REPORT OF THE CITY MAYOR

TO COUNCIL ON 21 NOVEMBER 2012

TITLE: WITHDRAWAL OF SALFORD’S CORE STRATEGY

RECOMMENDATION: That the Council:

1) Withdraws the Publication Core Strategy; and
2) Commences work on a Local Plan.

EXECUTIVE SUMMARY: An independent inspector has been conducting a public examination into Salford’s proposed Core Strategy. Following three weeks of hearings in September 2012, the inspector wrote to the city council identifying several reasons why he considered the Core Strategy to be unsound in its current form. In particular, he has suggested that the scale of housing and economic development that is being planned for needs to increase, which will require more land to be identified for development. The inspector has suspended the examination hearings and requested a response from the city council as to how his concerns could be addressed. It would be necessary to identify the release of significant areas of land which is likely to include greenfield land for development to address the inspector’s points. It may also be necessary to examine whether exceptional circumstances exist that justify changes to the Green Belt boundary. It is considered that it would be inappropriate to propose this scale of change at this late stage in the Core Strategy process. Seeking to make such amendments at the public examination stage would provide insufficient opportunity for the city council to fully consult and respond to the concerns of local communities and other stakeholders. Consequently, it is proposed that work on the Core Strategy should cease, and a new Local Plan should be produced. This may be more cost-effective in the long run, and would also have the benefit of enabling land allocations to be adopted more quickly.

BACKGROUND DOCUMENTS: The letter from the inspector is included at Annex A to this report. All of the documents associated with the Core Strategy and its public examination can be viewed on the city council’s website at http://www.salford.gov.uk/core-strategy-examination-library.htm
 DETAILS:

1. **Background**

   1.1 The city council has been producing a Core Strategy over the last few years, with the intention that it should be the central document within Salford’s Local Development Framework. The Core Strategy has several purposes, including to:
   - provide a vision and spatial strategy for the period up to 2028
   - identify the overall scale of development that should take place, and where it should be focused
   - support the delivery of key infrastructure and facilities
   - protect the city’s important environmental assets
   - set out the main policies that will be used to determine planning applications

   1.2 On 18 January 2012, a meeting of Council approved the Publication Core Strategy for a period of representations, and its subsequent submission to the Secretary of State for an independent examination. The period for representations took place between 13 February and 2 April 2012, and the Core Strategy was submitted to the Secretary of State on 25 May 2012.

   1.3 On behalf of the Secretary of State, the Planning Inspectorate appointed Mr Richard Hollox to conduct the public examination, the purpose of which was to determine whether the submitted Core Strategy was “sound” and legally compliant. The first three weeks of hearings took place in September 2012, focusing on strategy, implementation, infrastructure, housing and employment. Peel Holdings was strongly represented at these hearings, attending all sessions and presenting a case that the Core Strategy should plan for significantly higher levels of housing and economic development, including a 100 hectare expansion of the permitted Port Salford scheme into the Green Belt. Other parties who attended some of the hearing sessions included Taylor Wimpey, the Home Builders Federation, Worsley and Boothstown Community Committee, Boothstown Residents Association, Swinton Open Space Community Association and a small number of residents.

   1.4 On 26 September 2012, Mr Hollox wrote to the city council explaining that he considered that the Core Strategy was unsound in its current form (see Annex A of this report). The city council will not be able to adopt the Core Strategy unless it can be made sound. Mr Hollox’s main concerns were that:
   - the supply of new industrial and warehousing development should be increased
   - the housing requirement should be increased from at least 1,300 net additional dwellings per annum to at least 1,600 net additional
dwellings per annum (which would increase the total net additional requirement for the period 2011-2028 from 22,100 to 27,200)

- the potential supply of new housing from existing employment sites has been overestimated
- a 20% buffer needs to be added to the five-year housing land supply because of persistent under-provision in the past

1.5 As a result of these concerns, Mr Hollox has suspended the Core Strategy examination. Although he has invited the city council to suggest a way forward, he is clear that “a suspension does not guarantee that I will eventually conclude that the submitted plan can be modified to overcome matters of housing, economic development or any other considerations”.

