

SOUTH LAKELAND DISTRICT COUNCIL

Community Overview and Scrutiny/

Cabinet

Date of Meeting:	7 th March 2008 12 th March 2008	Part I
Portfolio Holder:	Cllr Brenda Gray	Agenda
Report From:	Strategic Director Customer Services	Item No:
Report Author:	Réa Psillidou, Development Plans Manager	
Report Title:	South Lakeland Local Development Framework Core Strategy – Preferred Options	

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Summary

This is a report to Cabinet seeking approval of the South Lakeland Core Strategy Preferred Options Report and accompanied Sustainability Appraisal Report for public consultation. The report is also presented to Community Overview and Scrutiny on 7th of March 2008 for comment to be reported verbally to Cabinet on the 12th March 2008. The Core Strategy is the principal policy document in the Local Development Framework. Members are also asked to approve the associated Interim Consultation Statement, which covers stakeholder involvement in the process, and the public consultation on the Issues and Options Report in 2005 including a response to the representations received.

Recommendations

It is recommended that Cabinet

1. Consider and approve the Interim Consultation Statement (Appendix 2)
2. Consider and approve for public consultation the Sustainability Appraisal Report (Appendix 3)
3. Consider and approve for public consultation the Core Strategy Preferred Options Report (Appendix 4) subject to any changes made by Cabinet following discussion.
4. Agree that the Head of Regeneration and Housing Services, in consultation with the Housing and Development Portfolio Holder, prior to commencement of the public consultation, make minor amendments to the wording of preferred options arising from recommendations in the Sustainability Appraisal Report.
5. Agree that the Head of Regeneration and Housing Services, in consultation with the Housing and Development Portfolio Holder, prior to commencement of the public consultation, make any necessary minor amendments to the Preferred Options Report, which do not alter the substance of the preferred options and the preferred options strategy arising Counsel advice, further consideration by officer and to improve the clarity and presentation of the report;
6. Agree that the Head of Regeneration and Housing Services, in consultation with the Housing and Development Portfolio Holder, prior to commencement of the public consultation, make any necessary minor amendments to the Sustainability Appraisal Report, and the Interim Consultation Statement which do not alter the substance of the reports, for the purpose of improving their clarity and presentation.

Report

See Appendix 1

Alternative Options

Cabinet could reject the Preferred Options Report and accompanied report and decide not to proceed with consultation. The Cabinet could also decide to delay commencement of the consultation. In either cases whether or not significant redrafting is required a significant delay will ensue against the timetable in the Local Development Scheme (LDS). Delays could have implications for the currency of the evidence base used to prepare the Preferred Options R, the level of grant monies from PDG or its replacement and will reflect negatively in the Council's overall performance. A two months slippage has occurred against the timetable in the LDS.

Key Decision

This report relates to Key Decision (Ref. No. KD07/045/H&D). It appears in the Forward Plan for the period 1st March 2008 – 30th June 2008.

Material Considerations

Finance

The costs of undertaking the consultation are met from LDF core budget (GLP31). It may be necessary to continue having additional officer support through Urban Vision in organising and delivering the public consultation exercise.

Risk Management

Risk	Consequence	Controls required
Inadequacy of the Preferred Options Report or the Sustainability Appraisal.	Final Core Strategy is found unsound at examination. This will cause delays in having an adopted Core Strategy.	Close consultation with Government Office and the NW Regional Assembly on the process and content of the preferred options.

Staffing

See above under Finance.

Sustainability

This report does not have any registered significant environmental effects.

