



Report to Eden District Council

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PLANNING AND COMPULSORY PURCHASE ACT 2004

SECTION 20

REPORT ON THE EXAMINATION INTO THE EDEN DISTRICT COUNCIL CORE STRATEGY.

DEVELOPMENT PLAN DOCUMENT

Document submitted for examination on 1st May 2009

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ABBREVIATIONS USED

AMR	Annual Monitoring Report
CLG	Communities and Local Government
Core Strategy	Eden District Council Core Strategy
DPD	Development Plan Document
dph	Dwellings per hectare
ELS	Employment Land Study
EVA	Economic Viability Assessment
GONW	Government Office for the North West
KSC	Key Service Centre
LDF	Local Development Framework
LDS	Local Development Scheme
LSC	Local Service Centre
LTP	Local Transport Plan
pdl	Previously developed land
PPG	Planning Policy Guidance
PPS	Planning Policy Statement
4NW	Regional Planning Body
RSS	Regional Spatial Strategy; North West of England Plan: Regional Spatial Strategy to 2021
SA	Sustainability Appraisal
SCI	Statement of Community Involvement
SCS	Sustainable Community Strategy
SPD	Supplementary Planning Document
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
SFRA	Strategic Flood Risk Assessment
UECP	Upper Eden Community Plan

1. INTRODUCTION AND OVERALL CONCLUSION

- 1.1 Under the terms of Section 20(5) of the Planning & Compulsory Purchase Act 2004, the purpose of the independent examination of a development plan document (DPD) is to determine:
- (a) whether it satisfies the requirements of s19 and s24(1) of the 2004 Act, the regulations under s17(7), and any regulations under s36 relating to the preparation of the document;
 - (b) whether it is sound.
- 1.2 This report contains my assessment of the Eden District Council Core Strategy Development Plan Document (Core Strategy) in terms of the above matters, along with my recommendations and the reasons for them, as required by s20(7) of the 2004 Act.
- 1.3 I am satisfied that the DPD generally meets the requirements of the Act and Regulations. My role is also to consider the soundness of the submitted Core Strategy against the three elements of soundness set out in PPS12 at paragraphs 4.51 - 4.52. The changes I have specified in this binding report are made only where there is a clear need to amend the document in the light of the legal requirements and the elements of soundness in PPS12.
- 1.4 The Council has made a number of minor editing changes to the published Core Strategy in accordance with the 2008 Regulations. These are listed in a schedule contained in the Examination Library, referred to as [CSD12]. They have been incorporated in the submitted Core Strategy. At the Pre-Hearing Meeting I confirmed that I have accepted this composite text as being the starting point for the examination.
- 1.5 As submitted, I conclude that the Core Strategy is unsound; principally due to the lack of clarity of the intended spatial strategy, particularly regarding provision for housing and employment at urban extensions to Penrith. I conclude also that the evidence to justify local occupancy requirements, affordable housing provision, employment land requirements, previously developed land targets and the threshold relating to renewable energy targets is insufficiently robust. Furthermore, that the mechanisms for delivery and monitoring are not demonstrably effective. All of these concerns were raised with the Council at an Exploratory Meeting.
- 1.6 In response, albeit post-submission, the Council has completed its Strategic Housing Market Assessments (SHMA). It has also commissioned an Economic Viability Assessment (EVA) to justify local occupancy restrictions and affordable housing provision, and an Employment Land Study (ELS) has been carried out. In addition, it has suggested 4 schedules of changes to the submitted Core Strategy. This approach of producing vital evidence and suggesting significant changes post submission, in order to make the DPD sound, does not accord with that advocated by PPS12, which informs that the starting point for the examination is the assumption that the local authority has submitted what it considers to be a sound plan. Whilst I have concluded that the circumstances in this case justify the approach taken, it should not be assumed that it would be acceptable in others.

- 1.7 Annex A to this report lists and gives the precise details and wording for all of the changes that are necessary to make the Core Strategy sound. They are highlighted in bold in this report. Those referred to as (AM/) were suggested by the Council prior to the hearing sessions in response to my Matters, Issues and Questions papers and are listed in a schedule referenced as core document [FD12]. Those that are referred to as (PH/) were suggested by the Council and participants during the hearing sessions and are contained in core documents [FD27], [FD29] and [FD36]. Others that are shown as (IC/) originate from me and are listed in [FD37]. All the suggested changes were discussed at the hearing sessions. In addition, they have been published on the Council's website and opportunity has been made for the submission of written representations in their regard, which I have taken into account and accordingly modified the suggested changes where necessary for soundness.
- 1.8 Those changes, namely to policies CS7, CS8, CS9, CS10, CS13, CS19, the approach towards the re-use of agricultural buildings and Appendix 4, which materially alter the substance of the policies and proposals of the submitted Core Strategy, and/or undermine the Sustainability Appraisal (SA) and participatory processes already undertaken have also been the subject of advertisement and further full public consultation during the periods 26th October and 7th December 2009, and 18th January and 26th February 2010, and additional SA has been undertaken in their regard. In addition, opportunity was provided for comments to be made on the SHMA, EVA and the ELS prior to the hearing sessions pertaining to these matters. I have had regard to all comments made.
- 1.9 My report firstly considers the legal requirements and then deals with the relevant matters and issues considered during the examination in terms of testing justification, effectiveness and consistency with national policy. I have concluded that those policies and proposals of the Core Strategy which I have not specifically referred to in this report are sound. References to core documents are given in square brackets [].
- 1.10 My overall conclusion is that the Core Strategy can be made sound, provided it is changed in the ways specified in this report. In summary, the principal changes required are to:

- List the saved policies of the adopted Eden Local Plan that will be replaced by the Core Strategy.
- Extend the time frame of the Core Strategy until 2025.
- Clarify the strategy for delivering the Spatial Vision.
- Emphasise in the policies and their supporting text the characteristics that make the District distinctive.
- Clarify the mechanisms for delivering and monitoring the Spatial Vision, policies and proposals of the Core Strategy and amend policy CS6 to accord with Circular 05/2005.
- Delete references to the inclusion of agricultural buildings in the definition of previously developed land.

- Confirm that all settlements that meet the selection criteria for Local Service Centres at the time of adoption of the Core Strategy are so designated.
- Confirm that the percentages given in paragraph 5.11 of the Core Strategy are the intended proportions for development throughout the District.
- Amend the reference in policy CS7(4) to clarify that a local occupancy restriction will apply to all affordable housing and also to market housing outside the Key Service Centres where there is robust evidence to demonstrate justification in a particular location.
- Clarify that there will be housing urban extensions to the north and east of Penrith.
- Clarify that there will be an employment urban extension to the north of Penrith.
- Reduce the brownfield target of policy CS8 to 30%.
- With reference to rural exception sites amend policy CS9 to accord with PPS3.
- With reference to affordable housing amend policy CS10 to set a site size threshold of 4 units and a proportion of 30% affordable housing to be sought from housing developments.
- Delete the second part of policy CS19 which refers to local thresholds for renewable energy provision.

