

Cheltenham Borough Council

Council – 10th February 2017

Gloucester, Cheltenham and Tewkesbury Joint Core Strategy

Main Modifications Report

REPORT OF THE LEADER

Accountable member	Councillor Jordan – Leader
Accountable officer	Tracey Crews – Director of Planning
Ward(s) affected	ALL
Key/Significant Decision	YES
Executive summary	<p>The Joint Core Strategy (JCS) is the strategic planning document being prepared jointly by Gloucester City, Cheltenham Borough and Tewkesbury Borough Councils to provide a framework for meeting the development needs of the area over the plan period from 2011 to 2031.</p> <p>The proposed Main Modifications to the JCS formulated following the July 2016 hearings were agreed at the October 2016 Council meetings by Gloucester City and Cheltenham Borough councils.</p> <p>The agenda, documents and minutes of the Cheltenham Borough Council meeting are available here: https://democracy.cheltenham.gov.uk/ieListDocuments.aspx?CId=143&MId=2646&Ver=4</p> <p>However the Main Modifications were not agreed by Tewkesbury Borough council. Instead Tewkesbury Borough Council resolved that officers bring back to their Council for approval proposed main modifications to the June 2014 Pre-Submission Gloucester, Cheltenham and Tewkesbury Joint Core Strategy which do not include Twigworth as part of the Innsworth/Twigworth strategic allocation. This would impact on the Gloucester housing supply.</p> <p>Subsequent to all the Council meetings in October, a letter from the Defence Infrastructure Organisation dated 28th October 2016 (now examination document EXAM 262) was received confirming that following a recent assessment there was a continued Defence requirement for a significant portion of the MoD Ashchurch site for at least the next 10 years. This results in a significant loss of</p>

housing supply for Tewkesbury council.

Both these events and further clarification obtained since the Council meetings in October 2016 (in particular on flooding issues in respect of the Twigworth site) **have required officers to make changes to the JCS** and the proposed Main Modifications needed to make the plan sound.

The amended proposed Main Modifications in the light of these events are therefore the subject of this report. The amended proposed Main Modifications set out in Appendix 1 and 1A **remove MoD Ashchurch** as a strategic allocation and **include the site at Twigworth** (but at a reduced indicative capacity of 995 dwellings, rather than 1,363 dwellings).

Subject to approval by all three Councils, the proposed Main Modifications will be subject to a formal **consultation for a period of six weeks during February to March/April 2017** (dates to be confirmed).

The Inspector will receive the full responses to this consultation and consider them in late Spring 2017. The Inspector has already confirmed that **further hearings on the proposed Main Modifications will take place after the public consultation.**

The amended proposed Main Modifications at Appendix 1 and 1A have also been considered by Gloucester City Council on the 6th February and by Tewkesbury Borough Council on 31st January (with the proposed Main Modifications appended as Appendix 1 and 1A to this report appearing as Appendix 2 and 2A in the report to Tewkesbury Borough Council).

In accordance with Tewkesbury Borough Council's resolution on 25th October 2016, amended proposed Main Modifications without a Twigworth allocation have also been produced (not appended to this report) for the meeting at Tewkesbury Borough Council on 31st January 2017. Officers, have advised that there are likely to be soundness issues with that approach.

The following appendices are appended to and referred to in the report:

Appendix 1: Table of Proposed Main Modifications

Appendix 1A: Modification Maps

Appendix 2: Superseded Policies

Recommendations **The Council is asked to:**

- (1) Approve for public consultation the proposed main modifications to the June 2014 Pre-Submission Gloucester, Cheltenham and Tewkesbury Joint Core Strategy as set out in Appendix 1 to this report (including proposed modifications to the Proposals Map and Key Diagram) as those it endorses and considers necessary to make the JCS sound

- (2) Delegate authority to the Director of Planning of Cheltenham Borough Council in consultation with the Leader of Cheltenham Borough Council to make minor changes to the proposed main modifications and proposed modifications to the Proposals Map and Key Diagram) in terms of formatting, presentation and accuracy

Financial implications

The 2016/17 Budget Setting Report Growth Summary (Appendix 4) included a contingency of £50k to be funded from General Balances to complete the examination process and implement CIL as recommended by Cabinet on 14th December 2015.

