

# CORE STRATEGY EXAMINATION IN PUBLIC

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please ask for: Michelle Haworth  
direct line: 07896 064236  
e-mail: programme.officer@ribblevalley.gov.uk  
our ref:  
your ref:  
date: 23 November 2012  
respondent ID:

Inspector: Simon Berkeley BA MA MRTPI  
Programme Officer: Michelle Haworth

Examination Office  
Ribble Valley Borough Council  
Council Offices  
Church Walk  
Clitheroe  
BB7 2RA

Dear Mr Hirst

## **Examination of the Ribble Valley Core Strategy**

Thank you for your response of 29 October to my earlier letter. I welcome the positive approach you have taken in addressing some of the issues I have previously raised.

However, you will appreciate that my aim is to avoid the considerable effort and expense to the Council and others of progressing the examination to public hearings unless the Core Strategy stands a reasonable chance of being found sound. Unfortunately, I still have significant concerns in this regard.

A number of the concerns I set out previously remain, in whole or in part. It may be possible that main modifications could be made to the plan to adequately address these. That being said, I have fundamental concerns in relation to the evidence base. This letter focuses on those because the evidence base is the foundation of the plan and its soundness is dependant on it.

### **Housing evidence**

It is imperative that the evidence base robustly identifies the borough's housing needs, demonstrates that there is an adequate supply of deliverable/developable land to meet those needs, and that the Core Strategy's policies do not render the development needed unviable. The Strategic Housing Market Assessment (SHMA) and the Strategic Housing Land Availability Assessment (SHLAA) are crucial underpinning documents in this regard.

#### The SHMA

The SHMA dates from December 2008. Given the passage of time since its baseline information was gathered, I am concerned that it is out of date. The *Housing Requirement Report* by NLP, dated July 2011, is helpful in that it establishes a more up to date level of overall need for housing. However, it does not set out to quantify the need for affordable housing in the borough, or the mix of housing types and range of tenures required.

You point to the Council's *Addressing Housing Need in Ribble Valley* document, dated June 2011, and the *Pennine Lancashire Housing Strategy 2009 – 2029 Refresh* of 2011. I agree that both help to set the scene and provide useful background and contextual information. But neither seeks to quantifiably estimate the mix of housing

and range of tenures that Ribble Valley's population is likely to need over the plan period. In short, they do not fill the gap in the evidence.

I note that Key Statement H2 directly refers to the SHMA. It requires applications to demonstrate that the mix of housing proposed accords with the projected future household requirements and local need across the borough as a whole as evidenced by the SHMA. The effectiveness of this approach rests on the currency of the SHMA, and amounts to a further reason for updating it.

#### The SHLAA

The SHLAA is dated November 2009. As I noted previously, in identifying sites, the methodology includes sites: identified by officers in the settlement audit (Oct 2006); promoted by developers/landowners as part of LDF process (Feb 2007); put forward through a call for sites (March 2008); refused planning permission in the last 3 years (which I take to mean 2007 – 2009 inclusive) on grounds of prematurity; and those put forward from discussions with Development Control officers.

Given the passage of time since this information was collated, the circumstances of some sites may have changed. Therefore it is not possible to conclude with the necessary degree of certainty that the sites identified in the SHLAA remain deliverable/developable in the terms set out in the National Planning Policy Framework.

As I also previously noted, while the SHLAA does consider economic viability, there are a number of shortcomings in this regard. It uses information about house prices and build costs in October/November 2008. The reliability of this is now highly questionable. More fundamentally, though, the viability of providing affordable housing is tested using a site threshold of 15 dwellings rather than the 10 and 5 dwelling thresholds proposed in Key Statement H3 of the Core Strategy. Whether the 30% affordable housing level sought by Key Statement H3 was that applied is also not clear. In addition, so far as I can see, the *Housing Requirement Report* by NLP does not test the viability of the affordable housing requirements of Key Statement H3.

I note that the Council has, in effect, been applying the requirements of Key Statement H3 since July 2009 in determining planning applications. However, this does not amount in itself to compelling evidence to demonstrate that the proposed thresholds and level of affordable housing is viable over the plan period. The acknowledged persistent under-delivery of housing generally lends little reassurance in this regard.

In response to point 38 of my earlier note, you suggest that as sites are not being allocated at this stage, the policy takes an approach of testing viability on a case by case basis. This rather misses the point. Key Statement H3 sets out specific thresholds and an explicit requirement in terms of the level of affordable housing to be provided. This represents positive planning of the sort envisaged by the NPPF. But to be sound, these factors must be shown to be viable. There is at present no robust evidential basis for concluding that they are.