1.6 The city council said that it would respond to Mr Hollox by the end of October, and has written to him accordingly explaining that it is likely to withdraw the Core Strategy and commence work on a Local Plan, pending a final decision by full Council at its November meeting. The reasons for this proposed approach are discussed in the rest of this report.

2. Ways of addressing the inspector’s concerns

2.1 In order to increase the proposed supply of new housing from 1,300 dwellings per annum to 1,600 dwellings per annum, net of clearance replacement, there are essentially two approaches:
- increase the densities of sites that have already been identified
- identify new sites for housing

2.2 Relatively high densities are already being assumed on a significant number of sites, particularly within and around the Regional Centre. Any further increase in densities would be likely to reduce the variety of dwellings coming forward in the city, particularly in terms of family housing, and could also affect levels of green infrastructure and the overall attractiveness of the residential environment. Furthermore, considerable increases in density would be required to achieve a significant increase in the number of dwellings, and it is questionable whether such densities would be delivered and therefore if such an approach could be considered realistic or sound.

2.3 Consequently, the main way of increasing the supply of housing would be to increase the amount of land that has been identified as being appropriate for residential use. There may be some limited opportunities on previously-developed sites in addition to those already identified, but these are likely to be offset by the need to respond to the inspector’s concerns that there is insufficient certainty that some existing employment sites identified by the city council will be redeveloped for housing. Therefore, increasing the supply of land for housing to the extent needed to address the inspector’s concerns will require the preparation of evidence identifying land suitable to deliver sustainable development and examining whether exceptional circumstances exist that would justify the release of land from the Green Belt.
2.4 The opportunities for significantly increasing the amount of land available for new industrial and warehousing development in the city are very limited, particularly given the scale of housing development that also needs to be accommodated and having regard to what would be attractive to potential developers and therefore deliverable. In order to respond to the inspector’s concerns on this issue, it would also be necessary to examine whether exceptional circumstances exist that would justify the release of some Green Belt areas.

2.5 The scale of development envisaged by the inspector would constitute a significant change in approach compared to that set out in the Publication Core Strategy, and which has been the subject of local consultation and defended by city council officers at the public examination.

3. Options

3.1 There are essentially three options open to the city council in response to the inspector’s letter, which are discussed in turn below.

Option 1 Short suspension of the Core Strategy examination hearings

3.2 The first option would be to attempt to address the inspector’s concerns during a suspension of the public examination, as described in section 2 above, which would involve at least one additional round of consultation. This would involve a suspension of around 10 months before reconvening the examination hearings, and is the approach that Wigan Council is taking in a similar situation.

3.3 The changes to the Core Strategy that would need to be introduced at this late stage in the process are considerable, and would be likely to result in significant objections from local communities and environmental groups, many of whom have not previously been involved in the public examination. However, the inspector would not be able to suspend the examination for a prolonged period, which would mean that there would be little opportunity to respond to any concerns expressed by residents through the consultation on any proposed changes to the Core Strategy. This could reduce public confidence in the planning process and the final version of the Core Strategy.

3.4 The changes that would need to be made to the Core Strategy to address the inspector’s concerns would effectively constitute a change in strategy, given that the city council’s position has been to resist Green Belt development and minimise the loss of greenfield land. Guidance from the Planning Inspectorate suggests that in such circumstances the plan would be likely to be found unsound, and the city council would need to return to an earlier stage in the process.

3.5 It is therefore considered that this option would have a limited chance of success, resulting in abortive work and costs, and would not provide sufficient
opportunities for public involvement in assessing what would be very considerable changes to the Core Strategy.

Option 2  Withdraw the Core Strategy and return to an earlier stage in the process

3.6 The second option would be to withdraw the Publication Core Strategy and move back to an earlier stage in the Core Strategy process. This would be likely to involve at least one consultation on options before returning to the Publication stage. This is effectively the approach that Bury Council is taking having withdrawn their plan from examination, although they are undertaking two separate consultations before returning to the Publication stage.