This contingency has been taken from general balances in the current year to fund the council's contribution to the process in accordance with the resolution of Council in June 2016.

*An earmarked reserve of £68,780 is in place that can be drawn upon to support any further costs incurred over and above the annual £60k contribution per partner council and the one-off growth mentioned above agreed in 2016/17. **Contact officer: Myn Cotterill**
Myn.Cotterill@cheltenham.gov.uk, 01242 774958*

<p>Legal implications</p>	<p>The purpose of the examination of the JCS is to assess whether the JCS has been prepared in accordance with the duty to co-operate, legal and procedural requirements and whether it is sound (as set out in paragraph 182 of the National Planning Policy Framework (“NPPF”). A local planning authority should only submit a plan which it considers sound. The JCS was submitted for examination on 20th November 2014.</p> <p>The Pre-Submission Version of the JCS (June 2014) (“June 2014 JCS”) was the publication version upon which representations were made. The Inspector considered that the subsequent changes (which have not yet undergone public consultation) as set out in the Submission Version of the JCS (November 2014) go beyond what would fall within the category of minor amendments. Therefore the Inspector has been considering the June 2014 JCS during the examination rather than the Submission Version of the JCS (November 2014).</p> <p>The Inspector has indicated that she is minded to find a number of the policies in the June 2014 JCS unsound; during the hearings and also initially within her Preliminary Findings dated 16th December 2015, and subsequently within her Interim Report dated 26th May 2016, which has been followed up by her Note of Recommendations made at the hearing on the 21st July 2016 (dated 25th July 2016)</p> <p>The Inspector is therefore indicating that she would not be able to recommend that the June 2014 JCS is adopted without modifications and that the JCS can only be found to be sound with main modifications. The Inspector has invited the JCS team to draft a set of main modifications, including those which have already been discussed during previous hearings, those which flow from the Interim Report recommendations, those discussed during the July 2016 hearings (which were held for the Inspector to discuss the implications of the Interim Report with the JCS authorities in terms of any queries or complications they may have had in advance of preparing modifications) and those within the Inspector’s Note of Recommendations made at the hearing session on 21st July 2016.</p> <p>Once the proposed modifications as detailed within Appendix 1 are approved for consultation, though still not representing the policies of an adopted plan, these will then form part of the emerging plan policies as the JCS Councils are seeking to be found sound and capable of adoption. It will be for the Inspector to set out in her Final Report, whether she is satisfied that the plan can be made sound with main modifications and if so, the exact wording of main modifications to be made.</p> <p>Under section 23 of the Planning and Compulsory Purchase Act 2004, it is not possible to adopt a development plan document that an Inspector has only found to be sound with main modifications, without all the main modifications as recommended in an Inspector’s Final Report. Save for any minor amendments, which (taken together) do not materially affect the policies set out in the development plan document; the wording must be as the main modifications set out within the Final Report.</p> <p>Contact officer: Solicitor, cheryl.lester@tewkesbury.gov.uk, 01684 272 013</p>
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HR implications (including learning and organisational development)	<p>No direct HR Implications arising from the report</p> <p>Contact officer: GO SS HR Manager, julie.mccarthy@cheltenham.gcsx.gov.uk, 01242 264 355</p>
Key risks	<p>Delay to the progress of the Joint Core Strategy examination and adoption of the plan means that the Council will not have an up to date local plan for the area. The absence of the Joint Core Strategy could result in an uncoordinated approach to development, leading to inappropriate and incremental development being allowed on appeal that does not take account of cross boundary implications and requirements for supporting infrastructure, with the potential for adverse environmental impacts. There are applications already submitted relating to strategic sites identified through the JCS and other major applications pending that are being hindered by delays in progressing the plan. It is therefore critical that examination is advanced as quickly as possible.</p> <p>The recent government consultation response on New Homes Bonus indicates that there is still a significant risk of losing the bonus in relation to new development if the JCS authorities were to halt plan making or if the JCS was to fail to progress towards adoption in 2017. The Government has already announced within its Provisional 2017-2018 Local Government Finance Settlement that it intends to introduce a baseline for housing growth set at an initial baseline of 0.4% of the council tax base for 2017-18. Housing growth below this level in each authority will not receive bonus allocations. From 2018-19 it will consider withholding New Homes Bonus payments from local authorities that are not planning effectively, by making positive decisions on planning applications and delivering housing growth. In addition, a written statement by the Housing & Planning Minister on 21st July 2015 set out that in cases where no Local Plan has been produced by early 2017 the government will intervene to arrange for the Plan to be written.</p>
Corporate and community plan Implications	<p>The JCS supports and is referenced by the Corporate Strategy and wider community planning. The plan making process is open to all parties of the formal consultation processes.</p>
Environmental and climate change implications	<p>Delay to the progress of the Joint Core Strategy could further result in an uncoordinated approach to development. It is important that future growth is plan-led to ensure that combined impacts on the environment and the infrastructure needs of the wider area are taken into account. The comprehensive approach to environmental impacts cannot be fully assessed through incremental and piecemeal growth. The JCS is being assessed through a sustainability appraisal process and Habitats Regulation Assessment (HRA) which consider the environmental, social and economic outputs of the Plan and ensure that development meets the needs of both present and future generations. The Sustainability Appraisal supporting the JCS encompasses Strategic Environmental Assessment as required by EU Directive (2001/42/EC). In addition HRA has been undertaken as required under the European Directive 92/43/EEC on the "conservation of natural habitats and wild fauna and flora for plans" that may have an impact on European (Natura 2000) Sites. The JCS Sustainability Appraisal as amended is available at www.gct-jcs.org</p>

