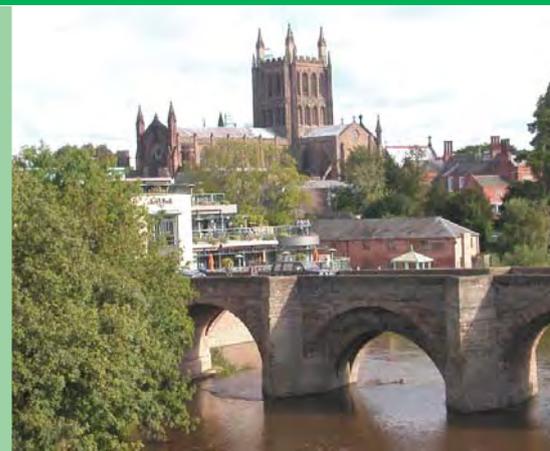


Revised Preferred Option Background Paper

October 2011



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1. Introduction

1.1 Herefordshire Core Strategy will establish a county-wide framework for new development over a twenty-year period. In preparing the Core Strategy significant consultation was undertaken during 2010. Initially consultation was undertaken on a "Place Shaping Paper" (January-March) which set out details of an overall strategy and key options for the distribution of development across Herefordshire together with a set of topic based policy directions. Later during 2010 a series of consultations were held on preferred options for certain parts of the county together with a preferred set of policies.

1.2 In the period since the publication of the preferred options a number of issues have resulted in a reconsideration of some parts of the preferred strategy and options. This paper sets out the proposed revisions to the overall strategy and subsequent more detailed changes proposed for different parts of the county.

2. Why changes are being proposed

2.1 The current Regional Spatial Strategy (RSS) in Herefordshire is the West Midlands RSS approved in 2008, incorporating the Phase 1 revisions for the Black Country. The housing targets for Herefordshire set out in the RSS were approved in 2004 and cover the period up to 2021. Therefore, in respect of housing targets, the RSS is out of date and does not provide a strategic basis for planning in Herefordshire over the longer term.

2.2 Prior to the abolition of the West Midlands Regional Assembly in 2010, the RSS was at an advanced stage of being revised. The RSS Phase Two Revision Draft was formally submitted to the Secretary of State on 21st December 2007, this included the review of housing and employment targets. In 2009 the Revision was subject to an Examination in Public and a Panel Report was published in September 2009. The Core Strategy consultations during 2010 were prepared within the context of the RSS revision in anticipation that the emerging RSS proposals would be as set out in the Panel Report. However, with the Regional Assembly now no longer in place the work on RSS revisions has come to a halt.

2.3 In the time since the publication of the Phase 2 Revision Panel report matters have arisen which have led to a reconsideration of Herefordshire's housing target and plan period, these matters include:

- a) The impact of the recession and downturn in the housing market have resulted in low completion rates across the county. In particular the proposed levels of housing in Hereford and Leominster given the lead-in times for work starting on strategic sites mean that the overall targets for the county are now considered to be neither realistic nor deliverable (see paragraphs 4.11-4.17).
- b) Publication of the latest Government Household Projections (2008-based) indicates a smaller increase in the number of households likely to exist in the county in the future than previous trend-based projections (2004 and 2006) had identified. As a result the Council commissioned its own study into the local housing requirements for the county over the period up to 2031;
- c) Paragraph 53 of Planning Policy Statement 3: Housing (PPS3) indicates that Local Planning Authorities should set out in Local Development Documents their policies and strategies for delivering the level of housing provision (including identifying broad locations and specific sites) that will enable continuous delivery of housing for at least 15 years from the date of adoption.

The intention was that the Core Strategy had a plan period of 20-years from 2006 (in line with the RSS). Consequently, as a result of delays in advancing the Core Strategy, the identification of a 15-year land supply is no longer possible unless the plan period is extended beyond 2026;

- d) Consultations in the earlier part of 2010 showed widespread support for the emerging policies. However, the results of the most recent consultation on the preferred options for Hereford indicated significant opposition to the scale of new housing development proposed, the city centre policy and the preferred western alignment of a Hereford relief road.

3. The preferred strategy as consulted on in 2010

3.1 The preferred approach as set out in the 2010 consultation sought to enable the provision of some 18,000 (900 per annum) net new dwellings in Herefordshire over the 20 year period from 2006, with just under half of these (8,500) being developed at Hereford. This is the level of housing which had been recommended by the Panel Report into the Examination in Public of the RSS Phase 2 revision. The Panel Report recommendations proposed a significantly higher level of housing growth than that contained in Policy CF3 and Table 1 of the approved RSS for the West Midlands, which includes an average annual rate of housing provision of 600 gross new dwellings per annum for Herefordshire.

3.2 The approach of the Panel at the RSS Examination was to recognise that, although there were caveats surrounding household projections, they were the nearest thing to “sound science” available to inform a demographic analysis over the RSS period. However, the information was assessed together with other factors considered necessary to frame policy, in particular, the Panel considered in detail work produced by various organisations and individuals regarding housing requirements, including the National Housing and Planning Advice Unit (NHPAU), Nathaniel Litchfield Partnership (NLP) and the Cambridge Centre for Housing and Planning Research (CCHPR), see Appendix 1.

3.3 In recommending a specific housing target for Herefordshire the Panel recognised the benefits for the rural economy of an additional 1,200 new dwellings as suggested by the NLP report. However, the Panel also recognised that the Preferred Option for Herefordshire already exceeded the estimated need/demand as suggested by the CCHPR report (15,900). Therefore, the Panel did not consider that there was any justification in going beyond a rounding up of the NLP figure to 18,000.

3.4 For Hereford, the Panel recommended an indicative target of 8,500 new dwellings over the period 2006-2026. This level of development recognised the status of Hereford within the RSS as a Settlement of Significant Development and its designation as a New Growth Point. In setting this target the Panel recognised the extent of congestion in Hereford and were far from convinced that transport packages without a second river crossing and a new relief road would be likely to be satisfactory.

4. The revised approach

4.1 As a result of addressing this range of both internal and external factors outlined in section 2 above, a revised preferred option has been developed which retains the basic tenets of the preferred strategy consulted upon previously but does suggest a number of key amendments. In arriving at this approach a number of alternatives were considered, details of which are set out in Appendix 2. A sustainability appraisal of these alternatives is set out in the Herefordshire Core

Strategy Revised Preferred Options Sustainability Appraisal Note, produced by Land Use Consultants in July 2011. The main changes proposed by the revised preferred option are:

- a) Rebasing the plan to cover a period 2011-2031;
- b) Revising the Housing target from 18,000 to 16,500 dwellings for the plan period (2011-2031);
- c) Retaining the essence of focussing on Hereford but with a reduction in the amount of housing distributed to the city of around 2,000 dwellings;
- d) Similar distribution for the market towns remains similar; and
- e) Increasing distribution to rural areas by 800.

4.2 The overall housing target for the county is not significantly different from levels of housing achieved in the past, see paragraph 4.12. However, there are differences in the proposed distribution of the housing. In particular, the levels of new housing proposed for Hereford are increased from that advocated through the UDP, whilst rates of development in rural parts of the county will see a decrease, when compared to the past 20 years. The details of these changes are set out in the following paragraphs

a) **Rebasing the plan to cover a period 2011-2031**

4.3 Rebasing the plan period to cover the 20-year period up to 2031 will address the current national planning policy requirement to have at least a 15-year plan period, and associated housing land supply from the date of adoption. Without an extension of the plan period achieving this requirement would not be possible.

4.4 In addition extending the plan period to 2031 provides additional time for infrastructure to be provided and allows for the possibility of new private and public funding opportunities for infrastructure to be sourced.

b) **Revising the Housing target from 18,000 to 16,500 dwellings for the plan period (2011-2031)**

i) Household projections

4.5 One of the key elements in the consideration of the RSS Panel in reaching its recommendations were national household projections. National household projections provide useful information regarding how many households are likely to exist looking 15-20 years into the future. Such projections have limitations as set out on the Government's own CLG website, which in respect of the 2006-based projections states:

"They are not forecasts. They do not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. They provide the household levels and structures that would result if the assumptions based on previous demographic trends in the population and rates of household formation were to be realised in practice."

4.6 National household projections had suggested a significant need for new housing over the period up to 2026. For example, the 2004-based projections indicate an increase of 368,000 households in the West Midlands between 2006 and 2026 and an increase of 17,000 households in Herefordshire over the same period. The 2006-based projections suggested an increase of an additional 16,000 in Herefordshire.

4.7 More recently a 2008-based set of housing projections have been published, these were not considered by the RSS Panel. The latest projections suggest around 15,000 new households for Herefordshire for the period 2006-26 (see Figure 1 below).

Figure 1: Household projections

Base year	2004			2006			2008		
	2006	2026	increase	2006	2026	increase	2006	2026	increase
England	21,518	25,975	4,457	21,515	26,674	5,159	21,344	26,016	4,672
West Midlands	2,239	2,607	368	2,237	2,668	431	2,214	2,581	367
Herefordshire	78	95	17	78	94	16	77	92	15

1000s of households

4.8 However, it should be recognised that the household projections, as the extract from the CLG website above indicates, represent a trend based approach and do not reflect a strategic policy position.

4.9 The implications of extending the plan period to 2031 therefore need to be considered in the light of household projections. In this respect the published projections do not include projection for either 2011 or 2031 but they do show a projection for the 25-year period between 2008 and 2033 of 18,000 households and a projection of 2008-2028 of 15,000. For the period 2011-31 the projection would also suggest a trend based requirement of around 15,000 households.

4.10 The Planning Officers Society (POS) advice note Planning post RSS revocation (October 2010) states in paragraph 4.7 that *“it is advised that technical work should begin with the latest population projection for the area by the Office for National Statistics, and the most recent household projection produced by CLG. The projected change in the number of households indicated by the CLG projection may be considered to represent the “raw” requirement for new dwellings in the authority’s area, before considering what should be the effect of planning strategy.”*

4.11 In order to better understand the housing requirements for the county, Herefordshire Council commissioned a Local Housing Requirements Study as an element of the Local Housing Market Assessment. This Local Housing Requirements Study, prepared by GL Hearn, provides a technical assessment of housing demand in the county. The Study takes account of structural changes in population and households and considers the impact of housing market drivers, including demographic and economic trends. It provides a robust basis to inform decisions regarding the scale and distribution of housing in the county in the likely absence of regional targets. The Study recommends that it is reasonable to plan on at least maintaining the working population and supporting some economic growth over the period 2011-31, indicating that the housing target should be in the range between a minimum of 14,400 dwellings (which would maintain current employment levels) and 18,000 (which would enable employment growth).

