). This was submitted for formal examination in May 2014. Hearing sessions took place in late September and early October 2014. However, following an adjournment of the hearings in October 2014 the Development Plan Inspector provided his views on the soundness of the submitted CELP. The examination has been temporarily suspended, while the Council undertake additional work to address the findings. The plan process is ongoing and the Secretary of State has taken this into account in the determination of this appeal as set out in the reasons below.
10. Other material considerations which the Secretary of State has taken into account include the *National Planning Policy Framework* (The Framework – March 2012) and the subsequent planning guidance (2014), as well as the *Community Infrastructure Levy (CIL) Regulations 2010* as amended.

Main issues

11. The Secretary of State agrees with the Inspector that the main issues are those set out at IR10.1.

Development Plan and sustainable development

12. The Secretary of State agrees with the Inspector that the most relevant Development Plan policies are those referred to at IR10.4-10.11. He also agrees with the Inspector's "interim" conclusion at IR10.12 that the appeal scheme does not accord with the saved policies of the BCNRLP. However, for the reasons given at IR10.13-10.17, the Secretary of State agrees with the Inspector at IR10.17 that, whereas the BCNRLP housing supply figures and, by association, policies to restrict the extent of built-up area, are now out-of-date, this does not mean that all policies of BCNRLP must be considered out-of-date but that they should be taken into account according to their "fit" with the Framework.

13. The Secretary of State has gone on to consider carefully the Inspector's findings on the various elements of sustainability: development in the countryside (IR10.19-10.24); Green Gap (IR10.25-10.32); best and most versatile agricultural land (IR10.33-10.34); historic hedgerows (IR10.35-10.39); and accessibility/provision of facilities (IR10.41-10.42). Overall, he agrees with the Inspector's conclusions at IR 10.43 that, for the most part, the appeal scheme is unlikely to be any more harmful to the countryside than any other scheme around the periphery of Crewe and that it would fulfil the social, economic and environmental roles of sustainability as identified in the Framework. However, the Secretary of State also shares the Inspector's reservation (IR10.44) about the extent to which the proposed scheme intrudes into the present Green Gap (see paragraph 17 below).

Five-year housing land supply

14. Having carefully considered the Inspector's analysis of full, objectively assessed housing need (FOAN) at IR10.45-10.64, the requirement for a buffer (IR10.65-10.71) and the Inspector's analysis of the backlog (IR10.72-10.79), the Secretary of State agrees with his conclusion at IR10.63 that, for the time being, it would be reasonable to accept that the FOAN for Cheshire East should be that given in the CELP, with the application of a buffer of 20%. However, the Secretary of State disagrees with the Inspector's approach of including the allowances for each year's backlog in the overall sum to which the buffer should be applied as he sees this as double-counting. He considers that it would be more appropriate to add the figures for the backlog once the figure for each year's need has been adjusted to include the buffer. This would result in a slightly lower total requirement for each year but, nevertheless, one to which he considers that a 20% backlog should be applied.

15. Turning to the Inspector's analysis of housing supply (IR10.80-10.93), the Secretary of State notes that the Council's estimates are inconsistent, and he agrees with the Inspector's conclusion at IR10.91 that the Council's understanding of whether there has been a persistent under-supply is not well founded. He therefore also agrees with the Inspector (IR10.92) that, adopting a 20% buffer, the Council could not demonstrate a 5-year supply of available sites in accordance with the expectations of the Framework and guidance: and he further agrees that the appropriateness of a 5% buffer and of the Council's view of the number of building sites currently available are contentious. However, the Secretary of State also agrees with the Inspector (IR10.93)

that, before deciding whether it is appropriate to allow the appeal, it is also necessary to consider whether the scheme represents sustainable development.

Effect on surrounding road network

16. For the reasons given at IR10.94-10.104, the Secretary of State agrees with the Inspector's conclusion at IR10.105 that, although the proposed scheme would have some negative impacts on the local highway network, the residual cumulative impacts would not be sufficiently severe to justify refusal of planning consent on those grounds.