Property/Asset Implications	<p>The removal of the Green Belt between the West and North West Cheltenham Strategic Allocations comprises land which is owned by the Borough including the site known as ‘Arle Nurseries’ (which straddles the administrative boundaries of Cheltenham Borough and Tewkesbury Borough). Whilst this site is not allocated through the Joint Core Strategy, its removal from the Green Belt could facilitate its allocation through the Cheltenham Plan. Removal from the Green Belt would increase the likelihood that new development could take place on this land. Any proposal would need to be sustainable and in accordance with the development plan as a whole, with particular evidence being required in relation to flood risk.</p> <p>Contact officer: Head of Property</p> <p>David.Roberts@cheltenham.gov.uk, 01242 264151</p>
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1. Background

- 1.1 On the 31st May 2016 the JCS Councils received the Inspector’s Interim Report regarding her examination of the JCS up to that date. The Inspector’s Interim Report was published as EXAM232 and is available to view at:

<http://www.gct-jcs.org/Documents/Examination-Document-Library-6/EXAM232---JCS-Inspectors-Interim-Findings---31052016.pdf>

Council met on the 30th June 2016 to review those findings and resolved to:

- Note the Interim Report of the Inspector;
 - Agree that the JCS officers attend the July hearings to discuss the Interim Report and the recommended way forward with the Inspector, identifying specific consequences and key points arising from the findings to the Inspector
 - Agree that a summary of comments made by Members at the Council meetings held by the JCS Authorities be passed to the JCS Inspector for consideration.
- 1.2 Cheltenham Borough Council also resolved to undertake an urgent review on Local green Space for those areas now affected by the Inspectors interim findings. During July 2016 hearings were held in light of the Interim Report, and the resolutions of Council above. These hearings covered issues such as which strategic allocations should be included in the JCS, safeguarded land, further evidence on retail, a further site visit to Leckhampton, the JCS housing trajectory and Local Green Space. The hearings agenda is available to view at: <http://www.gct-jcs.org/Documents/Examination-Document-Library-6/Agenda-for-JCS-hearings-on-6-and-7-July-2016.pdf> and <http://www.gct-jcs.org/Documents/Examination-Document-Library-7/Agenda-JCS-Hearings-19-21-July.pdf>
- 1.3 On the last day of the July hearings, 21st July 2016, the Inspector made a statement on progress of the examination and the next steps to be taken. The Inspector’s Note of Recommendations made at the hearing session on 21st July 2016 was subsequently published as EXAM 259 and is available here: <http://www.gct-jcs.org/Documents/Examination-Document-Library-7/EXAM-259---Inspectors-Note-of-Recommendations-from-21-July-2016.pdf>
- 1.4 In the Inspector’s Note of Recommendations, she requested that Main Modifications be made available for her by Monday the 19th September 2016 for checking.