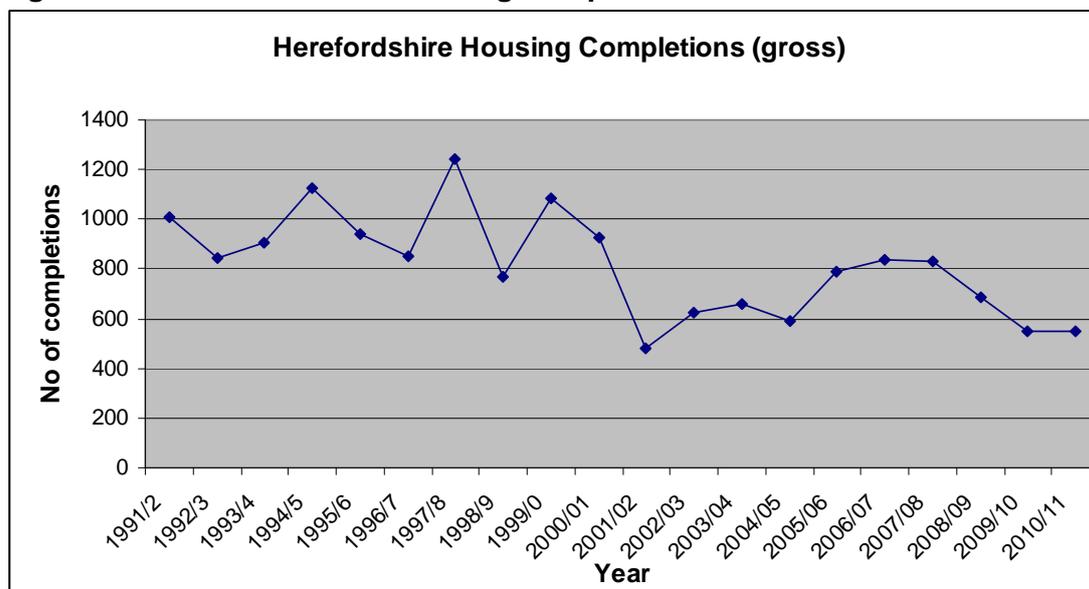
ii) Past rates of development in Herefordshire

4.12 In setting a housing target, examination of historic housing completion rates can also help in providing evidence of how many houses are deliverable in the County over the plan period. The rate of housing completions in Herefordshire has generally decreased since the 1980s and 1990s. Over the five-year period between 1986 and 1991 completions averaged 1123 per annum (gross). The rate of completions during the 1990s dropped to just below 1,000 per annum, which itself was higher than that experienced during the following decade which averaged around 700 per annum. In the 20-year period from 1986 to 2006 over 18,500 gross

new dwellings were completed in Herefordshire, which would equate to an increase of around 16,800 net dwellings.

4.13 The average annual completion rate over the past 20 years (1991-2011) has been 815 dwellings (gross). However, this average figure hides significant fluctuations in the rate of housing completions in Herefordshire over this period (see Figure 1).

Figure 2: Herefordshire Housing Completions 1991-2011



Source: Herefordshire Council monitoring data

4.14 There are many reasons why the rate of housing development has varied to such an extent over this time period including wider economic conditions and the application of differing planning policies based on former district council areas (prior to 1996 there were no adopted district-wide Local Plans in place in Herefordshire).

4.15 Historically, housing completions have been recorded as gross completions. However, the Core Strategy targets are set out as net housing figures (i.e. the increase in overall housing stock once demolitions and conversions of housing to other uses have been taken into account). In Herefordshire losses from the housing stock have historically been relatively small and in the period since 2001 net completion figures have been around 9% below the gross figure for the county.

4.16 It can be seen from this information that there have been significant fluctuations in completion rates over the past 25 years and in recent years completion rates have declined. However, significant elements of the preferred strategy, and in particular the development of strategic locations, have long lead-in times and are dependent upon significant funding for infrastructure provision. In addition, with the housing market being depressed and no immediate signs of recovery, the level of housing proposed in the strategy for the period 2006-26 is rapidly becoming unrealistic. For example, if the rate of completions continues as it did during the period 2006-11 for a further 3 years, the county-wide completion rate requirement for the 12-year period up to 2026 would be 1,088 net new dwellings a year. This is not a level of development which could realistically be sustained for such a significant period of time.

4.17 There is clear evidence however, that there will remain a need for significant levels of housing provision in Herefordshire as confirmed by the GL Hearn study.

However, the requirement should be set at a realistic level. Taking into account existing houses likely to be demolished or converted to other uses, the delivery of 18,000 net new dwellings over the 20-year period 2011-31 would require the completion of around 19,500 dwellings (gross). In view of: the current depressed housing market; the necessary lead-in times of the strategic housing sites; the need to provide key elements of infrastructure; and an examination of past completion rates, the delivery of this level of new dwellings by 2031 is not considered realistic. A pragmatic approach has therefore been employed in establishing a target of around 16,500 net (825 per annum average) completions for the period 2011-2031. This target is considered to be a realistic housing target for Herefordshire which, although lower than the RSS Panel Report recommendation, nevertheless meets the Council's desire for a sustainable level of growth for the county and falls squarely within the housing target range recommended in the GL Hearn Study. This is a completion rate which is very close to the rate of 830 per annum proposed in the Draft RSS submitted to the Secretary of State by the Regional Assembly.

c) Retain essence of focussing on Hereford but with a reduction in the amount of housing distributed to the city of around 2,000 dwellings

4.18 Although the revised option proposes reducing the level of development at Hereford by around 2,000 dwellings the focus on Hereford remains. However, the revised option recognises that 8,500 is a level of development not likely to be deliverable over the plan period.

4.19 In Hereford the 2010 preferred option would require a completion rate of 463 dwellings per annum to be sustained for the period 2010-26. This would be very challenging when compared to past development rates. Completion rates in Hereford were highest during the late 1980's and the early part of the 1990's when development rates were between 350 and 400 dwellings per annum. However, current market conditions and the level of existing commitments mean that it is unlikely that completion rates will significantly increase in the next few years (the strategic sites other than the Urban Village will not begin in this period). Therefore, if the completion rate of the five years 2006-11 (274) continues for the period 2011-14, the annual completion rate required would then increase to 594 per annum. This is a completion rate not reached previously at Hereford and this rate would need to be maintained for a 12-year period and therefore is not considered to be achievable.

4.20 Proposing around 6,500 new dwellings for Hereford over the period 2011-31 will continue the development focus on Hereford and it remains, by a significant margin, the largest single allocation in the county. Alongside the housing growth of the City goes the need to provide improved transport infrastructure. This level of new housing would require an average of 325 new dwellings per annum which, although higher than the completion rate reached in recent years, is a level of house building that has been achieved previously.

4.21 As a result of the revision to the spatial strategy a number of more detailed changes are proposed for Hereford as follows:

i Urban Expansions

The reduction of 2,000 dwellings is proposed by deleting Whitecross as an urban expansion area (1,500) and reducing the Holmer West expansion area to 500 dwellings from 1,000, retaining the eastern part of the location. The provision of 6,500 new dwellings, after discounting commitments, would then be provided on urban extension sites at Lower Bullingham (1,000), Kings Acre (1,000) and Holmer West (500) along with redevelopment of land within the Urban Village (800). Smaller non-strategic sites amounting to around 2,100 dwellings would make up the

remainder. These would be dispersed within and around the city and mainly identified through the preparation of the Hereford Area Plan. As a result of removing and reducing housing from Whitecross and Holmer West areas respectively, community and school facilities will need to be realigned to suit. The main reasons for the choice of strategic urban area locations set out in the Revised Preferred Option are based upon an assessment of landscape character, access issues and the expressed public concern resulting from the preferred option consultation.

- **Holmer West**

The rising and prominent land which forms the setting for the city at Holmer West is extensive and has the scope to provide far in excess of 1,000 dwellings if fully developed between the A49 Leominster and A4110 Canon Pyon roads. The western section is particularly sensitive given its elevated nature and views across the city. Land to the east adjacent to the A49 is lower lying and more contained with a better relationship to main radial routes. It is therefore considered appropriate to limit development to this less sensitive eastern section of the site.

- **Whitecross**

Much of the land at Whitecross is also elevated and forms a green corridor which is not as well suited to development as the other proposed sites for urban expansion. Breinton Ridge marked by a green lane and bridleways is the area that has high landscape value as a particularly visible landscape resource. In comparison to other proposed urban extensions, only the western lower part of the site is considered suitable for development but this would not provide sufficient land to qualify as an urban extension in Core Strategy terms (i.e. able to deliver over 500 dwellings). In access terms most traffic would use the Barton and Whitecross roads which are already heavily used, with over capacity junctions entering the city at peak times.

A more detailed comparison of the Hereford strategic urban expansions is set out in Appendix 3

ii Hereford Relief Road

Growth of Hereford is dependent upon provision of a Hereford Relief Road along with a package of sustainable transport measures. The preferred option for a western relief road remains as set out in the Autumn 2010 consultation. Further traffic modelling based upon the proposed reduction in housing numbers is being undertaken.

The impacts of a revised eastern scheme with and without links between the A438 Ledbury and A4103 Worcester roads has been considered. Whilst the revised eastern scheme would provide an early second river crossing and with less road infrastructure would be cheaper to construct, it does not provide a full relief road. It would not therefore enable consequent sustainable transport measures resulting from A49 detrunking through the city. Additionally, and in respect of the Habitat Regulations, a partial eastern route still poses the potential for likely significant effects to the River Wye Special Area of Conservation (SAC) as it crosses the Lugg Meadows to the Ledbury Road.