3.7 This option would have the advantage of allowing a much wider debate, including with communities, about how to respond to the inspector’s concerns, rather than having to rush through a revised approach as under option 1.

3.8 However, the city council would still need to produce a separate document to allocate sites because the Core Strategy focuses on the overall scale/distribution of development and new development management policies. Consequently, this option would involve the longest and most expensive process overall, with two new public examinations, and it would probably be late 2018 before new site allocations and protective designations were adopted.

Option 3  Withdraw the Core Strategy and instead produce a new Local Plan

3.9 The third option would be to abandon the Core Strategy process, and move to producing a comprehensive Local Plan that would include detailed site allocations and designations (similar to the Unitary Development Plan). Previous Government guidance advised that allocations should be in a separate document from the spatial strategy and development management policies, but guidance now recommends they all be in a single Local Plan.

3.10 This may seem a radical option given the amount of time that has been spent on the Core Strategy. However, the scale of change in strategy that would be required to address the inspector’s concerns is significant, and it is considered essential that the city council, local communities and other stakeholders have the opportunity to fully consider the different development approaches that could be taken. Commencing work on a new Local Plan, where people would be able to assess individual sites as well as the wider strategy, would provide the best way of achieving this, and would offer the greatest potential for producing a plan that commands widespread support. It would also enable work at the Greater Manchester level to feed into the process more effectively, ensuring that the strategy for Salford is fully aligned with that for the wider sub-region.
3.11 There would be cost savings associated with integrating the overall spatial strategy, site allocations, protective designations and development management policies into a single document. Such an approach would also enable new site allocations and designations to be adopted more quickly than under the other two options.

3.12 The decision as to whether Green Belt should be released for development is a very significant one, particularly given the city council’s current position of resisting any such release and guidance in the National Planning Policy Framework which provides that Green Belt boundaries are intended to be permanent and should only be altered in exceptional circumstances. Option 1 would involve a short timescale for considering whether Green Belt could and should be released for housing and/or employment development, whereas option 3 would allow a much more considered assessment of whether this is necessary, and, if so, the most appropriate sites for release. In the interim, the National Planning Policy Framework provides a strong basis on which to continue to resist Green Belt loss.

3.13 This option would leave Salford without a newly adopted spatial strategy and development management policies for the longest period of the three options, with adoption of a Local Plan likely to be around November 2016. Consequently, when determining planning applications there would be a reliance on the National Planning Policy Framework (NPPF), the Regional Strategy (until such time as it is revoked by the Government), saved Unitary Development Plan policies and adopted Supplementary Planning Documents, insofar as they are consistent with the NPPF.

3.14 Whichever option is chosen, it is anticipated that major landowners such as Peel Holdings will submit a series of planning applications on greenfield land and potentially also Green Belt sites. The changes required to respond to the inspector’s concerns and adopt the Core Strategy may require the inclusion of such proposals, effectively supporting the approval of any planning applications. Under option 3, any such applications would need to be very carefully considered having regard to the aforementioned policy documents and the identified land supply available for development.

**Timetable summary**

3.15 A separate Allocations Development Plan Document would be required under options 1 and 2, whereas site allocations would be integrated within a single Local Plan under option 3. Consequently, although options 1 and 2 would enable the earlier adoption of a new overall spatial strategy and development management policies, option 3 would involve the earlier adoption of new site allocations and land designations as shown in the table below.
<table>
<thead>
<tr>
<th>Option</th>
<th>Earliest likely adoption date</th>
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<tr>
<td>1) Short suspension of the Core Strategy examination hearings</td>
<td>January 2014  November 2017</td>
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<tr>
<td>2) Withdraw the Core Strategy and return to the Pre-Publication stage</td>
<td>March 2015    November 2018</td>
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<tr>
<td>3) Withdraw the Core Strategy and instead produce a new Local Plan</td>
<td>November 2016 November 2016</td>
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**Sustainability implications**

3.16 The period until a new Core Strategy or Local Plan is adopted would effectively be the same as the 'no plan' option that was assessed in the sustainability appraisal of the Publication Core Strategy. The appraisal identified that the impacts of such an option are more uncertain than having a new plan, and some potential sustainability benefits could be lost compared to having a plan.