Links to Corporate Plan

- Healthy Communities
- Housing to meet local Needs
- Prosperous Communities
- Safer, Greener, Cleaner and Stronger Communities
-

Links to Other Strategic Plan(s)

- South Lakeland Community Strategy
- Kendal Economic Regeneration Action Plan
- Grange Regeneration Study
- Ulverston Canal Masterplan
- Cumbria Housing Strategy
- Cumbria Economic Plan
- Draft Regional Spatial Strategy

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Equalities & Diversity
Not applicable

Community Safety
Not applicable

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Background Documents

Document: South Lakeland Local
Development Framework – Core
Strategy Issues and Options
Report 2005

South Lakeland Local
Development Framework – Local
Development Scheme 2007

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The Report

Background

1. In 2004 Government introduced legislation to replace the current system of local plans and Structure Plans with Local Development Frameworks (LDF) and Regional Spatial Strategies (RSS). The Local Development Framework is a folder of documents and will replace in due course the South Lakeland Local Plan. The Core Strategy is the principal policy document within the LDF. All other policy documents must be in conformity with the Core Strategy. In turn the Core Strategy must be in conformity with the RSS.
2. In 2005 Cabinet considered and approved for public consultation the Core Strategy Issues and Options Report. The report sought views on a number of matters including three strategic options for the identification of Local Service Centres – Option 1 Focused Distribution, Option 2 Scattered Distribution and Option 3 Balanced Distribution. Option 3 was the most favoured option from the public consultation and sustainability appraisal. The Interim Consultation Statement (Appendix 2) sets out the results of the consultation on the Issues and Options Report 2005 and will be published with the Core Strategy Preferred Options Report. The sustainability appraisal report of the Issues and Options Report is incorporated in the Sustainability Appraisal Report attached as Appendix 3
3. The Preferred Options is the next stage in the process setting out the preferred approach as well as alternatives that have been considered and rejected taking into account the results of the public consultation, evidence from various studies and the sustainability appraisal of the Issues and Options Report and further appraisal of alternative options. The Sustainability Appraisal Report of the preferred options is attached in Appendix 3 for members approval. The Sustainability Appraisal Report will be published for public consultation together with the Core Strategy Preferred Options.

Core Strategy Preferred Options Report

4. Appendix 4 contains the draft Core Strategy Preferred Options Report, (text highlighted in red indicates where a minor correction is necessary to the text or map). The report was circulated to members of the LDF Working Group and the report takes account of comments received. The draft Core Strategy Preferred Options Report was considered by the LDF Steering Group on the 22nd of February 2008 and Community O&S on the 7th of March 2008. Due to report writing deadlines the comments from the LDF Steering Group and Community O&S will be reported verbally to Cabinet.
5. The South Lakeland Core Strategy covers the parts of the district outside the two national parks and looks ahead to 2025. The Core Strategy Preferred Options have been developed within the context of sustainability and the implications climate change. They have also taken account of the South Lakeland Community Strategy (2004-2024), the Council's Corporate Plan (March 2007) and National Planning Policies. The latest versions of the Community Plan and Corporate Plan will be taken into account in preparing the next draft for submission to Government. The preferred options have also been prepared in conformity with the draft Regional Spatial Strategy. The draft Regional Spatial Strategy was subject to examination late 2006 early 2007 and it is expected that it will be finalised and published by Government later in 2008.
6. The Core Strategy sets out a spatial vision and objectives and 24 preferred options to deliver the vision and objectives. It also includes a spatial portrait, which is a current

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description of the district (outside the two national parks) and a section on monitoring and implementation. The preferred options are organised in three parts: -

- i. Spatial Strategy – Preferred options 1-10
These are the key strategic policies setting the framework for development.
- ii. Area Strategies – Preferred Options 11-17
These provide more detail area based proposals.
- iii. Core Policies – Preferred Options 18 – 24
These cover other strategic matters such as Energy efficiency and Tourism. They also cover matters such as Gypsies and Travellers as required by Government.