- 1.5** Consequently, the JCS officer team has formulated the proposed Main Modifications on the following basis:
- Those suggested by the JCS Councils during the hearing process in evidence either in response to the Inspector's questions or in response to matters raised by those making representations on the plan (including through Statements of Common Ground).
 - Those identified through the Inspector's Interim Report and Note of Recommendations.
 - To address the issues raised subsequent to the October 2016 Councils, which are the focus of this report
- 1.6** It should be noted that the Inspector is only required to be concerned with matters associated with the soundness of the JCS and not with simply trying to improve the emerging plan. It can therefore be assumed that where Main Modifications are recommended these are required to make the Plan sound.

2. Reasons for recommendations

- 2.1** A large number of changes are proposed through the Main modifications and the majority have already been seen by council and were agreed at the Council meeting of the 18th October 2016. The amended Main Modifications to be agreed are set out in Appendix 1. The changes made to the proposed Main Modifications arise from the Twigworth strategic allocation and MoD Ashchurch issues. These and their implications have been summarised below for consideration at this council meeting.
- 2.2** To advance the JCS from here, the three JCS authorities need to approve the amended proposed Main Modifications which will be subject to formal public consultation. The Inspector needs to be satisfied that any recommendations made in the Inspector's Final Report, being ones that make the plan sound, have been sufficiently consulted upon. It is not lawful to adopt a Plan as originally submitted where an Inspector has required modifications to be made for the Plan to be sound. It will only be possible to adopt a Plan, which includes all the main modifications the Inspector recommends within the Final Report.

Twigworth Strategic Allocation

- 2.3** The Inspector recommended within her Interim Report that a site at Twigworth should be allocated for housing-led development of at least 750 dwellings (the Inspector having in error referred to the existing outline application as being for 750 dwellings, which actually relates to the application for 725 dwellings), with further capacity to be investigated by the JCS authorities.
- 2.4** Following, the Tewkesbury Council resolution on 25th October, the JCS authorities have undertaken further evidence base work on the Twigworth site to assess its deliverability and sustainability. This has included sustainability appraisal, landscape and visual sensitivity assessment, historic environment assessment, transport modelling and a strategic flood risk assessment. The evidence reports can be viewed on the JCS website: <http://www.gct-jcs.org/New-Evidence-Base-and-Associated-Documents/New-Evidence-Base.aspx>
- 2.5** The results of this work presented no evidence-based reason to suggest that an allocation at Twigworth is not deliverable. This additional assessment for Twigworth also concluded that there are no overriding flooding issues which would prevent the land being allocated for development.
- 2.6** However, the report did make suggested changes to the developable area of the site based on

information from modelling and flood flow data and the latest guidance from the Environment Agency regarding climate change. The report also recommends additions to JCS policy INF3 Flood Risk to strengthen the guidance, which is elaborated on in paragraph 2.15 below. The full report can be viewed on the JCS website. The residential capacity is now assumed to be 995 dwellings, reduced from 1,363 dwellings that was the previously assumed capacity of the allocation

MoD Ashchurch Strategic Allocation

- 2.7** The MoD Ashchurch site was a strategic allocation in the June 2014 Pre-Submission JCS and was expected to deliver 2,125 dwellings (later increased to 2,225 dwellings) and 20ha of employment land over the plan period to 2031, plus a further 500 dwellings post-2031. However in October 2016 confirmation was received from the Defence Infrastructure Organisation (DIO) that there is a continued requirement for land within the MoD site for at least the next 10 years. As such it is the intention of the MoD to retain all but the eastern section of the site.
- 2.8** This eastern area comprises of 15.8ha which could be released for development from 2023/24 for approximately 400 dwellings. In addition, there is land within the strategic allocation beyond that which is owned by the MoD that has the potential to deliver up to 1,100 dwellings. The challenge for the remaining parcels of available land is around access, masterplanning, place making and infrastructure provision. These issues currently present some uncertainty that the sites could be sustainably developed and places questions on their deliverability. Therefore, the Main Modifications proposed include the removal of the MoD Ashchurch site in its entirety as a strategic allocation at the present time.