Minor amendments are proposed to the southern section of the western route corridor between the A465 Abergavenny and A49 Ross roads to avoid residential properties and lessen landscape impact (see Appendix 4).

iii Employment

Given the reduction of housing at Hereford a corresponding and specific reduction in employment land is proposed. The Holmer East location, in the north of Hereford, (5 hectares) is known to have contamination issues. Through the Plan process further

evidence has not emerged to clarify the extent of the contamination and the consequent measures that could be undertaken to ensure that the land is suitable and viable to deliver employment development.

iv. Rotherwas Enterprise Zone and transport links east of Hereford

The announcement in August 2011 of Enterprise Zone status for Rotherwas came after Cabinet's approval of the principles of the Revised Preferred Option in July. Potential implications may arise for instance in terms of employment land or infrastructure requirements. The latter may include additional transport links to the east of Hereford, including a river crossing, to create enhanced access to support economic development. Any transport links to the east of Hereford would not be considered to be a substitute for the western relief road currently proposed, and would need to be developed in cognisance of the environmental considerations associated with the River Wye SAC.

The implications of Enterprise Zone status for Rotherwas will be considered further as the plan progresses. In particular, consultation responses to the revised strategy, including the views of the Enterprise Zone Board, will be taken into account in the final recommendation.

iv Retail

Finally, as a result of updated information from the Herefordshire Town Centres PPS4 Assessments prepared by Drivers Jonas Deloitte 2010 (commissioned by Herefordshire Council), the comparison retail floorspace requirement for Hereford has been increased from 40,000 sq m to 46,000 sq m. An update of the PPS4 Assessment will be made in the future to assess further floorspace requirements during the final five years of the plan (2026-31) given that the plan period is proposed to be rolled forward to 2031.

d) Distribution elsewhere remains similar for the market towns

4.22 Outside Hereford, the Market Towns play an important role in regenerating rural areas as a focus for sustainable economic and housing development and by providing services and facilities for their rural hinterland. The Revised Preferred Option continues to focus a significant element of housing growth outside of Hereford at the five market towns. The strategy for the market towns proposes a range of approaches reflecting local requirements, constraints and opportunities, although all recognise the need to maintain the service centre role of each of the towns. The decision to focus the largest single allocation of new homes to Leominster has been based on the recognition of its location on the A49 corridor, its public transport links and the transport benefits of the proposed development in the form of a southern link road. The latter will benefit the centre of the town in terms of reducing congestion and improving air quality. In addition, Leominster is not located close to national or international environmental designations. However, there are implications in respect of the Habitats Regulations Assessment of the proposed new development upon the River Wye SAC.

4.23 The alternative to increasing the level of housing in the market towns to accommodate some of the housing growth lost from Hereford was considered but discounted due to:

- concerns regarding the impact of higher housing targets upon the character of the market towns;
- concerns regarding the delivery of higher housing numbers, particularly at Leominster; and
- the potential impact of higher housing targets upon environmental designations in and around market towns.

4.24 Achieving the rate of growth at Leominster as set out in the Place Shaping Paper for the period up to 2026 will also now be difficult. Over the period between 1996 and 2011 some 733 new dwellings were completed at an average rate of 49 per annum. Higher completion rates had been achieved in the period 1991-98 with 97 dwellings per annum completed.

4.25 In order to achieve the target set for Leominster both the outstanding planning permission at Barons Cross Camp site (425 dwellings) and the urban extension will need to be developed concurrently. As with Hereford, it is unlikely that any significant development will take place in respect of the urban extension until at least 2013. To achieve the preferred option target (2500 dwellings), it is likely that from 2013 the completion rate at Leominster would need to be around 170 per annum, which would have to be maintained for around 13-years. Such a high completion rate in a small market town is not considered achievable. The rebasing of the plan period to encompass a 20-year period up to 2031 would make the Leominster proposals more achievable. However, the GL Hearn study considers the delivery of the housing level proposed at strategic housing proposal unrealistic even for the period up to 2031. It suggests that delivery of 200 fewer dwellings is more likely on the site up to 2031, with the remainder developed during the next plan period. A revised annual building rate of 115 per annum is therefore proposed for Leominster with an affordable housing target of 25% on qualifying sites in accordance with the evidence set out in the affordable housing viability assessment (Herefordshire Council Local Development Framework Viability Study 2010 (Three Dragons with Roger Tym and Partners). In addition, the extended plan period has resulted in a reconsideration of the need for additional employment land in the town. With current available employment land likely to be fully developed before the end of the plan period it is proposed that the strategic proposals for Leominster incorporate 5ha of new employment land.

4.26 The opportunities for significant areas of growth within Ledbury and Ross-on-Wye are limited due to the presence of significant environmental constraints. Both settlements are adjacent to Areas of Outstanding Natural Beauty, which in places includes sections of the built up parts of the towns and, in the case of Ross-on-Wye, there is the River Wye with its internationally designated status as a SAC and its extensive floodplain. The presence of these environmental designations has been recognised in the proposed levels of development and influenced the choice of strategic locations for significant new development proposals in both Ledbury and Ross-on-Wye.

4.27 Ross-on-Wye has had a very similar development rate to Leominster since 1996 with an average of 47 dwellings per annum being completed. The revised Core Strategy proposals suggest an average of 45 dwellings per annum (net) over the 20 years similar to historic development rates. However, the strategy for Ross-on-Wye has been amended by reducing the overall target from 1,000 dwellings to 900 through amending the scale of development at Hildersley in order to ensure any impact of the Ministry of Defence firing range can be assessed and mitigated, following concerns from the local parish council regarding development at preferred options stage. The strategic housing site at Hildersley has been reduced to 200 dwellings with the remaining balance in housing numbers to be identified on non-strategic sites in more detailed Development Plan Documents.

4.28 At Ledbury some 1,046 dwellings were completed between 1996 and 2011 at an average rate of 70 dwellings per annum, much of this housing was developed on a single large site (New Mills), which saw a rapid period of development between 1998 and 2003. The rate of development proposed for Ledbury in the Core Strategy

at 40 per annum (net) is therefore considered achievable when compared to historic development rates. No changes are suggested to the preferred option for Ledbury.

4.29 At Bromyard the strategy proposes a lower level of growth, reflecting its smaller size, however a strategic release of housing land is proposed. Landscape constraints are recognised although there are no national environmental designations. Bromyard has been relatively consistent in its growth levels over the period since 1991, averaging 33 completions per annum for the period 1991-98 and 30 per annum for the UDP period since 1996. No changes are proposed to the preferred option for Bromyard.

4.30 Kington, as the smallest of the market towns, has seen the lowest historic levels of new housing development. Between 1991 and 2011 the annual average completion rate at Kington was 18 new dwellings (gross). The proposed target for the revised plan period is 10 dwellings per annum. No strategic housing opportunities have been identified for Kington. This reflects both difficulties in identifying sites of a sufficient scale and limited evidence of significant past housing demand. Smaller scale housing proposals will be identified through subsequent Development Plan Documents (DPDs).

e) Increase distribution to rural areas by 800

4.31 In the rural parts of the county the revised strategy continues to focus development into the more appropriate villages through the definition of the Rural Settlement Hierarchy. This considers the functions of each settlement identifying those which act as service centres for a rural hinterland together with an associated group of nearby settlements (Hubs) which together contain a range of local services and facilities.

4.32 Elsewhere, a criteria based policy has been developed to enable small scale development at local centres to meet rural housing and support local community services. Development in the remainder of the rural parts of the county will be limited to that related to agricultural, forestry, farm diversification, replacement dwellings, conversions or rural affordable housing.

4.33 However, the change to the strategy proposed for the rural areas is an increase in the number of new homes in rural areas by around 800 with the Revised Preferred Option suggesting some 5,300 net new dwellings for rural parts of the county at an average of 265 per annum over the plan period. This revision would result in a greater number of new homes being completed in rural areas than in the market towns. This is a shift in the spatial strategy from that set out in the Place Shaping Paper of January 2010. As set out in paragraph 4.22 above the option of increasing the level of housing in the market towns was not considered reasonable or appropriate. However, making a modest increase in the provision of housing in rural areas has a number of advantages:

- i Increasing housing numbers in rural areas will enable more affordable homes in locations where house prices are amongst the highest in the county;
- ii The preparation of Neighbourhood Development Plans will enable local communities to say where they think new houses, businesses and shops should go. Provided a neighbourhood development plan is in line with national planning policy, the local authority's strategic vision for the wider area, and other legal requirements, local people will be able to vote on it in a referendum. Increasing the target for rural areas enables some flexibility to reflect the emerging neighbourhood planning agenda;

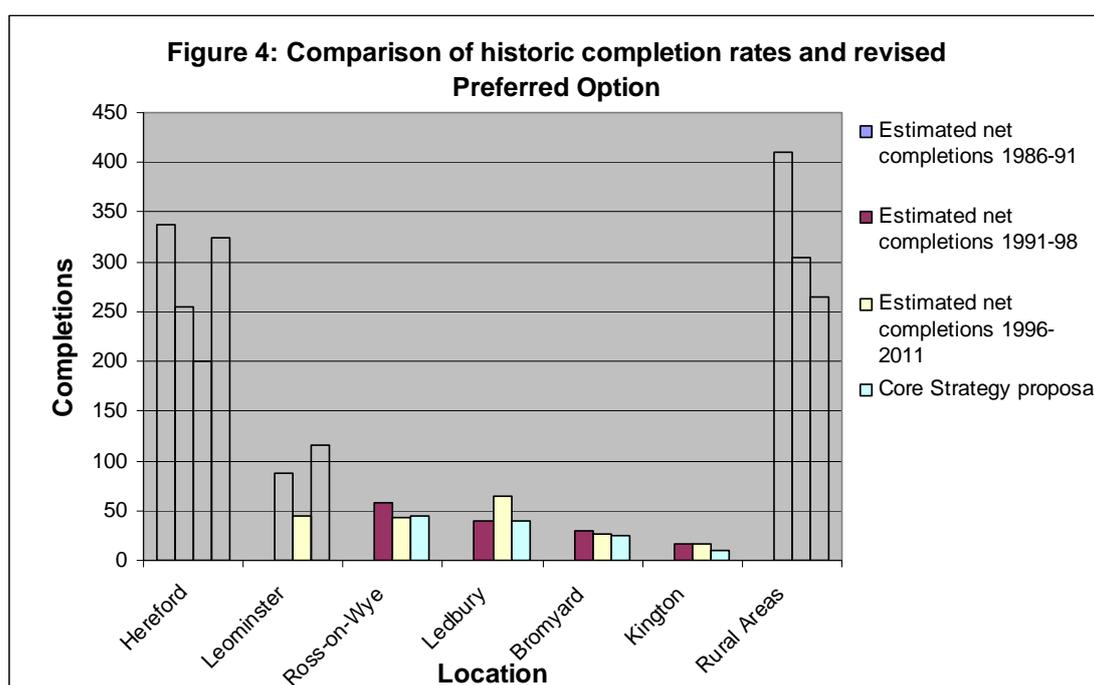
iii Increasing the rural housing target brings the required rate closer to that experienced in recent years in rural areas. However, the proposed rates still remain below longer term historic development levels which have averaged 345 dwellings per annum since 1996. The Revised Preferred Strategy therefore continues to reflect the need to consider sustainability issues such as reducing the need to travel and climate change.