7. The basis of the strategy is the locational strategy (PO1) which sets a hierarchy of settlements with Kendal and Ulverston at the top (as Principal Service Centres), followed by Grange-over-Sands, Milnthorpe and Kirkby Lonsdale (as Key Service Centres) and the Local Service Centres. The distribution of development is based on this hierarchy with most of the development (60%) going into the first tier – Principal Service Centre. The distribution of development is influenced by factors such as environmental constraints in different settlements and the scale of affordable housing in different parts of the District. The Strategy also promotes the concept of ‘functional areas’ – recognising the advantage of a number of small settlements because of their proximity to a larger town.
8. The Core Strategy recognises that outside defined settlements there is a multiplicity of rural hamlets, which in the first instance may not appear as sustainable locations for new development as members of these communities rely on car travel to access a wide range of facilities and services. However the Strategy recognises the importance of securing the social sustainability of these communities and allows for limited development to meet local economic or housing needs. This is covered in Preferred Option 2 (PO2).
9. The LDF Steering Group spent some time discussing PO2. PO2 distinguishes between villages with defined boundaries (as currently exist in the Local Plan) and smaller hamlets without boundaries. With regards to affordable housing policy PO4 will apply within the boundaries requiring a financial contribution from small development (1-3 dwellings) and 30% of development being for local occupancy. In view of the fact that most developments within village boundaries will be less than 4 dwellings and only a financial contribution would be required; the LDF Steering Group recommended that PO4 does not apply to villages (which are not Local Service Centres) and instead policies should require that all residential development should make provision of affordable housing. This would mean that a single dwelling development would need to be affordable.
10. Viability has been a major issue in the delivery of affordable housing through the private sector. PO4 aims to capture some contribution towards affordable housing from small developments recognising that it is unlikely that lowering the thresholds to below 4 dwellings would be viable. At present developments of less than four dwellings make no contribution to affordable housing. In the east of the District, IPATH requires that 50% of development of over 4 dwellings is for affordable housing. Even for development of more than 4 dwellings there has been a decline in the number of applications. Viability might not be the sole reason but certainly is safe to assume that it is a contributing factor. A main concern is whether the recommendation from the LDF Steering Group would discourage sites coming forward in villages and essentially also losing potential financial contribution. A further concern is that the LDF Steering Group recommendation would prevent a local person who is not eligible for affordable housing to build a new dwelling.

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11. Thus it is not recommended that the LDF Steering Group recommendation be carried forward. Members are reminded that PO4 would restrict any new built being used as second home.
12. In accordance with draft the RSS the Core Strategy will need to make land available for 400 new dwellings a year up to 2025 backdated from 2003. Taking account of development that has already been completed or has planning permission and available land within existing boundaries, it leaves a requirement for about 120 hectares land to be accommodated as sustainable extensions to existing settlements. (PO3) The rational behind the distribution of development could mean that in Local Service Centres due to the level of development that has taken place there will not be any need for additional allocations.
13. With Regards to affordable housing, the Strategy (PO4) as part of creating balanced communities is applying the IPATH requirement of 50% to the whole of the district (outside the two national parks) except Rural Kendal and the Cartmel Peninsular where the requirement is increased to 60% for development of 10+ dwellings. The requirement is reduced for development developments of between 4 -10 dwellings to 30% and 40% respectively. A financial contribution towards the provision of affordable housing will be required from developments of less than 4 dwellings. The Strategy allows for flexibility to negotiate down these requirements where viability is an issue. It is widely accepted that affordable housing is reflected in land values; therefore viability should not be an issue in relation to greenfield sites. Nonetheless it has often been argued by housebuilders that landowners are not prepared to release land below a certain value. If that proves to be the case the Council might have to consider compulsory purchase in order to deliver the strategy.
14. As part of achieving a balanced housing market the Strategy also proposes a restriction on second homes for all new built.
15. The relatively low value of the local economy and the lack of suitable and available sites for economic development is the second major issue in the District. The preferred option on Sustainable Economy (PO5) seeks to ensure adequate land supply to meet demand rather than just reflect past take up rates. The defined employment requirement (PO5) also incorporates an allowance to enable a restructuring of the economic land supply, in other words additional land is provided to replace existing employment sites, which are in unsuitable locations. Taking account development completed since 2005 (base date for the study), currently available employment land including outstanding planning permission, there is a residual requirement for 96.8 hectares of employment to be provided as sustainable extensions to settlements over the period up to 2025.
16. In raising the value of the local economy and providing higher paid jobs, the strategy aims to deliver knowledge base industries and also proposes the creation of a local strategic site in the Kendal Area to accommodate a concentration of the employment land requirement. This is aimed at creating potential clusters. The site put forward is Shenstone which although outside the defined boundary of Kendal it is half a mile from the boundary and two miles from the town centre. Complementary to providing better paid jobs is the provision of higher education and skills training to enable the local community to access these jobs.
17. In approving the Preferred Options Report for consultation, Cabinet should consider whether the vision and objectives are appropriate and that the preferred options provide a rational strategy to deliver the vision and objectives and provide the spatial framework for development to address needs and issues in the District up to 2025.
18. As required the Preferred Options Report sets out the alternatives, which have been