Gloucester City Housing Shortfall

- 2.9** Gloucester City has an identified shortfall against the total JCS housing requirement of 1,313 dwellings (this would be 2,308 dwellings without the Twigworth Strategic Allocation). Despite this shortfall, Gloucester City can on adoption maintain at least a 5.8 years supply of housing land and sufficient sites to delivering housing in the short to medium term. However, it is critical that the shortfall is still addressed over the plan period in a strategic and plan-led way.

Tewkesbury Borough Housing Shortfall

- 2.10** Tewkesbury Borough has an identified shortfall against the total JCS housing requirement of 2,843 dwellings, largely due to the removal of the MoD Ashchurch site. However, despite this shortfall, Tewkesbury Borough can maintain at least a 5.3 years supply of housing land and sufficient sites to deliver housing in the short to medium term. However, it is critical that the shortfall is still addressed over the plan period in a strategic and plan-led way.

Delivery, Monitoring and Review Section

- 2.11** The proposed Main Modifications therefore set out additional changes to the Delivery, Monitoring & Review section of the JCS to provide a commitment to undertaking a partial early review of Gloucester's housing supply and a partial immediate review of Tewkesbury's housing supply following the adoption of the plan. These reviews will allow consideration of any other development options that become available, both within and outside the JCS area.
- 2.12** This would allow further exploration of potential early delivery of sites at MoD Ashchurch as well

as any wider potential within the Tewkesbury town and Ashchurch area, including opportunities and constraints presented by improvements to the M5 Junction 9 and A46.

- 2.13** The partial early review of Gloucester's housing supply would include further development opportunities within the urban area that are not currently deliverable, as well as the potential for new urban extensions in Tewkesbury Borough and Stroud District. As such, it is important that any review is undertaken in tandem with the review of the Stroud Local Plan so that all potential development alternatives are comprehensively explored through the plan-making process.

Summary of the Amended Proposed Main Modifications

- 2.14** Additional modifications to the JCS have been proposed following the last report to Council on 24 October 2016. These modifications have been included to add further clarity, strength and detail to certain policies in order for them to guide sustainable development.
- 2.15** Policy INF3: Flood Risk now includes additional guidance following the recommendations from the Thomas Consulting report on flooding. Significantly this includes a requirement that planning applications take into account the latest available flood modelling and flows to justify the flood zones used for a development. It also sets out that development will need to compensate for pluvial flood storage lost through any development.
- 2.16** Policy SD13: Affordable Housing has been amended to provide clarity that sites (outside of strategic allocations) with a maximum combined gross floor space of greater than 1,000 sqm will be required to provide 40% affordable housing in Cheltenham and Tewkesbury, and 20% in Gloucester. The policy also clarifies that, for sites of 10 or less dwellings, further affordable housing guidance may be provided through district-level plans.
- 2.17** Policy SP2: Spatial Strategy has been amended to reflect the changing housing and employment delivery from proposed strategic allocations taking into account the changes brought about through the MoD Ashchurch and Twigworth strategic allocations.
- 2.18** Mapping changes have also been necessary to reflect changes in proposed strategic allocations and these are provided at Appendix 1A.
- 2.19** In summary, the following proposed main modifications have been amended following the last report to Council:

PMM014: referencing clarification

PMM017: referencing clarification

PMM018: referencing clarification

PMM020: Policy SP2 changes to strategic allocations and housing supply figures

PMM021: Policy SP2 explanatory text change to strategic allocations and housing supply figures

PMM023: Policy SP2 explanatory text change to Gloucester and Tewkesbury housing shortfall

PMM024: referencing clarification

PMM025: Policy SP2 explanatory text change to employment delivery from strategic allocations

PMM026: Policy SP2 explanatory text change to remove reference to MoD Ashchurch allocation