2. LEGAL REQUIREMENTS

- 2.1 The Core Strategy has been prepared in accordance with the current Local Development Scheme (LDS) [ED6], which was submitted to the Secretary of State in December 2008, revised following comments from the Government Office for the North West (GONW) and published in March 2009. The timetable in the LDS shows submission of the document to the Secretary of State in March 2009 and adoption in December 2009. Both of these targets have been missed by a couple of months, but I consider this to be justified in these particular circumstances. Specifically, the slippage of the adoption date reflects the need for the Council to produce additional evidence during the Examination, necessary to demonstrate the soundness of the Core Strategy. The submission DPD generally reflects the proposed subject matter as set out in the LDS, although I deal in more detail with the question of the timescale of the Core Strategy to 2021 and the clarity of its spatial strategy in part 3 of this report, where I make recommendations for necessary changes. With those changes this legal requirement is met.
- 2.2 The Core Strategy has had regard to two Sustainable Community Strategies; the Cumbria Community Strategy 2008 to 2028 [ED9], which is the county-wide document and the Eden Sustainable Community Strategy-Detailed Action Plan [ED8] produced by the Local Strategic Partnership. Both include visions and themes that reflect the long term desires of the area they cover. The Eden Sustainable Community Strategy and the Core

- Strategy clearly share and support each other's vision. The links between them are identified on page 9 and Appendix 3 of the Core Strategy. Further evidence is given in the Council's Self Assessment of Soundness document [CSD10]. I conclude that this legal requirement is met.
- 2.3 The Council's Statement of Community Involvement (SCI) has been found sound by the Secretary of State and was formally adopted by the Council in October 2006 [ED3]. It is evident from the documents submitted by the Council, including the Regulation 30(d) and 30(e) Statements [CSD5], [CSD6] and its Self Assessment of Soundness document [CSD10], that the Council has met the requirements as set out in the Regulations and the SCI.
- 2.4 Alongside the preparation of the Core Strategy it is clear that the Council has carried out a parallel process of SA. A report covering the Issues and Options and partial Preferred Options stages was published in August 2006. This has since been supplemented by an Addendum Report and a revised Non Technical Summary. These documents are listed as core documents; [CSD2], [CSD3] and [CSD4]. Further evidence can be found in the Council's Self Assessment of Soundness document. In addition, recommended changes to some policies that have SA implications have been subject to further SA. These details are contained in [FD27/EDC/01] and have been advertised on the Council's website.
- 2.5 The Core Strategy has been screened in consultation with Natural England, over the period March 2007 to June 2008. This was not possible at the Preferred Options phase as the document was too far advanced when the revised Habitat Regulations were published. The screening report concluded that an Appropriate Assessment was not necessary. This is confirmed by Natural England in their letter dated July 2008 [CSD8]. I am likewise satisfied that there is no need for an Appropriate Assessment in accordance with the Habitats Directive.
- 2.6 The Regional Planning Body (4NW) has indicated in its representations and covering letter [ED50] that the Core Strategy is in general conformity with the approved Regional Spatial Strategy; North West of England Plan: Regional Spatial Strategy to 2021 (RSS) [GR16]. I also consider that the Core Strategy is in general conformity with the RSS. However, its Objective 1 incorrectly paraphrases the RSS. The Council has sought to rectify this in its suggested change **(PH/1A/14)**, which I have modified for greater accuracy and soundness.
- 2.7 Furthermore, for reasons that I set out in part 3 of this report, I conclude that the indicative target of 50% for development on previously developed land in Eden, given in Table 7.1 of the RSS, is not deliverable. For soundness I recommend that it is reduced to 30%. 4NW has confirmed that in principle it does not consider that this change raises an issue of non-conformity, [FD27/R30/02].
- 2.8 I am satisfied that the DPD complies with the specific requirements of the 2004 Regulations (as amended) including the requirements in relation to publication of the prescribed documents; availability of them for Inspection, local advertisement and notification of DPD bodies. Appendix 3 of the Core Strategy contains information on superseded saved policies, but not in a clear format. Suggested change **(AM28)**, which would add a list of these

policies to Appendix 3, is necessary to meet Regulation 13(5). I am satisfied that this list is complete and correct.

- 2.9 To summarise, I conclude that the legal requirements will be met provided that the following changes are made. The precise details of these necessary changes are given in Annex A to this report.

- Amend Objective 1 for conformity with the RSS.
- Add the list of superseded saved policies to Appendix 3.

3. JUSTIFICATION; EFFECTIVENESS AND CONSISTENCY WITH NATIONAL POLICY

- 3.0 In this section of my report I consider whether the policies and proposals of the Core Strategy are justified, effective and consistent with national policy, as defined in PPS12 as being requirements for soundness. I do so in terms of the following main matters discussed at the hearing sessions of the examination, which generally follow the order of the plan.

- An overview of the soundness of the Core Strategy
- Delivery and monitoring
- Maintaining sustainable communities
- Meeting local housing needs
- Meeting the needs of sustainable working communities
- Achieving high quality environments
- Achieving active and inclusive communities

3.1 **Main Matter 1 – *An Overview: Whether the Core Strategy is a spatial plan that covers an appropriate timescale and if its spatial vision, objectives, strategy and policies are justified, effective, particularly in terms of locally distinctiveness, and are consistent with national policy.***

- 3.1.1 The Core Strategy is succinct and easy to read, amounting to 75 pages. It covers an appropriate range of issues within a fairly concise suite of 25 policies. I consider that these policies provide effective strategic hooks for the policies and proposals of the future intended Housing DPD, which the Council anticipates will be submitted in 2010 and the Primary Development Control Policies DPD, which will make all non-housing allocations and has an anticipated submission date in 2011. Map 1, which follows immediately after the contents page, clarifies that the Core Strategy does not cover the part of the Lake District National Park that is contained geographically within Eden District. A separate Local Development Framework (LDF) will be produced for the National Park by the Lake District National Park Authority. Sections 1 - 4 of the Core Strategy provide an overview; introducing the DPD and setting out the spatial portrait of the District, the Core Strategy Vision and its Spatial Objectives.

- 3.1.2 I am satisfied that the Core Strategy adequately expands upon RSS guidance to reflect local issues within the regional context. Also, that generally, it appropriately relegates matters of detailed policy to the two lower order DPDs referred to above.