Moreover, I must stress that the consideration of viability does not begin and end with affordable housing. Other factors are likely to have a bearing, including the need to contribute to infrastructure delivery such as open space and education, as set out in Key Statement DMI1, and to use decentralised and renewable or low carbon energy, as set out in Policy DME5. Put simply, there is no assessment of the effect of the Core Strategy's policies, the wider 'policy-on' scenario, on economic viability.

You say in response to some of the points raised in my earlier letter that viability is not viewed as a general constraint in the borough, and you refer to the nature and

desirability of the area, and high market values. That may be so. But that general perception, no matter how commonly held, does not obviate the need for up to date evidence to demonstrate its validity.

#### The Gypsy and Traveller Accommodation Assessment (GTAA)

The GTAA was published in 2008. It is not recent. As part of the methodology surveys were undertaken, including interviews with Gypsies and Travellers. The GTAA says that this consultation is one of the most important aspects of GTAAs. But these surveys were carried out between October 2007 and February 2008. This does not amount to up to date evidence.

#### **Economic development evidence**

The Employment Land and Retail Study (ELRS) reviews the supply of and demand for employment land and premises up to 2018. It appears to be a thorough analysis. But the ELRS was published in October 2008 and at least parts of the evidence it draws on dates from 2007. It is highly likely that the ELRS is now out of date.

The Employment Land Position Update of June 2011 brings the projection of the need for employment land and premises forward. However, as I understand it, this ultimately largely rests on the analysis of market demand undertaken by the ELRS. Business enquiry information is taken into account in the Update, as are the views of local agents. However, it is not entirely clear how these factors have influenced the Update's conclusions, and it is apparent that the Update is not as robust and detailed as the ELRS in assessing market demand.

In any event, the Update relates only to the headline employment land projection. It does not seek to provide an update in relation to the retail economy. So far as I can see, the only evidence in this regard is that in the ELRS. But paragraph 10.25 of the ELRS says that it is important to bear in mind that its conclusions regarding the retail economy reflect existing market conditions as at July 2008. It warns that should these conditions change, depending on the magnitude of the current recession, conclusions and recommendations could differ significantly.

#### **Overall**

Considering all of the above, the base of evidence underpinning the plan's strategic approach to housing and economic development is not adequately up to date. In this context, I have strong doubts about placing reliance on it. I am concerned that it will not stand up to scrutiny through the examination hearings. This is a fundamental problem.

#### **Options for the way forward**

Given the above, I must recommend that further work should be done to update the SHMA, SHLAA, viability evidence, GTAA and the ELRS before the examination can realistically proceed to hearings. It would not be appropriate to proceed to hearings now. I recognise that the Council will be disappointed with this, and I share your eagerness to progress. However, as things stand, the Council has a choice.

One option is to suspend the examination to allow the work I have recommended to be undertaken. It is my duty to point out that I have a number of strong misgivings about this course of action. The amount of work involved is considerable, and the evidence to which it relates is fundamental to the plan. The danger is that updating it, along with any necessary Sustainability Appraisal, would be likely to lead to substantial modifications to the Core Strategy. The result could well be a plan which is significantly different to the one originally submitted.

Even if this is not the case, it is highly likely that quite wide ranging further public consultation will be necessary. This will inevitably lead to both new and revised representations to be taken into account alongside the representations already made. All of this leads me to believe that if this examination is to proceed, it is likely that it will be protracted and lengthy. In short, it could be rather expensive for the Council.

In addition, from the revised Local Development Scheme, the Council's staff resource gives me cause for concern. As I understand it, the principle people engaged in work on the Core Strategy are one full time Assistant Planner and a part time Project Officer, together with you as the Head of Service (a role which I anticipate involves other responsibilities). Drawing from time to time on staff in other sections will help. Nonetheless, my worry is that given the level of work involved, even with the best of endeavours, the length of the suspension needed will be considerable.

If, notwithstanding the disadvantages, the Council wishes to pursue this course and request that the examination be suspended, I am at present willing to proceed on this basis. I should say, though, that this is dependent on the likely period of abeyance required.

The other option is to withdraw the Core Strategy, and to update the evidence before bringing the plan to examination again. This course may have disadvantages in terms of perception. However, it would ultimately allow the Council to submit the plan afresh, already incorporating modifications and accompanied by up to date evidence. The clear benefit here is that there would not be the inherent complications of examining a potentially substantially modified document and heavily altered evidence base. This could prove a significantly less problematic course of action and would give the opportunity for a more efficient and streamlined examination.

I would now ask the Council to give careful consideration to the options for progressing matters and to advise me of the chosen path at the earliest opportunity. In the spirit of assistance, I am happy to answer any questions you may have in relation to procedural issues. I will do all I can to help the Council in relation to the way forward, although you will appreciate the restricted nature of my role in this regard and that any advice given is without prejudice.

Yours sincerely,

*Simon Berkeley*

Inspector