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considered. As part of the consultation, representations can support an alternative, which has been rejected or put a new forward a new option.

Sustainability Appraisal (SA) / Strategic Environmental Assessment (SEA)

19. SA is an important requirement of the new Development Plans System and seeks to ensure that policies and proposals reflect sustainable development principles. SEA arises from a European Directive and applies to all plans that are likely to have significant effects on the Environment. The SEA process seeks to assess these likely effects. In accordance with Government guidance the SA and SEA processes are combined in one report – the Sustainability Appraisal Report that is made available for public consultation.
20. Sustainability was integral to the preparation of the preferred options as required by Planning Policy Statement 1: Delivering Sustainable Development. As part of a more formal process, the sustainability panel convened on a number of occasions to appraise the various alternative options in terms of sustainability against agreed sustainability objectives. Appendix 3 contains the draft Sustainability Appraisal Report, which will accompany the Core Strategy Preferred Options and will also be subject to public consultation.
21. The sustainability appraisal has confirmed that the majority of preferred options constitute the most sustainable option. The preferred options for Gypsies and Travellers (PO18) and Travelling Showpeople (PO19) had a minus score (-0.5) and zero score respectively. It is proposed to amend the wording of the preferred options to address the concerns of the panel, which were mainly relating to potential impacts on the environment.
22. PO24 Sustainable Energy has also scored negative and was the worst option out of the three alternatives. The other two alternative options set lower thresholds than the preferred option and consequently they would deliver higher levels of benefit and be more sustainable. Nonetheless in recommending the preferred option, consideration was given to the viability of schemes and the need to provide an acceptable directional change. The negative scoring of the preferred option is considered misleading and reflects the weakness of the preferred option compared with the alternative options because of higher thresholds. It cannot be accepted that the preferred option in itself is unsustainable, as the negative score would indicate. It is not proposed to alter the preferred option.
23. The final main conclusion from the sustainability report relates to renewable energy, noting that the preferred options make no specific reference to supporting renewable energy developments. The preferred Option on Sustainable Development principles (PO9) covers climate change. A policy on Renewable Energy would be included in the Development Control Generic Policies Development Plan Document. It is however proposed that PO9 is strengthened by making a specific reference to renewable energy.
24. The Sustainability Appraisal Report includes other minor recommendations, which seek to strengthen the sustainability of the preferred options. Due to report writing deadlines it has not been possible to fully consider all the recommendations. Members are asked to delegate power to the Head of Regeneration and Housing to carry out minor amendments to the wording of preferred options in consultation with the Housing and Development Portfolio Holder arising from recommendations in the Sustainability appraisal Report.
25. A summary of the sustainability appraisal for each option will also be added to the Core Strategy Preferred Options Report prior to consultation.

Appropriate Assessment (AA)

26. Under the EU Habitats Directive (92/43/EEC) any proposed plan, which may have a significant effect on, a European site (identified as Natura 2000 sites) must be subject to an

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Appropriate Assessment to determine whether or not there will be significant effects on the integrity of the sites and suggest ways in which they could be avoided. Relevant Natura 2000 sites need not necessarily fall within the District. It is not required that the preferred options are accompanied by an Appropriate Assessment Report. The requirement is that an Appropriate Assessment is carried out before the plan is adopted.