- 3.1.3 The Core Strategy is not repetitive of and is generally consistent with national policy, with the few exceptions that I discuss below. In addition, I consider the local justification for some intended departures, for example that of including agricultural buildings within the definition of previously developed land, in subsequent topic based sections of my report.
- 3.1.4 It is intended that the Core Strategy should cover the period up to 2021, giving a post adoption time span of only 11 years. The reason given by the Council for this short time horizon, which is inconsistent with paragraph 4.13 of PPS12, is that it accords with guidance of the former PPS12 (2004) and with the time frame of the RSS. However, the RSS specifically informs in policy L4 that for the purposes of producing LDFs, the average annual housing requirements set out in its table 7.1 will continue for a limited period beyond 2021. Furthermore, there is sufficient evidence to demonstrate that the policies and proposals of the Core Strategy would be justified and effective beyond 2021. Consequently, I do not consider that the Council's reasons are adequate justification to depart from national policy. I conclude that the Core Strategy is not sound in this regard. To make it sound all references to its time horizon should be amended to 2025, in accordance with suggested changes **(AM64)** and **(AM2)**.
- 3.1.5 The Core Strategy is inconsistent with PPS7 by making reference to local landscape designations. To rectify this for soundness, all such references should be amended to reflect the current landscape character assessment approach, as detailed in **(AM4)**, **(AM8)**, **(PH/1A/3)** and **(PH/1A/4)**.
- 3.1.6 Very late in the examination process, after the hearings part, PPS4: Planning for Sustainable Economic Growth was published. Its provisions replace PPS6, parts of PPS7 and parts of PPG13. Since this is a material consideration I have reviewed the Core Strategy in its light. I am satisfied that none of the policies or proposals of the DPD are inconsistent with PPS4, however all references to now superseded national policy should be removed and replaced by reference to PPS4 where appropriate, as required by change **(IC11)**.
- 3.1.7 I am satisfied from the evidence contained in the Statement of Consultation [CSD5] that utilities companies, other agencies and DPD bodies, and all other interested parties have been consulted at each stage of the preparation of the Core Strategy and that its policies and supporting text were amended to address their concerns, where necessary for soundness; for example, those of the Environment Agency.
- 3.1.8 With reference to the evidence base, I consider that generally the Core Strategy is based on robust and credible evidence that has clearly influenced its vision, objectives and policies, and which is referred to, where relevant, throughout the DPD. Some key evidence is listed at paragraph 1.18 of the Core Strategy and all evidence documents are included in the core document list for the examination. As required by PPS12, I consider that the evidence base is generally proportionate, relevant and in most respects was as up-to-date as practical at the time of submission. In addition, some important additional evidence was in the process of being carried out and up-dated during the examination period. Specifically, the SHMAs [FD30] and the ELS [FD31] have been completed, and the EVA [FD28] for affordable and local occupancy restricted housing

has been carried out. I have had regard to these in my assessment of the soundness of the Core Strategy.

- 3.1.9 The DPD has also taken into account and reflects a large number of internal and external plans, programmes and strategies in developing its vision, objectives and policies. Many of these other regional, sub-regional and local plans are referred to in its text and at its paragraphs 1.14 - 1.17. Criticisms have been made that the Core Strategy does not refer to Parish Plans; in particular that it does not reflect the Upper Eden Community Plan (UECP) [AS/1A/17] and specifically the dispersed rural housing allocation proposals of the UECP. However, many of these Parish Plans which, by definition, focus on localised areas within the District, have yet to be produced or were published too late in the Core Strategy process to have meaningful influence on the development of its strategic policies and proposals. Also, their level of detail is generally of too fine a grain for inclusion in a strategic plan. Nevertheless, I have taken into account those that were published by the end of the examination and I am satisfied that despite some areas of tension between them and the Core Strategy, for the reasons that I give in section 3.3 of this report, I do not consider that the DPD should be amended in their regard. Nevertheless, the Parish Plans could provide valuable input into future, lower order DPDs.
- 3.1.10 It is transparent from the audit trail provided by the Issues and Options [ED1] and the Preferred Options [ED2] documents, together with the SA and the Note on the Methodology for the Selection of Local Service Centres [CSD11] that reasonable alternatives have been considered in reaching the submitted Core Strategy proposals and policies.
- 3.1.11 With regards to its effectiveness, the Core Strategy clearly goes beyond traditional land use planning and provides an effective mechanism for bringing together and integrating policies for development and the use of land with other policies and programmes from a variety of agencies and organisations that influence development within Eden. Many of its policies are criteria based and provide sufficient flexibility to deal with changing circumstances.
- 3.1.12 Lack of low cost housing and the low wage economy are identified as issues that are shared with adjoining South Lakeland District Council. The economic potential of the M6 corridor is also recognised by Carlisle and South Lakeland Districts. In line with encouragement given in PPS12 towards joint working and addressing cross boundary issues, I consider that such shared interests have been satisfactorily addressed by the Council through various mechanisms including; reciprocal consultation on DPDs, regular meetings of Cumbria-wide officers' groups, joint working on SPDs, such as Wind Energy (ED22), through the North Pennines AONB Partnership, which addresses issues such as conservation, safeguarding the industrial heritage, promotion of tourism and educational initiatives and through the joint production of key aspects of the evidence base including the SHMAs, Biodiversity, and Landscape Character Assessment and Guidelines.
- 3.1.13 The spatial portrait describes the profile of the District and generally adequately identifies the main issues to be addressed. Although it would have been clearer if the issues had been separated from the portrait, in

order to provide a transparent relationship between the identified issues and the objectives, I do not consider that the approach taken is unsound. From reading sections 2, 3 and 4 of the DPD together, which respectively set out the spatial portrait, the Core Strategy Vision and the Spatial Objectives, it is possible to identify that the policies derive from the Issues, Vision and Objectives. Helpfully in this regard, Appendix 3 tabulates links between the Core Strategy policies to relevant higher level policies, best practice guidance, the SCS and the Core Strategy Objectives.