3.17 The scale of changes to the Core Strategy that would be required to respond to the inspector’s concerns would be similar to the ‘high growth’ option in the sustainability appraisal of the Publication Core Strategy. The appraisal identified that this option could have greater economic benefits than the Publication Core Strategy, but greater environmental impacts.

3.18 Consequently, although option 3 would have more uncertain sustainability impacts in the short-term than having a plan, it would allow a more considered assessment of the most sustainable approach for Salford to take in a new plan than under the other options, particularly option 1.

**4. Conclusion and recommendations**

4.1 From the above discussion, it can be seen that there is no ‘easy’ answer to the challenges set by the inspector’s letter. Each of the three options has risks associated with it.

4.2 However, overall, it is considered that the most appropriate approach would be to withdraw the Core Strategy and commence work on the Local Plan (option 3). This would ensure that the city council has the opportunity to properly consider any necessary changes to the spatial strategy for Salford in partnership with local communities and other stakeholders, taking into account proposed work at the Greater Manchester level, rather than rushing amendments through the current Core Strategy public examination process with no guarantee that the plan would eventually be found sound by the inspector and could therefore be adopted. This approach would also enable the earlier adoption of site allocations and has the potential to be more cost-effective overall.

4.3 It is therefore recommended that the Council:
1) Withdraws the Publication Core Strategy; and
2) Commences work on a Local Plan.

KEY COUNCIL POLICIES: Local Development Framework

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS: A Community Impact Assessment of the Publication Core Strategy was published in January 2012. This identified that the Core Strategy could have a range of positive impacts on equality. It will be important to ensure that these potential benefits are retained in any Local Plan that is produced.

ASSESSMENT OF RISK: There are significant risks associated with all three options identified in the report. These can be summarised as follows:

Option 1:
- risk that the need to respond rapidly and make significant amendments late in the process to the inspector’s concerns results in a less inclusive approach that leads to people feeling disenfranchised and a lack of ownership of the Core Strategy
- risk that the inspector will still find the Core Strategy unsound and/or not legally compliant, particularly given the scale of changes to the overall approach that would be required

Option 2:
- risks associated with the longer period without an adopted Core Strategy and an extensive period without new site allocations
- risk that the scale of changes required will result in further delays

Option 3:
- risks associated with having no new adopted plan for four years, and the impacts this has on determining planning applications and adopting a Community Infrastructure Levy charging schedule
- risk that new evidence could become available during the process that further increases the amount of development that needs to be accommodated

SOURCE OF FUNDING: Local Development Framework budget
There are no additional costs associated with the immediate decision to withdraw the Core Strategy. Overall, moving to a Local Plan could be more cost-effective than continuing with the Core Strategy and then producing a separate Allocations Development Plan Document. However, the absence of a new adopted plan for four years could increase the number of planning application appeals that the city council has to deal with, which could have cost implications.

LEGAL IMPLICATIONS Supplied by Celia Tierney.
The risk assessment set out above outlines the risks of each possible option. A decision to withdraw the Core Strategy may only be made by the full Council. Report reviewed and other comments incorporated.

FINANCIAL IMPLICATIONS Supplied by Joanne Hardman ext 3156

It was originally anticipated that the cost of the core strategy examination in 2012/13 would be £200,000. With the suspension of the process, costs in 2012/13 will be much lower (approximately £80,000). In terms of examination costs, the financial implications of each of the options outlined in the report are as follows:-

Option 1 – £80,000 would be incurred in 2012/13 with the remaining £120,000 being incurred in 2013/14 once the examination recommences.

Option 2 - £80,000 would be incurred in 2012/13 to reflect examination costs to date with the full examination of the new strategy being undertaken in 2014/15 with a potential cost of £200,000.

For both options 1 and 2, an examination of the Allocations Development Plan Document would also be undertaken, potentially in 2018/19, at an estimated cost of £150,000.