27. The first stage in the process is a 'Screening Process' to establish whether the Core Strategy on its own or in combination with other plans/strategies or projects might have any 'Likely Significant Effects' (LSEs) on any European site and therefore to determine whether a full AA would be required for the Plan.
28. Consultants have been appointed to carry out the work, which is in progress. A number of meetings have been held with Natural England discussing the likely effects of the preferred options on Natura 2000 sites.
29. Preliminary conclusions identify LSE identified for the following sites falling within the scope of this assessment:
- Morecambe Bay Special Area of Conservation (SAC)
 - Morecambe Bay Special Protection Area (SPA)
 - Morecambe Bay Ramsar Site
 - Morecambe Bay Pavements SAC
 - River Kent SAC
30. Further investigation is recommended for these sites as part of the next stages of the AA process. The following preferred options have been identified as potentially resulting in LSEs:
- PO3: Distribution of Development, PO4: Balanced Housing Market, PO5: Sustainable Economy which set out the level and distribution of growth;
 - PO11: Kendal Area Strategy which sets out the expansion of Kendal and supports the restoration of the canal; and
 - the combination of PO1: Locational Strategy, PO5: Sustainable Economy, PO7: Green Infrastructure, PO12: Ulverston Area Strategy and PO20: Toursim which could result in increased visitor numbers to sites.
31. Potential effects identified are:

POTENTIAL ECOLOGICAL IMPACT	RELEVANT PREFERRED OPTION	SITES POTENTIALLY AFFECTED
Reduced water quality (through increase in sewage, surface water runoff and pollution)	PO3, PO11	River Kent SAC
Reduction in water supply or levels at sites	PO11	River Kent SAC
Introduction of invasive non native species and crayfish plague	PO11	River Kent SAC
Increase in visitor pressure leading to erosion and disturbance.	PO1, PO3, PO5, PO7, PO11, PO12, PO20	Morecambe Bay SAC/ SPA/ Ramsar, Morecambe Bay Pavements SAC

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32. As part of stage 2 Appropriate Assessment, the issues listed above will be further investigated and measures suggested to avoid or mitigate adverse effects. The recommendations from stage 2 will feed into the preparation of the submission draft Core Strategy.

Other Matters

33. Comments from the LDF Steering Group are incorporated in the Core Strategy preferred Options Report apart from the recommendation relating to PO2 (See paragraphs 9-11 above). Due to report writing deadlines the comments from Community O&S will be reported verbally to Cabinet.
34. Counsel has been appointed to advise on the preparation of the Core Strategy. The Preferred Options Stage is a crucial stage and Counsel has been asked to advise on the adequacy of alternatives and information in the Preferred Options Report as well as on the legality, wording and justification of the preferred options. Counsel's advice will be reported verbally at the Cabinet meeting.
35. Due to report writing deadline any amendments to the Preferred Options Report arising from Counsel's advice will need to be made after Cabinet. There may also be a need to make other minor amendments to the preferred options arising from further consideration by officers, which do not alter the substance of the strategy and also other textual amendments to improve the clarity and presentation of the report. Such changes may cover additional matters than those highlighted as red in the attached report. Therefore Cabinet are asked to agree that the Head of Regeneration and Housing Services may make minor amendments in consultation with the Housing and Development Portfolio Holder.
36. The consultation plan is being drawn up in conformity with the Council's Statement of Community Involvement. Members of the Cabinet and local Ward Councillors will be advised of the timetable and process once finalised. Consultation is planned to commence as soon as possible after today's meeting. Public consultation will last for a period of six weeks in accordance with the Town and Country Planning (Local Development) (England) Regulations 2004.
37. The next stage in the process following the public consultation on the preferred options is the preparation of the draft Core Strategy to be submitted to the Secretary of State for examination early in 2009. Another period of public consultation will also commence for a period of six weeks from the submission of the Core Strategy to the Secretary of State. The Government will then appoint an Inspector who will carry out an examination into the 'soundness' of the Core Strategy later 2009. The Core Strategy is expected to be adopted in 2010.

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