- 3.1.14 However, there are some important matters arising from the spatial portrait that are not subsequently carried forward as issues to be addressed by policies or proposals. For example, paragraph 2.34 of the Core Strategy should highlight that, in addition to achieving the appropriate scale of new housing, its location is a key driver for the Spatial Strategy. Suggested change **(AM9)** is necessary to rectify this omission.
- 3.1.15 Also, the first sentence of paragraph 2.32 of the Core Strategy, which states that; 'The Council can no longer allow unrestricted market housing in Eden District', is ambiguous. It is not clear if restrictions are considered necessary in terms of numbers, occupancy or other considerations. Since the RSS housing requirement should not be regarded as a ceiling and, as I discuss in section 3.4 of this report, the intended local occupancy restriction is not justified by evidence, the sentence can logically only refer to the location of development. For soundness it should be amended in accordance with suggested change **(PH/1A/8)**.
- 3.1.16 Furthermore, it is my opinion that the translation of the issues into the vision, objectives and policies does not give a clear sense of local distinctiveness. Nor does the Core Strategy contain a clear delivery strategy which sets out how much development is intended to happen, where, when, by whom and by what means. Thus I do not consider that the DPD properly reflects the concept of spatial planning as defined in PPS1 and PPS12, nor is it an effective place shaping mechanism. I conclude that it is not effective or sound in this regard.
- 3.1.17 In response to these weaknesses the Council has suggested several changes, all of which are necessary to make the Core Strategy sound. Suggested changes to the policies and supporting text contained in **(AM5)**, **(AM6)**, **(AM7)** and **(AM8)** emphasise the high quality and distinctiveness of the natural environment of the District and **(PH/1A/5)** highlights that the distinctive character of the District rests not only on the outstanding quality of the landscape, but also on the fact that the majority of the population live in dispersed rural settlements. In addition, suggested change **(AM13)**, which is similarly necessary for soundness would add local distinctiveness to Spatial Objectives 1, 2, 7 and 12.
- 3.1.18 In order to clarify the strategy for delivering the Core Strategy Vision and to make clear how places within the District will change over time, a short section of text linking the Spatial Objectives and the policies, and which transparently sets out the Spatial Strategy, is necessary for effectiveness. The addition of a Spatial Strategy, as set out in suggested changes **(PH/7/3)**, **(PH/7/4)**, **(PH/1B/7)** and **(PH/1A/16)**, which are necessary to make the Core Strategy sound, involves relocation of existing

text from the vision and the locational strategy, and the incorporation of additional text contained elsewhere in the DPD and in its evidence base.

- 3.1.19 The added Spatial Strategy would inform that, with the exception of Penrith, it is not anticipated that the relative size of most settlements in the District will change significantly. However, to ensure the continued viability and vitality of the numerous rural communities where, cumulatively, most of the population live, modest amounts of market led development will be permitted. The Spatial Strategy would specify the selection criteria for designation of Local Service Centres, where such rural development may take place. It would also indicate the proportions for the location of new development, with around 80% to be provided in the Key Service Centres of Penrith, Alston, Appleby and Kirby Stephen. I discuss the justification and effectiveness of these proportions in section 3.3 of this report.
- 3.1.20 I am satisfied that feasible alternative strategic approaches for delivery of the Spatial Vision have been considered in the Issues and Options and the Preferred Options documents, which present several different ways in which the required amount of development could be located throughout the District, by providing higher and lower proportions to the Key Service Centres and in the rest of the District. I consider these in more detail in Main Matter 3 of this report. I conclude that the approach set out in the suggested Spatial Strategy is justified by the evidence, including the SA; also, that with the changes I recommend it will be effective, and that it will be consistent with national policy.
- 3.1.21 To summarise, I conclude that the following changes, which are referred to above and which are set out in full in Annex A to this report, are necessary in order to make the Core Strategy sound.

- Extend the time horizon of the Core Strategy to 2025.
- Give greater clarity and emphasis throughout the Core Strategy to the distinctive characteristics of the District.
- Make explicit the intended Spatial Strategy.
- For consistency with PPS7 delete all references to local landscape designations.
- For consistency with PPS4 delete all references to PPS6.

3.2 Main Matter 2 – *Whether the mechanisms of the Core Strategy for implementing and monitoring its policies and proposals are justified, effective and consistent with national policy.*

- 3.2.1 PPS12 stresses at paragraph 4.4 that the delivery strategy is central to DPDs. Thus to be effective, plans should set out clearly how they will be implemented and monitored. An important implementation mechanism for delivering the policies and proposals of the Core Strategy is the harvesting of developer contributions to fund associated infrastructure, services and facilities.
- 3.2.2 Policy CS6 includes an indicative list of items for which contributions will be sought, the first three of which are; affordable housing, education and

health facilities. Representors have suggested other items that they consider should be added, but as the policy clearly states that its list is not exhaustive I consider that it is unnecessary to specifically include others. However, the first part of the policy exceeds the provisions of Circular 05/2005 because it infers that remediation for existing deficiencies may be sought. Consequently, it is unsound. To remedy this, suggested change **(PH/1B/15)** is necessary to remove from the policy the words, 'or would exacerbate an existing deficiency'.

- 3.2.3 The Core Strategy attempts to demonstrate the effectiveness of its delivery strategy by including sections on Implementation and Monitoring after each of its policies. Appendix 1 of the Core Strategy contains a schedule of targets and indicators against which the performance of each of the policies can be measured.
- 3.2.4 In principle, I consider that this is a clear and appropriate method of providing such necessary information. However, the details given are generally vague and do not give sufficient confidence that the Core Strategy will be an effective delivery tool. Nor have the necessary delivery and monitoring details been drawn together in a supporting technical/background paper. I conclude that the Core Strategy is not effective in demonstrating how its policies and proposals will be delivered or how achievement will be measured and monitored. I therefore conclude that it is not sound in these regards.
- 3.2.5 In response to these criticisms, and drawing upon information contained in the core documents and on national, regional and local indicators and targets, the Council has suggested a number of changes which would clarify when, how and by whom the policies and proposals will be delivered, and how progress will be monitored in the Annual Monitoring Report (AMR).
- 3.2.6 Suggested change **(PH/7/1)** is a schedule which is intended to be split into policy sections, with each forming a table that would follow each of the policies and associated proposals of the Core Strategy. These tables would set out the intended timescale/funding, implementation mechanism and the lead agencies/partners for each of the policies. They would replace the existing implementation section for each policy.
- 3.2.7 I have consolidated in these tables other individual changes suggested by the Council concerning the implementation of certain policies. I have also modified some in the light of representations made and to take account of evidence contained in the SHMA, EVA and ELS, all of which are necessary for the effective delivery and soundness of the Core Strategy.
- 3.2.8 I am satisfied that the implementation strategy set out in **(PH/7/1)**, as I have modified it, is justified and effective. I conclude that it clearly demonstrates that the policies and proposals of the Core Strategy can be delivered and that the DPD can thereby be made sound in this regard.
- 3.2.9 Similarly, suggested change **(PH/7/2)** is a schedule that provides targets and indicators based on national, regional and local targets and indicators where appropriate, together with baseline data. As with the implementation strategy, the intention is that it would be split into individual tables that would follow each of the policies. It would replace Appendix 1 of the Core Strategy, which should be deleted and the remaining appendices should be re-numbered accordingly. In addition, text should be added at the end of

the introductory chapter of the Core Strategy, which will explain that monitoring will take place through the AMR.

- 3.2.10 I have slightly modified some of the suggested targets and indicators in the light of representations made and to take account of evidence contained in the SHMA, EVA and ELS. With these revisions I am satisfied that suggested change **(PH/7/2)** is justified, effective and necessary to make the monitoring strategy for the Core Strategy sound.
- 3.2.11 To summarise, I conclude that provided the following changes are made, the policies and proposals of the Core Strategy will have clear and effective mechanisms for delivery, implementation and monitoring. The precise details of these necessary changes are given in Annex A of this report.