4.34 The revision to the levels of residential development in rural areas will not require change in terms of the identification of strategic sites. New housing allocations will come forward in more detailed Development Plan Documents. It is clear however, that the development of small housing sites (under 5 dwellings), will continue to provide a key component of new rural housing. It is, therefore, important that housing policies recognise this important source of new housing, which includes the conversion of rural buildings.

Figure 3: Housing distribution comparing the 2010 Preferred Option to the Revised Preferred Option

	2010 Preferred Option Target 2006-2026	Annual rate	Revised Preferred Option Target 2011-2031	Annual rate Required 2011-2031
Hereford	8500	425	6500	325
Leominster	2500	125	2300	115
Ross-on-Wye	1000	50	900	45
Ledbury	800	40	800	40
Bromyard	500	25	500	25
Kington	200	10	200	10
Rural Areas	4500	225	5300	265
Total	18000	900	16500	825

4.35 Figure 4 below provides a comparison of historic housing completion rates against Revised Preferred Option Core Strategy proposals.



Note: estimated net completions for historic completion rates have been calculated by taking gross completions and subtracting 9% (see paragraph 4.14). An estimate is only available for Hereford for the 1986-91 period.

Source: Herefordshire Housing Land Availability data.

5. Housing Trajectory and Phasing

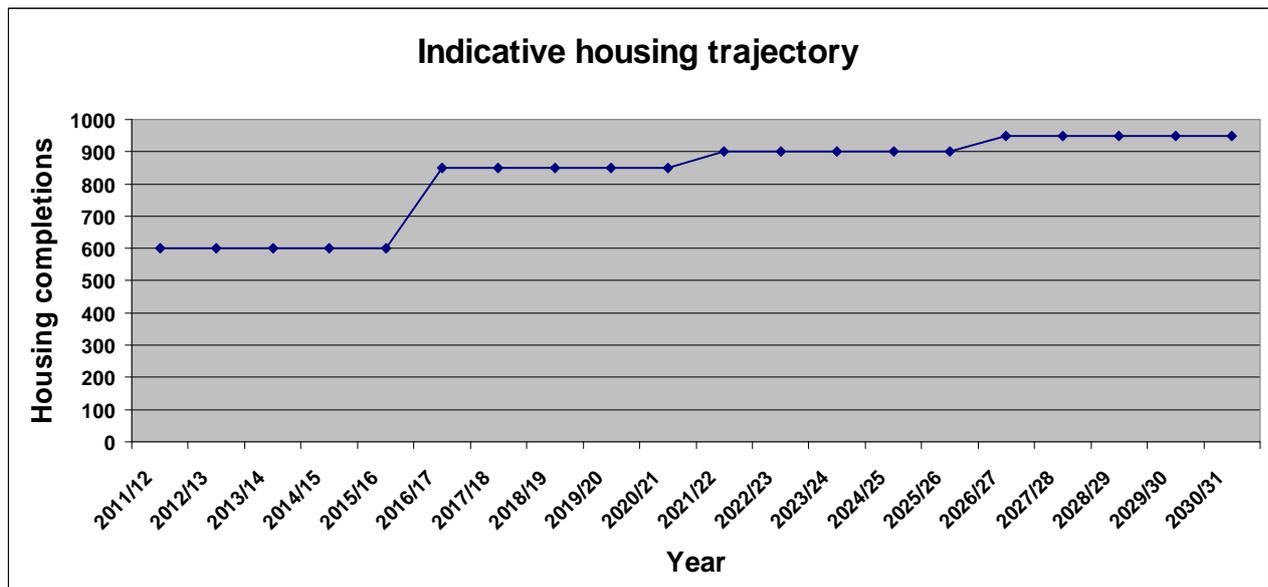
5.1 PPS3 advises that local planning authorities should illustrate the expected rate of housing delivery through a housing trajectory for the plan period. The RSS Panel report considered the issue of producing a housing trajectory; it concluded that actual delivery trajectories should be based on local assessment of what is deliverable.

5.2 In respect of the housing target for Herefordshire the expectation is that the highest rate of housing completions will be towards the latter years of the plan period. This is because:

- a) The housing market in the county is depressed and completion rates are currently well below the rate required to achieve the overall target;
- b) The achievement of the revised strategy targets will be dependent upon achieving the required key elements of infrastructure for the county;
- c) There are significant lead-in time required to bring forward major housing sites.

5.3 Overall the delivery of the housing levels and distribution proposed in the Core Strategy is dependent upon necessary infrastructure being funded and delivered. Figure 5 below provides an initial indicative county-wide trajectory for the housing provision based upon the likely release of strategic sites in the county. This trajectory suggests that housing completions will be back-loaded, starting with around 600 dwellings per annum during the first five years of the plan period, with the highest levels of housing growth (950 per annum) taking place towards the end of the plan period. The trajectory is therefore reflecting the current housing market, lead-in time for large strategic sites and the need to provide infrastructure alongside the release of housing land. It will need further re-adjustment and added detail to reflect on-going work on delivery of the strategic housing sites and key elements of infrastructure.

Figure 5: Draft Indicative Housing Trajectory 2011-31



6. Housing land availability and windfalls

6.1 PPS3 indicates that local planning authorities should draw on information from the Strategic Housing Land Availability Assessment (SHLAA) to identify:

- sufficient specific sites to deliver housing in the first five years of the plan period;
- a further supply of specific, developable sites for years 6-10 and where possible, for years 11-15; and
- broad locations for future growth, where it is not possible to identify specific sites for years 11-15.

6.2 PPS3 goes on to say that sites with planning permission should only be included where there is robust evidence that the sites are developable and are likely to contribute to housing delivery at the point envisaged. The Herefordshire SHLAA 2010 does provide a trajectory for the period up to 2026 based upon an assessment of specific sites. This includes an assessment of planning permissions to ensure that those sites included provide an appropriate contribution to meeting housing land supply.

6.3 In determining levels of housing required to meet housing targets for the Core Strategy period, account must be taken of those dwellings which are commitments in the planning system (i.e. planning permissions or planned housing allocations).

Figure 6: Housing Land position April 2011

	Commitments 2011	Residual housing target 2011-2031
Hereford	1076	5424
Leominster	610	1690
Ross-on-Wye	306	594
Ledbury	38	762
Bromyard	152	348
Kington	14	186
Rural Areas	749	4551
Total	2945	13555

Note: figures are net dwelling commitments. Commitments are net commitments minus 5% reflecting lapsed permissions.

6.4 In respect of sites not specifically identified PPS3 advises that allowances for “windfalls”¹, should not be included in the first 10 years of land supply unless there is robust evidence of genuine local circumstances that prevent specific sites being identified. In such circumstances, a realistic allowance can be included, having regard to the SHLAA, historic windfall delivery rates and expected future trends.

6.5 The RSS examination also considered the issue of “windfalls”. The RSS Panel Report (Sept 2009) confirms that windfall sites are likely to continue to play an important role in housing delivery, and this should be closely monitored. The panel concluded that within the region windfall completions have risen over recent years. Over the period 2001-2008 windfalls accounted for 58% of total dwellings completed.

¹ PPS3 defines windfall sites as those which have not been specifically identified as available in the plan process comprising previously-developed sites that have unexpectedly become available. These could include, for example, large sites resulting from a factory closure or small sites such as a residential conversion or a new flat over a shop.

The report also confirms that windfall sites have contributed very significantly to the region's high delivery of housing on previously developed (brownfield) land, and will continue to do so.

6.6 In Herefordshire there has been a significant reliance on “non-allocated” sites as an element of housing supply. The non-allocated development includes those sites which meet the PPS3 definition of windfalls but also includes other development on greenfield land. These “greenfield windfalls” have been most prevalent in rural areas, where the conversion of agricultural buildings (defined as greenfield land in PPS3) contributed around 44% (898) of the housing completions on such sites between 1996 and 2011.

Figure 7: Herefordshire urban/rural Completions 1996-2011

	Total	Brownfield	Greenfield
Rural windfalls	4356	2338	2018
Urban windfalls	3493	2793	700
Total windfalls	7849	5131	2718
Rural completions	5021	2420	2477
Urban completions	6499	3899	2535
Total completions	11520	6319	5012

*Note: windfall completions in this context are all dwellings on non-allocated sites.

Source: Herefordshire Housing Land Availability Data

6.7 A further characteristic of the housing supply in Herefordshire is the size of site. Over 40% of dwellings built in the county between 2006 and 2011 were on sites of less than 5 dwellings, 67% of these completions were in the rural parts of the county.

6.8 It is important therefore to consider how windfalls, including the greenfield element should be considered in the housing land supply and targets for the county. The preparation of the SHLAA should mean that a higher proportion of sites will be identified as part of the supply figures. This will be particularly the case in areas where policies are focussing new housing development, such as Hereford and the market towns, rural service centres and hubs.

6.9 However, in a large rural county such as Herefordshire, the SHLAA process cannot identify every single opportunity for housing. The RSS Panel report itself recognised that windfall sites will continue to play a key role in delivering additional housing but reiterated that specific local evidence would be required to justify an unallocated allowance in local development documents. For practical reasons, therefore, parts of Herefordshire not seen as a focus for new development were not surveyed and the SHLAA process did not make any assessment of small sites (with a capacity of less than 5).