Option 3 - £80,000 would be incurred in 2012/13 to reflect examination costs to date. The examination of the Local Plan would take place possibly in 2016/17 at a cost of £200,000.

The total estimated examination costs would therefore be £350,000 for option 1, £430,000 for option 2, and £280,000 for option 3.

The report flags the potential risks associated with the absence of an adopted plan for 4 years including an increase in the number of planning application appeals. Depending upon the scale of the appeals substantial costs may arise, for which there is currently no budget provision. It should be ensured that the decision making process is robust to minimise these financial risks.

OTHER DIRECTORATES CONSULTED: All directorates have been consulted during the production of the Core Strategy, and they would need to be involved in the production of a Local Plan.

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WARD(S) TO WHICH REPORT RELATE(S): All
Annex A  Inspector’s letter of 26 September 2012

Salford Core Strategy Examination
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26 September 2012

Salford Core Strategy Examination

Dear Mr Findley

1. Now that we have discussed such matters as Strategy, Housing and Economic Development at the Hearings, and I have undertaken a number of site inspections, I am able to set out some draft preliminary conclusions on the evidence heard and seen so far. I have also taken account of the National Planning Policy Framework (the Framework).

2. I remain concerned about the amount of housing which the Core Strategy proposes, and you will recall my letter to you of 30 July 2012 before the Hearings started. For the present, the Regional Strategy (RS) remains part of the development plan for the City. I acknowledge that it sets an overall strategy rather than being in the form of a series of tests or criteria against which policies and proposals should be tested. Housing is an important, indeed vital, part of the Regional Strategy, and of course its importance is reinforced in the Framework and recent Ministerial pronouncements.

3. The Ministerial Statement of 23 March 2012 refers to the pressing need to ensure that the planning system does everything it can to help secure a swift return to economic growth and urges local planning authorities to make every effort to identify and meet the housing, business and other development needs of their areas. The Framework urges local planning authorities to boost significantly the supply of housing, and in his Written Statement of 6 September 2012 the Secretary of State noted the increase in house building starts between 2009 and 2011 but said that there was far more to do to provide homes to meet Britain’s demographic needs and to help generate local economic growth. As has been accepted at the Hearings, house building is a driver of the local economy besides providing homes for local people. The evidence presented to me supports an annual housing requirement of at least 1,600 dwellings instead of the current proposed annual provision of at least 1,300 dwellings. In addition to reflecting an objective assessment of need in accordance with the Framework requirement, this would be likely to bring forward more affordable and aspirational homes to which reference has been made at the Hearings, a considerable benefit.

4. In my judgement, the Core Strategy is unsound in its present form in that it does not demonstrate an adequate and realistically deliverable supply of housing land and I do not, at present, have the information to recommend main modifications to make the plan sound. This additional requirement will mean the identification of more opportunities for house building. I would ask you to give further consideration to the urban parts of the City, assessing for example any additional opportunities for the redevelopment of land in the Regional Centre.
and the rest of Central Salford including Ordsall and Pendleton and the more urban parts of Salford West such as Eccles, Swinton and Pendlebury. Higher densities may also assist, although maybe to a limited extent. Other parts of Salford West may be called upon to contribute to housing requirements, including Worsley and Boothstown. Whether or not you also choose to reconsider the Green Belt land at Hazelhurst is entirely a matter for you.

5. Depending upon the amount of development proposed in these parts of the City, I do not consider that this approach would undermine Policy SF1 Regional Centre which seeks to deliver very high levels of investment and development, strengthening the role of the whole Regional Centre as the major focus for business, retail, leisure, cultural and tourism development in Greater Manchester. Nor need it undermine its intention to secure a very significant expansion of the residential population, with a total net increase of around 10,000 dwellings predominantly in the form of apartments but with some houses in the less central areas. It need not undermine RS Policy RDF1, the cornerstone of the RS, which states that the first priority for growth and development should be the regional centres of Manchester and Liverpool and that the second priority should be the inner areas surrounding these regional centres. Nor should it frustrate the emphasis to be placed on areas in need of regeneration and Housing Market Renewal Areas in particular. These approaches and priorities appear to me to be complementary.