- Amend policy CS6 to accord with the provisions and tests of Circular 05/2005.
- Delete the implementation and monitoring information following each of the policies and replace with the information contained in changes (PH/7/1) and (PH/7/2) of Annex A.

3.3 Main Matter 3 – *Whether policies CS1-CS5, which aim to promote sustainable communities, are justified, effective and consistent with national policy.*

- 3.3.1 The Core Strategy policies follow after the Spatial Objectives, in section 5 of the DPD. The first suite of policies that comprise the, 'Maintaining Sustainable Communities' section, set out the over-arching principles for development in Eden District during the Core Strategy period and seek to achieve all of its Spatial Objectives. They identify general sustainable development principles, the strategy for the location of development, principles for the rural settlements and the rural areas, considerations concerning flood risk and transport, and accessibility.

General Principles for Sustainable Development

- 3.3.2 Policy CS1 is a strategic policy that sets out eleven principles for achieving sustainable development within the District. Whilst these are mainly justified by the evidence and are generally consistent with national policy, (I discuss exceptions in the context of the topic based matters which follow), my main concern is that they could apply to many other rural districts. Except for the second principle, with which I have other concerns, the policy lacks local distinctiveness and is not, therefore, effective. This should be rectified by suggested change **(AM5)**, which adds a further criterion (12) to the policy that refers to the sensitivity of the landscape character of the District.
- 3.3.3 Criterion 1 of policy CS1, which is expanded upon in policy CS5, aims to minimise the need to travel and to encourage a variety of transport modes. It has been criticised as being unrealistic in Eden, where the greater proportion of the District's population live in small settlements scattered over a very large rural area, and where as a consequence there is, and will remain a high dependence upon private transport. I acknowledge this, but I consider that it is nevertheless important that the Core Strategy provides a

clear steer towards achieving a global and national priority to reduce carbon emissions, partly by minimising use of private cars. To reflect this priority within the Eden local context my suggested change (**IC1**), which would insert the word, 'sustainable' before, 'transport modes', is necessary for soundness. I do not support the Council's suggested change (PH/1B/1), which would dilute this priority.

- 3.3.4 The second principle sets out the preferred sequential approach for the development of land, which generally accords with that given in the RSS. At the hearing sessions it was discussed if this principle should refer to residential development only, as it may be construed as being inconsistent with the sequential approach for town centre uses. The Council has suggested a change reflecting that view.
- 3.3.5 However, since policy CS1 is the over-arching strategic policy of the DPD that sets out principles for all types of development I consider that it would be inappropriate to limit its sequential approach to the selection of residential sites only. I do not consider that it is inconsistent with PPS4, and it accords with the sustainability principles of PPS1. Furthermore, as I discuss later in this report, the Council will be challenged in meeting its pdl target; it is therefore important that priority is given to the re-use of brownfield land in the site selection for all types of development. For these reasons, the second principle of the policy should not be limited to residential development.
- 3.3.6 Further guidance is given at paragraph 5.13 of the Core Strategy towards the priority to be given to selection of sites for development. It informs that given the largely rural nature of the District, the change in farming practices and the effects of foot and mouth disease, Eden has a high number of redundant agricultural/farm buildings, many of which may have development potential, an estimated capacity is for 1,223 residential units. To maximise this, it is intended to include such buildings within the definition of pdl, as a departure from Annex B of PPS3.
- 3.3.7 Whilst I acknowledge their redevelopment potential, I am not convinced that the Council's reasons justify intended departure of the Core Strategy from PPS3. I consider that it is an unnecessary step in order to achieve the Council's intention to remove a perceived policy obstacle to the redevelopment or conversion of such buildings to residential.
- 3.3.8 Whilst encouraging the use of pdl PPS3, unlike its predecessor PPG3 does not demand a sequential approach for site selection that prioritises pdl. Thus in PPS3 terms, the intended departure would not afford national policy priority to redevelopment/conversion of agricultural buildings to residential. Furthermore, as with the now superseded paragraph 17 of PPS7, PPS4 does not expressly preclude re-use of farm buildings for residential purposes. Indeed, policy EC12.1 of PPS4 acknowledges that in rural areas residential conversions may be more appropriate in some locations and for some types of buildings.
- 3.3.9 Together with application of the sustainability principles of policy CS1 and the locational strategy contained in policy CS2, I see no particular national policy impediment to the appropriate re-use of traditional farm buildings to residential, provided that they are sustainably located. This stance reflects the advice given in paragraph 5.12 of the RSS, which in the context of rural

areas informs that, "a flexible approach to the re-use of existing buildings for non-agricultural use may be needed in some areas".

- 3.3.10 I conclude that the intended departure of the Core Strategy from Annex B of PPS3, which specifically excludes agricultural buildings from the definition of pdl, is not justified. Therefore, the last sentence of paragraph 5.13 should be deleted to make the Core Strategy consistent with PPS3, and sound, in accordance with **(IC2)**.
- 3.3.11 The following other consequential changes are also necessary for consistency, clarity and effectiveness and therefore soundness. The first priority of principle 2 should be amended to; appropriate re-use, re-development or conversion of existing buildings, including traditional farm buildings and...' to reflect **(AM21)**. A definition of traditional farm buildings in the context of policy CS1 should be added to paragraph 5.13 of the Core Strategy as detailed in **(PH/4/5)**, which I have modified to exclude agricultural buildings from the definition of pdl in the context of the Core Strategy. Paragraph 5.13 should be re-located to follow policy CS1, in accordance with **(PH/1B/9)**, as amended by suggested change **(AM16)**. In addition, the text within the box following that paragraph should be deleted as in **(AM17)**. Suggested change **(PH/1B/12)**, which acknowledges that in Eden greenfield land is a major component of the housing land supply and will of necessity require to be released in parallel with pdl, is also necessary to reflect the local context.
- 3.3.12 With these changes I conclude that the principles for sustainable development are justified, effective and consistent with national policy, and that policy CS1 can be made sound.