6.10 Given the circumstances in Herefordshire, there is a strong case to suggest a windfall allowance should be included for the county. In rural areas a historic rate of 289 per annum over a 15-year period (1996-2011) provides evidence of the scale of the development, many of which have been developed on small sites of less than 5 dwellings which would not be identifiable across a large rural county. The LDF will contain policies which will enable some development of these sources of supply to continue into the future, for example, policies for the conversion of agricultural buildings, agricultural and forestry workers dwellings and affordable housing may be developed in the wider rural areas. In addition, small infill proposals may also be developed in Rural Service Centres, Hubs and smaller centres. New Government

initiatives such as Neighbourhood Development Plans and the Communities' right to build may also lead to new housing development in rural areas. To provide some context, analysis of small sites in proposed Rural Service Centres and Hubs shows an average of almost 54 dwelling completions per annum 2001-2011 (see Appendix 5).

6.11 In urban areas the SHLAA will have identified the majority of housing opportunities on sites capable of accommodating 5 or more dwellings. However, as with rural areas there is clear evidence that small sites do provide a continuing element of new housing. This is acknowledged in the Affordable Housing Viability Study undertaken by Three Dragons and Roger Tym, where the valuable contribution that small sites make to housing supply in the county, including Hereford and Market Towns is recognised (page 34). The GL Hearn Study also notes on page 63 that sites of less than 6 units make up a substantial proportion of development sites in rural areas of the county. Figure 8 below provides details of small site completions in urban parts of the county between 2006 and 2011.

Figure 8: Completions on small sites in urban areas 2006-2011

	2006-7	2007-8	2008-9	2009-10	2010-11	Total
Urban areas	116	103	91	85	87	482
Hereford City	35	32	41	42	33	183
Market Towns	81	71	50	43	54	299
• Leominster	18	18	12	22	14	84
• Ross-on-Wye	8	4	13	6	24	55
• Ledbury	11	11	10	4	4	40
• Bromyard	24	13	8	8	7	60
• Kington	20	25	7	3	5	60

6.12 It is recognised that such an allowance should not be over-estimated. The SHLAA process itself will have identified larger opportunities, which will inform decisions regarding specific allocations in a more detailed Development Plan Document. As a result only a modest windfall allowance is included within the housing targets of 1,000 dwellings, equating to 50 dwellings a year in rural areas with the same allowance for urban parts of Herefordshire. However, the identification of strategic locations combined with available, suitable and achievable SHLAA sites will mean that the plan will not rely upon these windfall sites to achieve the housing target in the first 10 years of the plan period. This is in accordance with paragraph 59 of PPS3.

7. Employment land requirements

7.1 In view of the revised strategy with its reduced housing target it is also necessary to consider whether employment land targets should be amended. The employment land targets for the county were established as part of developing the preferred option for the Phase 2 of the RSS. As part of this work at regional level an Employment Land Provision Background Paper was prepared to set out a basis for developing a preferred option which could be applied across the Region. The preferred option had two main principles; a minimum reservoir approach to employment land requirements and employment land requirements based on an analysis of past trends, but adjusted to take into account a number of other factors.

7.2 A minimum reservoir approach would consist of readily available land and would act as a rolling reservoir to be maintained through a plan period based on a 5-year period of demand. Having assessed various approaches to setting employment

land provision the methodology chosen was one based on past trends but also taking account of the following additional factors:

- Variations in average rates of development over 5/10 year periods.
- The need to make a small site allowance (less than 0.4 hectares), which would make an important contribution particularly in rural areas.
- The need to consider past rates of provision.
- The provision of regionally significant sites within a district.
- Cross boundary issues.
- The relationship with housing provision to ensure a balance between employment land and housing growth.
- The balance between major urban areas of the region and provision elsewhere.
- Input from district and county councils.

7.3 The 5-year figure was considered to be a reliable estimation of likely short term requirements. The indicative longer-term requirements were set cautiously to avoid the unnecessary release of large amounts of land. This was achieved by multiplying the 5-year reservoir figure for each area by 3 rather than 4, on the grounds that it was unlikely that the development rates applied in the 5-year reservoir would continue year on year for the full 20 year plan period.

7.4 For Herefordshire, the calculation resulted in a 5-year minimum reservoir of 37 ha and an indicative long term requirement of 111ha. However, the Panel at the RSS Examination in Public were not convinced by the cautious approach of multiplying the 5-year reservoir figure for each area by 3, recommending that a x4 basis was more logical. Consequently, they increased the indicative long-term target for Herefordshire to 148ha (2006-26), whilst retaining the 37ha 5-year reservoir.

7.5 In relation to future requirements and the supply of employment land Herefordshire Council's Employment Land Study identified that:

- Overall, there is good quantity of existing employment land supply within Herefordshire. The supply of land appears skewed towards manufacturing / industrial type uses which, as a sector is predicted to decline in the amount of land it occupies over the study period. More limited opportunities appear to exist for office uses.
- Projecting past completion rates forward suggests a modest under-supply in employment land for Herefordshire over the period to 2026. This under-supply could increase by 10 hectares should proposals for waste management facilities be located on identified employment land;
- Supply in certain parts of the county would benefit from increases in the quality and quantity of employment land opportunities.

7.6 The recommendations of the study included:

- Retaining existing UDP allocations, commitments and established employment sites ranked as Best or Good through the Development Plan process;
- Enhancing the supply of land and opportunities for new employment development, and addressing spatial and qualitative deficiencies in supply within certain parts of Herefordshire; and
- Consideration of a range of enhancement measures for certain sites to improve the employment portfolio.

7.7 The Core Strategy preferred options for employment land were based upon the RSS Panel report i.e. a 37ha five year rolling reservoir and an indicative 148ha requirement over 20 years. The main basis for this calculation was previous employment land completion rates adjusted by a number of factors. Furthermore, the element of considering housing targets in the calculation was based upon the

RSS preferred option housing target of 16,600. Therefore, the employment land targets of the preferred option remain a reasonable approach despite a revised housing target, although there are specific changes to employment land provision at Hereford to reflect the reduction in the strategic housing target for the City (see section 4c above) and at Leominster to recognise the need for additional employment land as part of the strategic proposals by the end of the plan period. The land and infrastructure implications of the recent announcement of Enterprise Zone status for Rotherwas will be considered in finalising the Core Strategy, having regard to the consultation responses.

8 Summary of the sustainability appraisal of the 2011 revised preferred options

8.1 Land Use Consultants have produced a Sustainability Appraisal (SA) Note for the Revised Preferred Options, the results of which are summarised below.

8.2 In respect of overall spatial strategy, the SA suggests that the Proposed Revised Preferred Option will have positive effects in relation to housing provision, as the total allocation is still considered adequate to meet projected need across the county. Positive effects in the rural areas are likely in relation to socio-economic issues, since focussing more development outside of the main urban centres should help to stimulate economic activity in rural areas and retain their viability and vitality. However, there are negative effects in relation to sustainable transport and climate change issues, since it is less likely that sustainable transport links will be as easily provided or used. A significant amount of development is still focussed within Hereford and there are still likely to be negative effects associated with the natural environment, in particular the effects on the River Wye.

8.3 The policies contained within the Preferred Options of 2010 which are affected by the Proposed Revised Preferred Option, and which were subject to the revised SA, are:

- Rural Areas - Policy RA1 and Policy RA5;
- Market Towns - Ross-on-Wye policy;
- Market Towns – Leominster policy (note revisions made to the preferred options for Leominster were set out in the Place Shaping Paper , and not reproduced as a policy at the 2010 Preferred Options stage but has been subject to this revised SA);
- Hereford - Policy H1: City Centre;
- Hereford – Relief Road Options (part of policy H2: Movement);
- Hereford - Policy H3: Growth;
- Hereford - Policy H4: Northern Urban Expansion;
- Hereford - Policy H5: Western Urban Expansion.

8.4 In addition the discounted alternatives or options (see Appendix 2) were also subject to a broad summary of the likely sustainability effects, however the options were not scored against each SA objective or theme.

8.5 All SA scores for policies RA1, RA5, Ross-on-Wye, H1 and the Hereford Relief Road Options have remained unchanged from the 2010 Preferred Options appraisal.

8.6 For policy H3, the score for the Education and Employment theme has been reduced from a significant positive (++) to a minor positive (+), mainly as a result of the removal of the Holmer East employment site allocation.

8.7 In respect of policy H4, the score for the Education and Employment theme has been changed from an uncertain significant positive (++) to an uncertain minor negative (-?) effect due to the removal of the Holmer East employment site allocation and the removal of the primary school provision.

8.8 For Leominster, the Revised Preferred Option will have positive effects in relation to the provision of homes and employment opportunities, and there should be good opportunities for sustainable transport use. However, the development of a southern relief road for the town, has a number of potential negative effects associated with it, including high levels of car use and associated emissions and the impact upon the natural environment and landscape. It is recognised that there are some measures that may help to mitigate adverse environmental impacts, such as the provision of additional green infrastructure and natural open space. The SA recommends the inclusion of a specific target for affordable housing at Leominster. (note target set out in paragraph 4.24 above).

9. Conclusions

9.1 Reasons for revising the Preferred Option

A number of issues have arisen which have resulted in a number of amendments being proposed to the preferred spatial strategy. These issues include:

- The impact of the recession and a depressed housing market;
- Evidence set out in the Local Housing Requirements study suggesting that an appropriate housing target for the county over the period up to 2031 would be between 14,400 and 18,000.
- The lack of a 15-year land supply from the likely date of adoption of the Core Strategy.
- Concerns expressed regarding the levels of growth, particularly at Hereford, during the Preferred Options consultations in 2010.
- Issues of delivering the strategy in terms of housing numbers and infrastructure provision

9.2 The revised approach

The main components of the revised strategy are as follows:

- Rebasing the plan to cover a period 2011-2031
- Introducing a revised housing target of 16,500 dwellings for the plan period
- Retain essence of focussing development on Hereford but with a reduction in the amount of housing distributed to the city by around 2,000 dwellings
- Similar distribution as previously for the market towns
- Increased distribution to rural areas by 800

9.3 Housing Phasing and Trajectory

The likely completion rates are anticipated to be low at the start of the plan period and to increase significantly towards the end. This is due to a variety of factors including the recession and the delivery of critical infrastructure.