6. Maybe one or more broad locations should be identified with indicative amounts of housing specified for it/them. This would provide a firm basis for clearly demonstrating, in the Core Strategy, provision for 5 years worth of housing and additional sites or broad locations for years 6-10 and, where possible, for years 11-15, in accordance with the Framework paragraph 47. On this point, I note that net housing completions since the start date of the RS have met the annual requirement of 1,600 net completions in only one year, 2007-2008, when 2,468 were achieved. Otherwise, there has been an often substantial shortfall, with only 381, 477, 455 and 148 net completions in 2005-2006, 2009-2010, 2010-2011 and 2011-2012 respectively. Reasons for this may include a shortage of sites attractive to prospective developers and the shortage of mortgage finance. Nevertheless, this appears to me to constitute a persistent under-delivery of housing and this calls for the buffer of 20% to which the aforementioned paragraph 47 refers.

7. I agree that there should be policies concerned with the size of dwellings and the provision of amenity space in residential development (Policies H5 and H6) in that they amplify at the local level the policy in the Framework that good design is indivisible from good planning and should contribute positively to making places better for people. I do, however, think that these policies are somewhat over-prescriptive at present, may thwart much needed housing development and should be re-assessed. Further consultation with the house building industry may assist.

8. Salford will undoubtedly play a major role in the economic growth of the Manchester City Region during the plan period, and appropriate provision should be made for it, including for industrial and warehousing space. I must therefore ask you to reconsider the Economic Development policies. Of particular concern is the emphasis on past trends to suggest the demand for new accommodation, although I note the point in the Core Strategy that it should be possible to deliver around 350,000 sq m of industrial and warehousing space, rather than the 300,000 sq m based upon these trends, during the plan period. It can often be useful to look at past trends, but the Final Report of the Employment Land Review (November 2008) draws attention to, for example, the general need to improve the quality of Salford's industrial supply to meet modern needs and it notes that many of its older estates are unsuited to these needs. I therefore suspect that previous take-up rates have been governed to some extent by
an insufficient amount of sites attractive to prospective developers, and that this emphasis on past trends could deny the City the opportunities for growth which it and its people need. I would suggest a re-assessment of the requirement and a spelling out in the Core Strategy of its implications. Maybe the identification of one or more broad locations for industrial and warehousing floorspace is the way forward.

9. The Core Strategy estimates that there will be a net loss of around 55,000 sq m of industrial and warehousing floorspace during the plan period, and it is upon such losses that the supply of a substantial amount of housing land depends. Such a supply seems to me to be too uncertain. There can be no guarantee that it will come forward in sufficient quantities, even if that were consistent with policies to protect such land, and there can be no guarantee that it will come forward in the right places, at the right time or be suitable in all other respect for housing. I am not convinced about the soundness of the Core Strategy in these respects.

10. It will be for the Council to decide the best way forward. Having regard to the need to avoid abortive costs to the authority, I propose to suspend the Hearings until further notice. There would be little point in continuing with further Hearings before your Council has had an opportunity to address the soundness issues raised. I have come to this conclusion with considerable reluctance, because I realise that you and your team have spent a good deal of time on the Core Strategy so far, and that rightly you want to have it adopted as soon as possible. Unfortunately, a suspension does not guarantee that I will eventually conclude that the submitted plan can be modified to overcome matters of housing, economic development or any other considerations.

11. I should be grateful if you would let me know your intentions as soon as possible, with a programme of key dates during the suspension comparable with that produced by Wigan Council. Should any significant delays occur, please let me know. In the meantime, I will not be undertaking any preliminary drafting of my Report, simply because of the potential impact of modifications regarding housing and employment land supply on the spatial strategy and other policies in general. For the same reason, it would be inappropriate, serving little or no benefit, to publish a partial report or consult on some proposed modifications without taking account of the wider context.

12. I have asked the Programme Officer to furnish all participants at the Hearings with a copy of this letter, and to put it on the Examination webpages.

Yours sincerely

Richard E Hollox

Examination Inspector