The Locational Strategy

- 3.3.13 Policy CS2 provides the locational strategy for directing new development within the District. It defines a three tier hierarchy; Key Service Centres (KSCs), Local Service Centres (LSCs) and Smaller Villages, Hamlets and Open Countryside. It informs that in all cases the scale and nature of development should take into account the capacity of essential infrastructure and respect the character of the locality.
- 3.3.14 The hierarchy reflects that of RSS policies RDF2, CNL1 and CNL2. In my opinion it is justified by the evidence as a whole and is the most appropriate. As I discuss below, a substantially greater amount of development will be directed to Penrith than the other KSCs, but this would not elevate Penrith to the status of the next tier in the settlement hierarchy identified in the RSS at paragraph 13.5 so as to be on a par with Carlisle, Barrow, Workington and Whitehaven. I am satisfied that Penrith, Alston, Appleby and Kirby Stephen are correctly categorised as KSCs and that their stated purposes and intended growth are justified.
- 3.3.15 I also consider that it is appropriate to group smaller villages, hamlets and the open countryside together within the hierarchy. These settlements are mostly very small and it would be unsustainable to permit new development, other than that which is appropriate to the countryside or is needed to meet an identified local need. However, the inclusion of the word 'essential' before need in this part of the policy confuses these two

- exceptions and should be removed for effectiveness, in accordance with **(PH/1B/4)**.
- 3.3.16 The designation of LSCs is very much more contentious. The limited selection criteria resulting in a large number of LSCs have been criticised for giving rise to an unsustainable strategy that would be difficult to manage and which does not in any case reflect the housing needs of the rural communities, as identified in the emerging Parish Plans.
- 3.3.17 The criteria for designation are listed at paragraph 5.7 of the Core Strategy. They require a public/community transport link to a larger centre and to have 2 out of 3 of the following; a shop or post office, a primary school, or a village hall or pub. 42 rural settlements qualified for LSC status using these criteria, as indicated by the Settlement Services Survey 2008 [ED42]. Subsequently 4 more settlements have acquired the services required to qualify as LSCs, making 46 in total. This is a significantly larger number than would result from alternative criteria options that were presented for consultation in both the Issues and Options [ED1] and Preferred Options [ED2] documents. The Council's preferred scenario as presented in the Preferred Options document, which is referred to as CS2c, resulted in 24 settlements meeting its designation criteria, which required; a bus or rail service Monday to Saturday, a primary school and a pub/village hall.
- 3.3.18 However, in response to the changing perceptions towards promoting sustainable communities in the rural areas set out in Living Working Countryside: The Taylor Review of Rural Economy and Affordable Housing [GR01] (the Taylor Report) and the response of CLG to the Taylor Report (March 2009) [GR02], which align with the concern of the rural communities in Eden and their elected representatives that the relatively small number of settlements that would have been identified by the CS2c approach would have committed over 150 other rural settlements to an effective moratorium on development, the designation criteria were re-evaluated. The Council's methodology for its selection of LSCs is described in the Council's Note on the Methodology for the Selection of Local Service Centres [CSD11].
- 3.3.19 In particular, the transport criterion was re-assessed in the light of the Eden context where several innovative public transport and community transport initiatives have been pioneered and are supported by the Council. These include; Upper Eden Plus Bus, The Fellrunner bus service, Penrith Community Transport and Cumbria Rural Wheels Service. This approach of taking a wider view on public transport provision and encouraging innovative approaches to service and transport provision also follows the advice of the RSS at paragraph 5.10. In the Eden context I consider that it is appropriate in principle to adopt this more locally distinctive approach towards sustainable transport provision and to give greater weight to the wider social and economic aspects of sustainability than may be appropriate in a more typical context where rural communities are in the minority.
- 3.3.20 At the hearing sessions there was much discussion of the extent to which the settlements that satisfy the Core Strategy designation criteria reflect the demand and need for housing in the rural areas. Particular reference

was made to the findings of the Upper Eden Community Plan (2009) [AS/1A/17]. However, whilst this is a creditable document, it does not apply to the whole of the District. I am satisfied that the LSC approach set out in the Core Strategy is justified by, and is an appropriate reflection of the evidence of demand and need for housing in the rural settlements as identified in the Housing Needs Assessment (2006) [ED39] and as updated in the SHMA (published November 2009) [FD30]. Furthermore, policy CS2 permits limited housing development in the smaller settlements that do not satisfy the LSC criteria on an exception basis. Thus there would not be an absolute moratorium on all development in the smaller rural settlements.

- 3.3.21 In terms of the SA, the CS2c option scored positively against social objectives, but a number of negative impacts were recorded. In particular, the SA highlighted that the option would result in less good access to services and facilities and a greater need to travel. These negative impacts would potentially be exacerbated by the Core Strategy approach which reduces the number of services required and expands the number of LSCs designated, especially if the community based public transport modes were taken out of service in the future. However, since a substantial part of their funding is from the Council and the County Council, this transport provision would be within public control.
- 3.3.22 Concerns have been raised regarding monitoring and managing planning decisions for housing developments in the LSCs, to ensure that housing delivery is not deflected from the KSCs to the more rural settlements, as has happened in the past. However, I am satisfied that this could be adequately monitored through the AMR process, in accordance with a strategy which will be set out in the forthcoming Housing DPD.
- 3.3.23 I consider that the relative benefits of approach CS2c and that of the Core Strategy are finely balanced. However, taking into account the specific context of Eden's numerous dispersed rural communities and the Council's support of innovative community based transport initiatives, as opposed to reliance only on scheduled services operated by commercial companies, I consider that the Core Strategy selection criteria for LSCs is justified, feasible, the most locally distinctive and socially inclusive option; and in the Eden context is the most appropriate and sustainable. I conclude that it is sound.
- 3.3.24 Turning now to the precise wording of the preamble and the text of policy CS2 as it relates to LSCs, I consider that the Council's stated approach towards their function and designation is confused and vague. Paragraph 5.6 describes LCSs, along with KSCs as having a vital role to play in providing jobs, services and facilities for a *wide area*. This is an accurate description of the function of a KSC and also of an LSC in a less rural area, but it does not accord with the purpose of an LSC as defined in RSS policy RDF2 and its justification text at 5.10. Furthermore, it is inconsistent with the role described in paragraph 5.7 of the Core Strategy. In reality most of the intended LSCs in Eden are small rural settlements serving a relatively small population. Therefore, for clarity and consistency, reference to LSCs should be removed from the first sentence of paragraph 5.6 of the Core Strategy, in accordance with **(IC3)**.

- 3.3.25 Whilst policy CS2 clearly designates the KSCs, it fails to be equally clear in its approach towards the LSCs. Paragraph 5.8 refers to an *indicative* list of current LSCs at Appendix 4 of the Core Strategy, which *may* change over time. At the hearing sessions the Council explained that the intention is that more LSCs may be added to the list if they acquire the appropriate services; equally some may be removed if services are lost. Whilst this approach is flexible and responsive, it provides insufficient certainty for developers, and it therefore renders this part of the policy ineffective and unsound.
- 3.3.26 Clearly the services and facilities available in the rural settlements will change over time, but for certainty, a re-assessment of their status should not take place on an ad-hoc basis at the decision making stage of a planning application. For clarity and to make the policy sound, references to 'indicative' and 'current' should be removed from paragraph 5.8 and the sub-title of Appendix 4. In addition, Appendix 4 should be amended to include all settlements that accord with the designation criteria set out in the Core Strategy, as detailed in **(PH/7/4)** and **(IC9)**. To ensure effective management, the Council's suggested review process (once approximately every two years) should be referred to in the implementation part of the policy, as set out in **(PH/7/1)**.
- 3.3.27 In the context of LSCs, policy CS2 also refers to the definition of settlement limits. At the hearing sessions the advantages and disadvantages of this was discussed. Definition of 'limits' would provide absolute certainty and consistency of approach at the planning application decision making stage, but it would also be very inflexible. In line with paragraphs 5.10 and 5.11 of the RSS, I conclude that in the context of Eden's dispersed rural community, it is unnecessary and inappropriate to define the settlement limits for the LSCs. For effectiveness this requirement should be deleted from the policy in accordance with **(PH/1B/2)**, which I have modified to exclude addition to the policy text of the designation criteria, which are already given at paragraph 5.7 of the Core Strategy.
- 3.3.28 With these changes policy CS2 can be made sound.