9.4 Housing Land Availability (including "Windfall" development)

National policy is set out, particularly in regard to the need for a five year supply. Windfall development (i.e. new houses that come forward on unallocated sites) is noted as being an important element of housing supply, partly as a result of the rural nature of the county.

9.5 Employment Land Requirements

The main basis for the employment land requirement in the Preferred Option was a calculation based upon previous employment land completion rates. The employment land targets of the Preferred Option remains a reasonable approach, although there are specific changes to employment land provision at Hereford to reflect the reduction in the strategic housing target for the city.

9.6 Sustainability Appraisal

Land Use Consultants have produced a Sustainability Appraisal (SA) Note for the Revised Preferred Options. In respect of overall spatial strategy the proposed Revised Preferred Option will have positive effects in relation to housing provision. In the rural areas, positive effects are likely in relation to socio-economic issues, since focussing more development outside the main urban centres should help to stimulate economic activity in rural areas and retain their viability and vitality. However, there are negative effects in relation to sustainable transport and climate change issues, as it is less likely that sustainable transport links will be as easily provided or used. In addition, there are specific changes to the previous SA scores and a number of recommendations for particular policies and places.

Appendices

Appendix 1: Comparison of Draft RSS Housing Provision 2006-2026 and CCHPR Estimate of Demand and Need (April 2009) and Panel Report Recommendation

District	Draft RSS proposed total (net) 2006-2026 a	CCHPR Estimate of Housing Demand and Need 2006-2026 b	Panel recommendation c
Telford & Wrekin	26,500	14,700	26,500
Coventry	33,500	21,600	33,500
Worcester	10,500	6,800	11,000
Black Country	61,200	51,000	63,000
Rugby	10,800	9,100	11,000
Stoke on Trent	11,400	10,100	14,400
East Staffordshire	12,900	11,500	13,000
Nuneaton and Bedworth	10,800	10,100	11,000
Shropshire	25,700	28,500	27,500
Herefordshire	16,600	15,900	18,000
Staffordshire Moorlands	6,000	5,900	6,000
Redditch	6,600	6,900	7,000
Stafford	10,100	10,900	11,000
Lichfield	8,000	9,000	8,000
Wychavon	9,100	11,900	9,500
Malvern Hills	4,900	6,900	5,000
Newcastle under Lyme	5,700	8,100	8,700
Cannock Chase	5,800	9,000	6,800
Birmingham	50,600	81,700	57,500
North Warwickshire	3,000	5,000	3,000
Warwick	10,800	18,200	11,000
South Staffordshire	3,500	6,000	3,500
Solihull	7,600	14,900	10,500
Tamworth	2,900	5,700	4,000
Wyre Forest	3,400	8,100	4,000
Stratford on Avon	5,600	13,600	7,500
Bromsgrove	2,100	9,900	4,000
West Midlands	365,600	411,000	397,900

a Table 1 Draft RSS December 2007

b Figures taken from *Table 3: Estimates of housing demand and need in districts and unitary authorities in the West Midlands 2006-2026 (thousands)*, CCHPR for WMRA, April 2009

c WMRSS Phase Two Revision, Report of the Panel, recommendation R3.1

Appendix 2: Alternative options considered

Option 1: Continue current spatial strategy as directed by the RSS of focussing majority of development at Hereford with a plan period up to 2026

Advantages

1. Based on evidence of housing need from the RSS Panel Report November 2009.
2. Meets climate change objectives of limiting the need to travel by private car by focussing most development to centres with good access to jobs and services, thereby reducing carbon emissions.
3. Meets “joined up services” objectives of the Council’s localities agenda
4. Supports economic growth priorities for Hereford, including central area regeneration and supports delivery of key infrastructure for growth as set out as priorities in the Council Cabinet Report of 20 January 2011.
5. Retaining the housing target at 18,000 will allow for in-migration of working-age population, which will support the jobs growth agenda of the County as set out in the existing and new draft Economic Development Strategy.

Disadvantages

1. Proposed level of growth, in Hereford and Leominster specifically, is very unlikely to be delivered before 2026, due to slowed rate of house building in recent years and long lead-in times for sites dependent on new infrastructure provision. To achieve level of building required in Hereford to 2026, would require build rate of over 500 dwellings per annum for 13 years – a rate not previously achieved in Hereford. A similarly unrealistic target of over 170 dwellings per annum exists for Leominster from 2013-2026.
2. Draft Economic Viability Assessment testing currently alludes to non-viability of Core Strategy growth proposed without extra public/private funding to provide the infrastructure required in the Infrastructure Delivery Programme. Other sources of funding for essential infrastructure e.g. relief road would need to be sourced or level of infrastructure amended/prioritised.
3. Core Strategy will now not meet Para 34 of Planning Policy Statement (PPS) 3 on Housing which requires local authorities to be able to plan for at least 15 years supply of housing from adoption date as the plan is now not likely to be adopted before the end of 2012.
4. Various aspects of the existing strategy are not supported by the local community in the county e.g. growth in Hereford, as the results of the Preferred Options consultation show, with over 80% of 392 respondents stating they disagreed with the growth agenda for Hereford.
5. Issues affecting delivery still to be resolved. Need to ensure no significant effect on water quality of European protected sites through further demand for sewage treatment from new growth in Hereford and Leominster areas.

Conclusion:

This has become an unreasonable option to follow. The Core Strategy would be at risk of being found unsound at examination on the grounds of non-deliverability and non-compliance with national policy.

Option 2: Extend plan period to 2031 and continue current spatial strategy, scale and distribution of housing

Advantages

1. Supports economic growth priorities for Hereford, including central area regeneration and supports delivery of key infrastructure for growth as set out as priorities in the

Council Cabinet Report of 20 January 2011 and various current bids for funding e.g. Local Investment Plan

2. Keeping the housing target at 18,000 allows for in-migration of working age population which will support the jobs growth agenda as set out in the spatial strategy and Economic Development Strategy
3. Allows for possibility of new public and private funding opportunities to be sourced in longer term towards required infrastructure
4. Meets Para 34 of PPS 3 on Housing which requires Local Authorities to be able to plan for at least 15 years supply of housing.

Disadvantages

1. Proposed level of growth in Leominster is still challenging even up to 2031 plus the higher overall target would apply in this period (Para 6.6.5 of Place Shaping Paper), increasing the overall build rate per annum.
2. Issues affecting delivery still to be resolved. Need to ensure no significant effect on water quality of European protected sites by further demand for sewage treatment from new growth in Hereford and Leominster areas
3. Preferred Options consultation provides an indication that various aspects of the existing strategy are not supported by the local community e.g. level of growth in Hereford.

Conclusion

Indications from Preferred Options consultation suggest this would not have public support for the preferred strategy for Hereford. However, it does support the growth strategy for Hereford in regeneration terms and supports the existing vision and objectives of the current spatial strategy.

Option 3: Review of strategic approach set out in regional plan to include reducing the level of housing in Hereford by 2000 (from 8,500 to 6,500) and redistributing 2,000 to the rural areas with an extended time period of the plan to 2031 and retention of 18,000 total

Advantages

1. Addresses responses to Hereford Options Paper regarding too much growth in Hereford and issues of deliverability there.
2. May still support economic growth priorities for Hereford and key infrastructure for growth as set out as priorities in the Council Cabinet Report of 20 January 2011. However, would need to establish whether reduction of amounts in Hereford would have any significant impact.
3. May promote better facilities/service provision in rural areas through Community Infrastructure Levy (CIL) and support government's Localism Agenda/community ownership of assets/services depending upon the scale of development in each location.
4. Could support rural economy to greater extent and could support jobs growth agenda provided any new rural housing policy was supported by employment provision in rural areas
5. Would achieve a marginally greater number of affordable homes in overall terms than existing strategy due to lower thresholds for rural areas in Preferred Option Affordable Housing Policy.
6. Meets Para 34 of PPS 3 on Housing which requires local authorities to be able to plan for at least 15 years supply of housing.
7. Allows for possibility of new public and private funding opportunities to be sourced in longer term towards required infrastructure.

Disadvantages

1. Represents a divergence from the preferred spatial strategy consulted upon in 2010 as it would result in a greater amount of housing allocated to the rural areas than to either Hereford or the Market Towns.
2. This option would result in less affordable housing in the Hereford Housing Market Area although there would be an overall increase in the level of affordable housing across the county by around 40 dwellings
3. This option would not support existing Objective 4 of the current Core Strategy in reducing the need to travel and reducing carbon emissions. This would potentially result in a less favourable outcome for a Sustainability Appraisal/HRA
4. This option may not support existing Objective 12 of the current Core Strategy in terms of impact on environmental assets.
5. There is not sufficient identified capacity in the Rural Service Centres (RSCs)/Hubs and Tier 2 settlements to support this option. To reallocate 2000 dwellings to the rural areas would require revisions to the existing rural policy and hierarchy to include a greater number of settlements or a relaxation of policy below RSCs and Hubs. However, the Core Strategy settlement hierarchy has received general public support.
6. An approach requiring a much wider distribution of housing will not align with Council's localities agenda of rationalising assets and focussing on service hubs in market towns and larger villages.
7. This approach may result in the ability to obtain lesser resources overall towards necessary key infrastructure in Hereford as a greater proportion of monies received from CIL will need to be directed to rural areas.
8. Proposed level of growth in Leominster is still challenging, even up to 2031.
9. Issues affecting delivery still to be resolved. Need to ensure no significant effect on water quality of European protected sites by further demand for sewage treatment from new growth in Hereford and Leominster areas.
10. Would not support various existing funding bids e.g. Local Investment Plan for higher growth in Hereford but this is a short term impact

Conclusion

This option would require significant further evidence base work and new consultation, in particular, for rural areas which could affect the costs and timetable of Core Strategy production. Whilst this option may move more towards the "Neighbourhood planning" agenda, it may not comply with the objectives of sustainable development.

Option 4: Revise plan period (2011-31) and make limited changes to scale and distribution of housing (introduce an overall housing target of around 16,500 dwellings). Retain essence of strategy of focussing on Hereford but reducing the amount of housing proposed for Hereford by approximately 2,000. Distribution elsewhere remains similar for the market towns, although some site specific changes result in a slight reduction in the overall housing total, with an increase in the level of housing proposed for rural areas (about 800).