- PMM028: Policy SP2 housing supply tables (SP2a) change to delivery from strategic allocations
- PMM029: Policy SP2 strategic allocation supply table (SP2b) change
- PMM034: numbering clarification
- PMM035: Policy SD2 clarification on Gloucester urban regeneration
- PMM039: Policy SD3 wording change to policy 5.iii. to support regeneration strategies
- PMM070: Policy SD13 change to clarify guidance on site area affordable housing thresholds and approach to small sites
- PMM0084a: Policy INF3 additional policy wording to require latest available updates to flood modelling to be taken into account
- PMM0085a: Policy INF3 explanatory text new addition to support need for requirement for latest available flood modelling
- PMM0086: Policy INF3 explanatory text additional flood guidance to cover surface water storage and flood management
- PMM0103: Policy SA1 strategic allocations table (SA1) change to reflect strategic allocations
- PMM0106: Policy A1 changed to reflect the reduced capacity of Twigworth to 995 dwellings and to add text in respect of flooding management
- PMM0114: Policy A8 removed to reflect removal of MoD Ashchurch strategic allocation
- PMM0123: Delivery, Monitoring and Review section addition of titles to text
- PMM0123a: Delivery, Monitoring and Review section additional text regarding early review of Gloucester's housing supply
- PMM0123b: Delivery, Monitoring and Review section additional text regarding immediate review of Tewkesbury's housing supply
- PMM0125: Delivery, Monitoring and Review section updated with latest housing trajectory charts and calculations for Gloucester
- PMM0127: Delivery, Monitoring and Review section updated with latest housing trajectory charts and calculations for Tewkesbury
- PMM0128: Delivery, Monitoring and Review section updated with strategic allocation trajectory
- PMM0134: Maps (at Appendix 1A) updated to reflect changes to strategic allocations
- PMM0135: List of existing policies that would be superseded by JCS proposed policies (at Appendix 2)

Stepped Trajectories

- 2.20** A stepped trajectory can be used when a local authority identifies that it can deliver an amount of housing required by the plan, but only over a longer period than would normally be required. The 'step' means that the demand figure is reduced in the early part of the plan, and then increased in the later period of the plan to marry need with delivery. This ensures a constant five year supply.

2.21 The inspector confirmed in her Note of Recommendations made at the hearing session on 21st July 2016 that stepped trajectories may soundly be used in the JCS implementation strategy subject to robust justification. A stepped trajectory was already included within the proposed main modifications presented to the Councils in October in respect of Cheltenham. The basis for this is that completions are lower early in the plan period because strategic allocations have not yet started delivering. Higher targets can be met in later years because, by that time, strategic allocations will be fully delivering. Similarly, a stepped trajectory is now proposed in respect of Tewkesbury for the middle years of the plan in order to allow sufficient time for the immediate review to be undertaken with the expectation that sites identified as part of the immediate review will be able to deliver those earlier requirements which were reduced by a step, by the latter years of the plan period.

3. Alternative options considered

3.1 There is no reasonable alternative to deciding whether the amended proposed Main Modifications for soundness set out in the appendices are acceptable to the Councils at this stage of the plan making process.

4. Consultation and feedback

4.1 Public consultation on the JCS has been extensive throughout its development, with the key consultation stages including:

- Key Issues & Questions – November 2009/February 2010
- Developing the Preferred Option – December 2011/February 2012
- Draft JCS – October/December 2013

4.2 The Pre-Submission (June 2014) version of the plan was consulted upon during summer 2014 and the Submission JCS (November 2014), which included amendments with the Inspector subsequently considered to go beyond minor amendments was submitted to the Secretary of State for its examination in public. The representations to the Pre-Submission (June 2014) JCS were referred to the Inspector for consideration as part of the examination process and it is the Pre-Submission (June 2014) version which the Inspector has been examining.

4.3 The examination has been held in public with extended examination around key parts of the plan such as the Objectively Assessed Need, Economic Strategy, strategic sites and local green space. Some Cheltenham members (as members of Parish Councils/other bodies) have played an active role in the examination sessions. Those who responded to the Pre-Submission consultation have been able to submit evidence to the examination and appear at hearing sessions.

4.4 The JCS Member Steering Group has reviewed the majority of the proposed modifications and their justification together with direct engagement with the Leaders of the JCS authorities. Progress of the JCS examination has been reported regularly to the Planning and Liaison Member Working Group.

5. Performance management –monitoring and review

5.1 Council approval is sought on the amended proposed Main Modifications plan for it to undergo a formal public consultation period expected to take place for 6 weeks on dates to be confirmed during February 2017 to March/ April 2017.

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Appendices	<ol style="list-style-type: none">1. Table of Proposed Main Modifications<ol style="list-style-type: none">1A. Modification Maps2. List of Superseded Policies3. Risk Assessment