Locational Spread/Scale of Development

- 3.3.29 Paragraph 5.11 of the Core Strategy sets out the *indicative* proportions of housing development to be directed to the KSCs and LSCs. Elsewhere in the paragraph reference is made to the *proposed* proportions. Irrespective of if the proportions are justified and effective, this approach lacks certainty and is not, therefore, effective. To be made sound the paragraph should be amended to clarify that whilst the specified proportions are not subject to further review they should not be regarded as being rigid ceilings or annualised caps. Also, that they apply to development generally; not only housing. This necessary change is set out in **(PH/1B/7)**, as incorporated in **(PH/7/4)**.
- 3.3.30 Turning to the proportions, it is intended that 60% is directed to Penrith, 9% to Appleby, 7% to Kirby Stephen, 4% to Alston and 20% to the LSCs. No allowance is made for the other rural areas, where development will be limited in accordance with policy CS2; to provide only for identified local need. I consider that in principle this split, which directs 80% of new development to the KSCs, reflects the intention of Spatial Objective 1 that

in turn reflects the location strategy of RSS policy RDF2, which requires development to be concentrated in the KSCs. It is also consistent with national policy that seeks to direct development to the most sustainable locations. For flexibility, I also consider that it is appropriate that the proportions are expressed as percentages rather than as rigid annualised figures.

- 3.3.31 With reference to the detail of the % split, several other options have been considered. The Issues and Options document [ED1] consulted upon the proportions of the Housing Policies 2004 document [FD18]. This gives Penrith 76%, 12% cumulatively to the three other KSCs and 12% to the LSCs. The Preferred Options document [ED2] also contains several ranges that were consulted upon, including options that would direct more or less development to the LSCs and the rural areas. The Council's preferred option at that stage, contained in CS2c, includes the proportions based on consideration of previous rates of development, population and current settlement size. These proportions are carried forward into the Core Strategy.
- 3.3.32 Concerns about this split refer to an excessive proportion being directed to Penrith, which may not be deliverable. Also, that insufficient development is directed to the LSCs. I give reasons in the next section of this report why I am satisfied from the evidence that 60% of required housing development at Penrith can be delivered, as can all the other proportions.
- 3.3.33 I am also satisfied by evidence contained in the Housing Needs Assessment and the SHMAs that the proportions reasonably reflect housing demand and need in the District. Turning to the appropriateness of the 20% provision for the LSCs, this is a significant increase above the 12% currently permitted by the Housing Policies 2004. I do not consider that the findings of the UECP, which does not cover the whole District, convincingly demonstrates that the development proportions of the Core Strategy are fundamentally flawed or that significantly more development should be directed to the LSCs and smaller rural settlements. Furthermore, the SA [CSD3] demonstrates that higher proportions of development in the LSCs and the rural areas score worse than lower proportions.
- 3.3.34 I conclude that the proportions of development to be directed to the KSCs and the LSCs as set out in paragraph 5.11 of the Core Strategy are justified, effective and consistent with national policy.
- 3.3.35 My overall conclusion is that provided that policy CS2 and its preamble are amended in the ways that I have specified, the strategy for the location of new development strikes the most appropriate balance between concentrating most new development in the KSCs and sustaining the rural communities; and is sound.

The Rural Settlements and Areas

- 3.3.36 Building upon the intention of policy CS2 to limit development in the smaller rural settlements and the rural areas to that required to meet an identified local need, policy CS3 sets out six principles aimed at sustaining these areas. I consider that these are justified and consistent with national policy. With the changes that I have recommended to the implementation strategy contained in **(PH/7/1)** it is clarified how and by whom the policy

will be delivered. However, the meaning of the first policy principle, which refers to meeting local needs and its relationship with policy CS9 is unclear. Furthermore, it permits only the Council to identify need. This approach precludes consideration of the detailed work on local need that is being undertaken in the production of Parish Plans. For these reasons, I conclude that the first part of policy CS3 is not effective or sound.

- 3.3.37 In response to these concerns, which were discussed at the hearing sessions, the Council has suggested two changes which are necessary to make the policy sound. **(AM22)** would delete reference to 'rural exceptions' and thereby add clarity and remove overlap with policy CS9. Suggested change **(PH/1B/8)** would aid delivery and make the policy effective by informing that local need in this context may be identified by, 'an up-to-date housing needs survey', leaving open its derivation. With these changes policy CS3 can be made sound.

Flood Risk

- 3.3.38 Policy CS4 sets out criteria that development should take into account to prevent an increased potential for the occurrence of flooding and to provide adequate mitigation where development is unavoidably located in areas where there is some risk of flooding. I am satisfied that the policy is based upon robust evidence contained in Part 1 and Part 2 Strategic Flood Risk Assessments, dated 2007 [ED29] and updates carried out in 2008 and 2009 [ED30] and [ED31]. However, I conclude that the policy is too vague, and that it makes insufficient cross reference to the requirements of PPS25. As a consequence, it is not effective or sound.
- 3.3.39 To rectify this, the following changes are necessary. Its preamble at paragraph 5.14 should be amended as detailed in suggested changes **(AM11)** and **(PH/1A/15)**, which would add reference to the benefits of habitat creation and enhancements for reducing flood risk. The first criterion of the policy should be amended in accordance with **(AM23)** and **(PH/1B/14)**, which draw attention to the flood zone typologies of PPS25 and the availability of up-to-date flood zone maps. Also, additional text should be added to the second part of the policy, as set out in suggested change **(AM24)**, which refers to the exceptions and sequential tests of PPS25. I have taken into account the severe flooding events which took place in parts of Cumbria in November 2009. But these have not changed my conclusion that with the changes which I have specified above, policy CS4 will be justified, effective, consistent with national policy, and be made sound.