Prejudice to identification of housing sites and Green Belt extension in emerging CELP

17. Having carefully considered the Inspector's arguments at IR10.106-10.115, the Secretary of State agrees with the Inspector at IR10.116 that the appeal scheme would be acceptable on the proposed site but for the loss of part of the Green Gap that lies between Crewe and Shavington. The Secretary of State acknowledges the Council's view that growth should not overwhelm the independent character of Crewe, including the desirability of maintaining a separate identity for its satellite villages (IR10.117-10.119). The Secretary of State agrees that it remains the case that the CELP Green Belt proposals are the subject of an examination and now subject to further work, so that the principle of an enlarged Green Belt and the extent over which restrictions should apply are far from settled. However, as the Inspector sets out in IR10.121, the Green Belt proposals seek to maintain and carry forward the policy of separation which has been embodied in the Green Gap policy; and he agrees (IR10.120-10.121) that the Green Gap policy has successfully achieved that, with local support, since 2001. Therefore, having taken full account of all the remaining points set out by the Inspector at IR10.122-10.126, the Secretary of State agrees with his conclusion at IR10.127 that allowing this appeal in advance of the resolution of the Green Belt issue through the CELP, would undermine the plan-making process.

Planning balance

18. Having carefully considered the Inspector's arguments at IR10.141-10.148, the Secretary of State agrees with him that, as identified at IR10.143-10.144, there are a number of benefits deriving from the scheme as well as other aspects which would not be unacceptable. However, the Secretary of State agrees with the Inspector (IR10.145) that most of these benefits would not be unique to the appeal site and, like the Inspector, he has gone on to weigh them against the arguably premature loss of part of the Green Gap between Crewe and Shavington (IR10.146). Like the Inspector, the Secretary of State acknowledges that the Green Gap has been part of a long established and well-recognised local policy which forms a part of sustainable development (IR10.147). Therefore, while he accepts that the idea of an extended Green Belt around Crewe may be uncertain, he also agrees (IR10.148) that a decision to allow development on the appeal site could reasonably be seen to pre-empt or prejudice the outcome of the Local Plan Examination.

Conditions

19. The Secretary of State has considered the proposed conditions set out in the Appendix to the IR and the Inspector's comments on them at IR9.1-9.13. He is satisfied that the conditions recommended by the Inspector as bring appropriate if he were to grant permission are reasonable and necessary and would meet the tests of

the Framework and the guidance. However, he does not consider that these overcome his reasons for refusing the appeal.

Obligations

20. The Secretary of State has considered the terms of the Planning Agreement and Unilateral Undertaking as described at IR9.14-9.25, and he agrees with the Inspector that, subject to the caveat at IR9.24, these could be regarded as meeting the Framework tests and complying with the CIL Regulations. However, he does not consider that these overcome his reasons for refusing the appeal.

Overall Conclusions

21. Overall the Secretary of State considers that whilst the proposed scheme can be seen as sustainable development providing much needed housing, deferring a commitment to the reduction of an Area of Green Gap in advance of the resolution of that matter through the Local Plan Examination also represents a sustainable approach to development in accordance with the terms of the Framework. Whereas the scheme does have many benefits, the adverse impacts of approving the development resulting in the premature permanent loss of part of this Green Gap area outweighs the presumption in favour of sustainable development that might otherwise pertain.

Formal Decision

22. Accordingly, for the reasons given above, the Secretary of State agrees with the Inspector's recommendations. He hereby dismisses your clients' appeal and refuses planning permission for residential development, retirement/care village, local centre, community building, primary school, public open space, allotments, structural landscaping, access arrangements and demolition of existing structures at land bounded by Gresty Lane, Rope Lane, Crewe Road and the A500 road, Crewe, in accordance with application ref: 13/2874N, dated 12 July 2013.

Right to challenge the decision

23. A separate note is attached setting out the circumstances in which the validity of the Secretary of State's decision may be challenged by making an application to the High Court within six weeks from the date of this letter.

24. A copy of this letter has been sent to the Council. A notification e-mail / letter has been sent to all other parties who asked to be informed of the decision.

Yours faithfully

Jean Nowak

JEAN NOWAK

Authorised by Secretary of State to sign in that behalf