Advantages

1. Retains essence of existing vision, objectives and strategy upon which there has been significant consultation
2. Addresses responses to Hereford Options Paper regarding too much growth in Hereford and issues of deliverability there in the time period
3. Addresses responses to the Place Shaping Paper where concern was expressed at the amount of growth allocated to Herefordshire generally
4. Meets Para 34 of PPS 3 on Housing which requires local authorities to be able to plan for at least 15 years supply of housing.
5. Could meet climate change objectives of limiting the need to travel by private car by focussing most development to centres with good access to jobs and services – more so than Option 3
6. Meets "joined up services" objectives of the Council's localities agenda

7. May go some way to addressing water treatment capacity issues in Hereford
8. Allows for possibility of new public and private funding opportunities to be sourced in longer term towards required infrastructure

Disadvantages

1. Reducing overall housing numbers would not fully support Objective 1 of the current Core Strategy as it would result in less affordable housing across the county, reducing by around 500 homes.
2. Issues affecting delivery remain to be resolved. Need to ensure no significant effect on water quality of European protected sites by further demand for sewage treatment from growth in Leominster area
3. Would not support various existing funding bids e.g. Local Investment Plan for higher growth in Hereford, but this is a short term impact
4. This approach may result in less monies overall towards necessary key infrastructure in Hereford due to lower housing numbers there.

Conclusion

This option addresses the concerns raised by respondents in Hereford, but does not result in such a divergence from the strategy in rural policy terms as option 3. In this regard it has more advantages and fewer disadvantages. In addition, given the capacity issues arising from current policy, a much smaller addition to the rural housing target would appear more prudent than the level suggested by option 3.

Overall Conclusion

The amount of growth proposed in the current Core Strategy Preferred Option is now unlikely to be deliverable in the time period to 2026 due to the effects of recession and difficulties in achieving commensurate funding. Also, the plan will now not comply with current national policy for a 15 year supply of housing by the time of adoption. To present the current strategy to examination could result in it being found unsound. Of the alternative options considered Option 4 is the most reasonable and realistic option with the least disadvantages.

Appendix 3 – Hereford urban expansion comparison.

A3.1 The consultation highlighted the main concerns to the level of growth of Hereford, including city centre policy and the proposed expansion areas around the edge of the city as well as the alignment of a western relief road. The revised preferred option now proposes a reduction in the level of development to Hereford. It also proposes a reduction in the number of new homes on strategic sites with more homes from non-strategic sites dispersed around the city.

A3.2 The five strategic sites (highlighted within the Preferred Options consultation) have been compared using a range of factors. This information has previously been included within the Strategic Housing Land Assessment (SHLAA) and has been assessed together with comments made as a result of the Preferred Option consultation, the results of the Sustainability Appraisal (SA), Habitats Regulation Assessment (HRA) and Appropriate Assessment (AA). This comparison report assesses the findings of all these factors and provides reasoning for the choice of strategic sites now being furthered.

Access and Highway issues

A3.3 Growth of Hereford is dependent upon the provision of Hereford Relief Road along with a package of sustainable transport measures. Further traffic modelling based upon the proposed reduction in housing numbers is being undertaken.

A3.4 In terms of the more local road implications, the SHLAA highlights potential highway constraints. Access is possible to the Lower Bullingham site via the Rotherwas Access Road, however there are some concerns regarding the impacts on the local road network particularly Lower Bullingham Lane and Hoarwithy Road. The northern expansion sites can be accessed via the existing highway network with some local improvements particularly to the Starting Gate roundabout. It has been indicated that the Three Elms site could be accessed by the existing highway network but some junction improvements would be required. There are concerns expressed within SHLAA that the existing road network is not suitable to support the Whitecross site and a greater reliance on public transport would be required.

A3.5 The overall conclusion with regards to access and highway issues, is that whichever strategic sites are chosen, some local highway improvements would be required.

A3.6 Using the existing available information regarding traffic modelling and local highway requirements, the Whitecross site would have the greatest implications on the network of all the strategic sites proposed.

Landscape Character

A3.7 The Urban Fringe Sensitivity Analysis was undertaken in 2008/09 and classifies the levels of sensitivity of Hereford's urban fringe landscape. The purpose of this study is to support the SHLAA. Sensitivity was classified into 5 levels from low to high. The original assessment of possible strategic sites aimed to ensure the preservation of the most highly valued and sensitive landscapes.

A3.8 Many of the areas surrounding Hereford are classified as having high or high-medium sensitivity. Only Three Elms and parts of Holmer East are classified as being medium-low sensitivity. Therefore, any major growth of Hereford would require the use of some land with an element of high sensitivity. Specific landscape character analysis has been undertaken on strategic sites which highlights areas of Holmer West and Whitecross as the least favourable in landscape terms.

A3.9 Therefore, if the protection of landscape were the most important factor in determining the choice of sites then areas to the north at Holmer West and to the west at Whitecross would be the least favourable.

Agricultural Land Classification

A3.10 Agricultural Land Classification provides a method for assessing farmland to enable informed choices about the future use of land. Land is classified into 5 grades. PPS7 (para 28) indicates that the presence of best and most versatile agricultural land (Grade 1 to 3a) should be taken into account with other sustainability considerations when assessing any alternative land uses.

A3.11 Hereford is predominantly surrounded by Grades 1 to 3b agricultural land, therefore any major future development of the city would involve the use of some land classified as 'best and most versatile'. The only large area of land which is Grade 4 is along the Lugg river valley to the east of the city.

A3.12 Therefore, if the protection of the best and most versatile farmland was seen as the highest priority then sites at Three Elms (Grade 1, 2 and 3b) and Whitecross (Grade 1 and 2) would be candidates for omission from the growth of Hereford policy. There are some smaller areas of the Three Elms site which are classified as Grade 2 and 3a adjacent to the Three Elms Road, however some of this land is subject to flood risk.

A3.13 The overall conclusion, is that some 'best and most versatile agricultural land' would be required, even in order to achieve the lesser housing figures.

Flood Risk

A3.14 Flooding is an issue that has become more significant in recent years. National policies look at ways to tackle the effects of climate change, with flood risk standing out as one of the key issues to be addressed. PPS25 provides the government's policy and advice on planning and flood risk. Flooding is often associated with rivers but can also occur if high ground water levels, surface water run off and sewer and drainage capacity issues are present.

A3.15 There are significant areas to the east of Hereford which are subject to flooding (Zone 3), primarily along the rivers Wye and Lugg. The Yazor and Widemarsh Brooks also pose some flood risk through northern parts of Hereford which affect the Three Elms site, although a flood alleviation scheme is being constructed further upstream which will improve flood risk in these areas. The Environment Agency has highlighted a need for possible further mitigation works to be undertaken on the site to complement the Yazor Brook scheme. The Withy and Red Brooks affect small areas of the Lower Bullingham site.

A3.16 The SHLAA took into account land liable to flood and further information is now available which highlights surface water flooding areas. The original selection of strategic sites aimed not to use land which had the most likelihood of fluvial flooding. The surface water flooding information shows that access to the Whitecross site could be constrained by surface water flooding. Small areas within the Three Elms and Lower Bullingham sites would also be affected by flooding.

A3.17 However, if avoiding areas within flood areas 3b or with large areas of surface water issues is seen as the main priority, then the following sites would be viewed as the least favourable, Three Elms, Whitecross and northern parts of Lower Bullingham.

A3.18 It should be noted that many of these flooding issues could be overcome with mitigation and no outright objections have been received from the Environment Agency to any of the strategic sites.

Other specific site issues

Ground Water Source Protection

A3.19 The Environment Agency has raised concerns regarding the Three Elms site as it lies within a Source Protection Zone. Some further modelling and work would need to be undertaken to ensure that ground and surface water would not be affected by any development. This concern alone would not rule out the site from consideration.

Minerals

A3.20 The Three Elms and parts of the Holmer West and Whitecross sites are covered by a safeguarding minerals policy within the Unitary Development Plan. A similar policy is proposed within the Core Strategy general policies. Despite the presence of mineral reserves and the safeguarding policy, this does not mean minerals will be extracted from the area, but it prevents any unnecessary sterilisation. This aspect would not preclude the sites from forming part of any future urban expansion area.

Contamination

A3.21 Further investigations with Environmental Health regarding the Holmer East site have highlighted a possible contamination issue in connection with the part of the site's former use as a tile works and subsequent landfill site. There are concerns that this site will need to be fully investigated, including a gas study, prior to any development potential being fully assessed. This constraint, together with concerns over access and the public response to the site, mean that this is less desirable than other sites.

Utility provision

A3.22 Utilities constraints appear to be universal across the strategic sites, with all areas suffering from hydraulic overload and lower water pressure. These issues can be addressed as part of the development of the site.

Consultation response

A3.23 The results of the Hereford Option consultation highlighted the public response to the strategic sites. All sites were seen as unfavourable. However, if sites were to be chosen on the basis of most favourable sites only, then the order of preference would be the southern expansion area, then northern expansion area and finally the western expansion area.

A3.24 On a pure public response basis, it would be the western expansion area which would not form part of the revised housing distribution.

A3.25 If further investigation takes place into the reasons given within the 'free-write' text as to why certain sites were unfavourable, concern regarding the loss of farmland consistently appears to be an important factor, followed by landscape character. These may assist in the determination of priorities when reassessing sites.

A3.26 Many universal comments were made by statutory undertakers regarding phasing but none which would highlight one site as being more favourable than another in development terms.

Sustainability and Habitat Regulation Assessments

A3.27 A Sustainability Appraisal and Habitats Regulation Assessment was undertaken on the Hereford Preferred Option policies. The HRA concluded that unless necessary improvements to infrastructure and capacity can be achieved to avoid adverse impacts from increased water pollution, then the allocated housing numbers will need to be reviewed. With reference to the likely impact on the River Wye, the HRA indicated that other policies within the Core Strategy would help to mitigate any likely

impacts. However, due to water quality issues, it was highlighted that all strategic sites should be developed in the latter part of the plan period in order to allow for upgrades. No one site was singled out as being preferable to any other.

Overall conclusions regarding strategic site assessment.

A3.28 This report has highlighted a number of factors which could influence the future choice of strategic sites. Figure 9 below summarises the factors and highlights which of the five strategic sites would be the least favourable and could be reconsidered in light of any possible revision to the housing numbers in Hereford.

Figure 9: Summary of factors influencing choice of strategic sites

Factor	Least favoured site
Highway	Whitecross
Landscape	Holmer West (pt) Whitecross
Agricultural Land	Three Elms Whitecross
Flooding	Three Elms Whitecross Lower Bullingham (pt)
Contamination	Holmer East
Consultation Response	Western expansion

A3.29 As the table shows Whitecross and Three Elms do appear to be the least favourable sites when taking a variety of factors into consideration. Further assessment of the landscape character highlighted areas of Holmer West and Whitecross as being particularly vulnerable to change. The Three Elms site is considered to offer a more comprehensive package given the opportunity to locate the livestock market, employment, park and ride and new homes within the existing fabric of the city and near existing community facilities. It is also considered that not enough is known about the contamination on the Holmer East site to pursue it further at this stage.

A3.30 Therefore the suggested revised growth distribution for Hereford would include Lower Bullingham, Three Elms, with a reduced Holmer West site. The Whitecross and Holmer East sites would then be deleted.

A3.31 Further work needs to be undertaken on refining each of the individual chosen sites in light of the concerns expressed during the consultation. This may alter the individual site capacities shown within the Hereford Area Plan.

concerned the apparent discrepancies between the southern corridor and the original Department of Transport preferred Hereford bypass route in this location and the resulting proximity of the southern corridor to their properties.

- A4.7 In summary, these objectors have highlighted the omission of the original safeguarded bypass route, as shown within the South Herefordshire District Local Plan, from the Hereford Relief Road - Study of Options and the subsequent resulting change to the southern link corridor from that originally safeguarded.

Hereford bypass route

- A4.8 An eastern bypass for Hereford from the A465 (Abergavenny Road) to the A49 (Leominster Road) was proposed in 1991/1992. Following the Public Inquiry, this initial proposal was withdrawn and a Traffic Conference was held to consider the traffic problems in the city and debate the possible solutions. The Conference concluded that whilst there was some disagreement over the need for a road, there was strong support for a route to the east of the city.
- A4.9 As a result, the Secretary of State retained the original eastern route with two amendments (Lugg Meadows and Rotherwas). Consequently, the South Herefordshire District Local Plan (adopted 1999) and the Hereford Local Plan (adopted 1996) safeguarded this route through plan policies as shown on their proposals maps.
- A4.10 Only part of the southern section of this original bypass route was safeguarded within the Herefordshire Unitary Development Plan (adopted March 2007). This amounted to the A49 (Ross Road) to the B4399 (Holme Lacy Road). This section of road has now been completed – the Rotherwas Access Road. Other parts of the bypass were not safeguarded within the plan as it was considered they would not be deliverable within the plan period.
- A4.11 However, the Local Transport Plan 2 did include provision for the A49 (Ross Road) and A465 (Abergavenny Road) link, with an anticipated implementation date of between 2011 to 2016.

Analysis of southern link section

- A4.12 A review of the Hereford Relief Road – Study of Options indicated that the original safeguarded by-pass route in this location was not included within the study alignment corridors.
- A4.13 In order to alter the Hereford Relief Road Study recommendations, further investigations have been undertaken regarding the original by-pass route. The environmental studies undertaken in the late 1980s, in order to define this original route, were over 20 years ago. Although, it could be argued that little has changed in this location over those years, landscape character and nature conservation issues are now likely to be judged against different criteria. Further detailed work will be required when the precise route is defined.

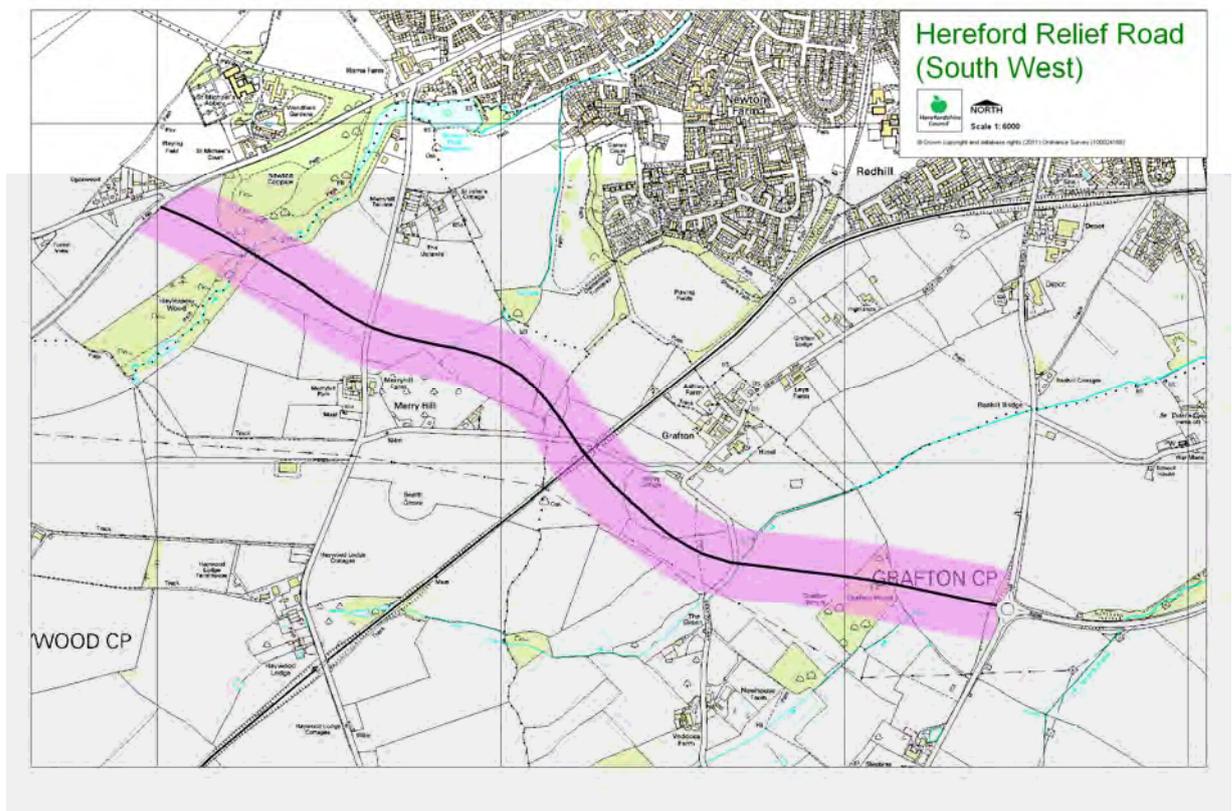
Proposed way forward

- A4.14 It is proposed to move the southern corridor to align in principle with the original by-pass corridor, thus moving the proposed corridor away from the residential properties of those who have raised objections at this stage, and to follow lower contours.

A4.15 This route was safeguarded within the South Herefordshire District Local Plan, therefore was publically known and was then identifiable via local searches. However, this plan was superseded in 2007 and the route has not formed part of the more recent consultations. The safeguarded route would not appear on any local searches post March 2007.

A4.16 Figure 11 shows the original 'by-pass' route with the minor adjustment needed to realign it to the A49 junction with the Rotherwas Access Road. The northern part of the Amey route corridor is being maintained to enable a satisfactory junction with the A465 and continuing route options to cross the River Wye. Such amendments would acknowledge the previous approved route and help avoid continuing or further objections or concerns from residents in the area.

Figure 11: Hereford Relief Road (South West)



Appendix 5

Small site completions

	2001- 2002	2002- 2003	2003- 2004	2004- 2005	2005- 2006	2006- 2007	2007- 2008	2008- 2009	2009- 2010	2010- 11	Total
Canon Pyon	0	1	2	5	4	1	5	0	0	2	20
Clehonger	0	0	3	0	2	2	3	1	0	0	11
Colwall	1	2	5	6	5	5	5	1	1	0	31
Credenhill	0	0	1	0	3	1	4	1	2	1	13
Eardisley	0	3	0	4	4	4	2	2	0	5	24
Ewyas Harold	2	1	0	0	0	0	0	0	0	2	5
Fownhope	0	2	0	0	2	3	2	3	1	0	13
Goodrich	0	1	0	2	1	0	0	0	4	0	8
Kingsland	1	1	0	4	6	0	9	1	3	3	28
Kingstone	1	0	4	3	1	0	1	0	0	0	10
Lea	3	2	0	5	2	1	0	4	2	0	19
Leintwardine	3	2	2	4	2	3	2	1	3	0	22
Madley	0	2	5	7	6	1	0	1	0	8	30
Marden	1	1	2	0	1	0	3	2	4	1	15
Orleton	1	5	1	1	2	4	4	2	1	1	22
Pembridge	1	1	6	9	2	2	6	3	0	1	31
Peterchurch	10	0	2	1	2	6	7	0	1	2	31
Shobdon	1	2	0	2	2	5	2	9	0	2	25
Wellington	0	3	1	1	0	0	2	6	1	3	17
Weobley	0	6	2	2	0	3	3	3	0	5	24
Whitchurch	3	3	6	5	2	0	6	0	1	1	27
Almeley (Hub with Eardisley)	1	1	3	4	1	1	1	0	2	1	15
Dorstone (Hub with Peterchurch)	2	0	5	0	2	3	0	5	1	1	19
Eardisland (Hub with Pembridge)	1	0	1	0	2	1	1	3	0	0	9
Moreton-on-Lugg (Hub with Wellington)	0	0	0	1	0	0	0	0	2	0	3
Pontrilas (Hub with Ewyas Harold)	0	0	0	0	0	0	1	1	0	0	2
Stretton Sugwas (Hub with Credenhill)	1	1	0	0	3	0	2	0	2	0	9
Sutton St Nicholas (Hub with Marden)	1	1	0	0	2	0	1	0	4	0	9
Weston under Penyard (Hub with Lea)	0	0	5	1	1	5	4	1	5	0	22
Wigmore (Hub with Leintwardine)	0	0	0	5	0	1	2	1	1	0	10
Winnal (Hub with Kingstone)	0	0	0	0	2	2	5	2	0	2	13
Total	34	41	56	72	62	54	83	53	41	41	537