Transport and Accessibility

- 3.3.40 In line with national policy, policy CS5 lists principles aimed at promoting sustainable transport choices in the Eden context. However, in common with other policies of the Core Strategy it lacks local distinctiveness and its implementation mechanisms are inadequate. Consequently, I conclude that it is not effective or sound.
- 3.3.41 To make the policy locally distinctive and to aid its effectiveness the Council has suggested change **(AM25)**, which would amend several of the policy principles as follows. Reference to the Key and Local Service Centres being accessible by a variety of modes of transport would be added to the first

principle. Reference to the KSCs would also be made in principle 6, and mention of the specific operational community mini-bus services would be added to principle 11. The Council also suggests in **(AM25)** inclusion of a caveat to principle 2 acknowledging the inevitable high reliance on the private car by those living in isolated rural areas. But I disagree with this part of the suggested change because it would dilute the overall objective of this suite of policies, which aim to promote sustainable communities. I have removed this reference from **(AM25)**, which is otherwise necessary to make policy CS5 sound.

- 3.3.42 To clarify the intention to provide a new access road linking the Gilwilly Industrial Estate with the M6 at junction 41, which is referred to in the Core Strategy Vision at paragraph 3.11, suggested change **(AM26)** is necessary in part. Although the precise route of the Gilwilly link is not yet decided and will be the subject of further consultation, it is referred to in the Local Transport Plan (LTP) [ED45]. Despite that it would rely heavily upon developer contribution funding I am satisfied from the evidence including that contained in the Council's Topic Paper 7 – Supplementary Responses [ED51], which summarises the Core Strategy infrastructure requirements and delivery strategy, that in principle it is a feasible proposal with a reasonable prospect of being delivered during the Core Strategy period.
- 3.3.43 Suggested change **(AM26)** refers also to provision of a potential by-pass for Kirby Stephen. However, this scheme would rely on 100% public funding, which is not committed in the LTP. Its delivery is therefore very uncertain at this stage. For this reason I do not consider that it is appropriate to include reference to it in the Core Strategy. Nevertheless, principle 5 of policy CS5 would provide sufficient policy context for its provision, if funds became available in the future.
- 3.3.44 Together with suggested change **(PH/7/1)**, which will clarify the intended delivery mechanisms and partners for the policy, the changes that I have recommended above will make policy CS5 effective and sound.
- 3.3.45 To summarise, my overall conclusion on the third main matter is that provided the following changes are made, the policies and proposals of the Core Strategy, which aim to promote sustainable communities, would be justified, effective and consistent with national policy, and would be made sound. The precise details of the changes necessary for soundness are given in Annex A to this report.

- Amend policy CS1 to make it more locally distinctive and to stress sustainability considerations.
- Delete reference in paragraph 5.13 to the inclusion of agricultural/farm buildings in the definition of previously developed land and make consequential changes to the sequential approach towards the selection of sites for development.
- Clarify in paragraph 5.8 that all of the settlements that satisfy the selection criteria in paragraph 5.7 are designated as Local Service Centres.
- In policy CS2 omit reference to defining settlement limits for Local Service Centres.

- Clarify in paragraph 5.11 that the percentages of development to be directed to the Key and Local Service Centres are the intended proportions.
- Amend policy CS3 by deletion of reference to rural exception sites and by informing that local need should be identified by an up-to-date housing need survey.
- Amend policy CS4 to include reference to the flood risk typologies, and the exceptions and sequential tests of PPS25.
- Amend policy CS5 to make it locally distinctive and by adding reference to the provision of a road link from the Gilwilly Industrial Estate to the M6 at junction 41.

3.4 Main Matter 4 – *Whether policies CS7-CS11, which aim to ensure that sufficient housing of the right type is provided in the right places and in a way that makes effective use of land in order to support sustainable communities, are justified, effective and consistent with national policy.*

3.4.1 The second suite of policies of the Core Strategy that comprise its 'Living Communities' section set out the general principles for housing development. These policies flow from several strategic objectives of the Core Strategy; namely 1, 2, 4, 5, 6, 7, 8, 9 and 10. They identify general principles for housing development, the overall requirement for new housing net of clearance replacements and how this will be met strategically and efficiently, the approach to be taken for housing on rural exception sites, provision for affordable housing and also, the provision to be made for gypsies and travellers.

Evidence Base

3.4.2 National policy contained in PPS3, and regional policy set out in RSS policies L2, L4 and L5 inform that LDF policies for housing provision overall and for affordable housing should be underpinned by SHLAAs and SHMAs. However, the key evidence base that informed the corresponding policies of the Core Strategy, CS7-CS10, pre-dates this national guidance and good practice for carrying out these assessments. They rely mainly on Urban Capacity Studies dated 2003 [ED40] and 2006 [ED40A], Housing Market Assessments dated 2007 [ED37] and Housing Needs Assessment Figures 2006 [ED39], together with various other housing studies carried out in 2005 and 2006; [ED34], [ED34A], [ED35] and [ED36].

3.4.3 I consider that these documents provide a good starting point for the formulation of policies CS7-CS10, but they lack sufficient and up-to-date information to justify some of their specific policy elements. In particular, the evidence does not demonstrate the necessity for or the viability of criterion 4 of policy CS7 - Principles for Housing, which limits occupation of all new housing provided in the District to people with a local connection to the area. Similarly, they fail to justify the appropriateness and viability of the target, thresholds and proportions of the affordable housing sought by policy CS10. Nor do the Urban Capacity Studies demonstrate that the RSS housing requirement is deliverable overall and in accordance with the

location strategy of policy CS2. I conclude that as submitted, these policies were not founded on a robust evidence base.

- 3.4.4 However, immediately prior to and during the examination period, the housing evidence has been supplemented by substantial pieces of information in the form of a SHLAA [ED44], draft [FD1, 2, 3, 4, 4a] and published SHMAs [FD30], and an Affordable Housing Economic Viability Appraisal and Appendices (EVA) [FD28].
- 3.4.5 I consider that these additional studies, which take account of the current depressed economic climate, have been carried out in accordance with current, relevant national best practice guidance. I am satisfied also that their assumptions, constraints and conclusions are relevant and generally realistic. Also, that provision has been made for stakeholder engagement: therefore, that they are, in principle, robust. Together with the earlier studies, I conclude that they provide a generally satisfactory evidence base for the housing policies of the Core Strategy. The reservations which I have concern interpretation of base data concerning housing need that has been fed into the SHMAs and the assumptions made in the EVA, which I do not consider in all cases appropriately reflect the specific local circumstances in Eden. I expand on these concerns below in connection with policy CS10 – Affordable Housing.
- 3.4.6 The Council has worked jointly with Cumbria County Council and the other Districts to produce the Cumbria Gypsy & Traveller Accommodation Needs Assessment 2008 [ED38 and ED38A], which provides a sound evidence base for policy CS11 – Provision for Gypsies and Travellers.
- 3.4.7 I now consider the effectiveness of the housing policies and their consistency with national policy. The first policy in each of the theme based sections of the Core Strategy sets out the general principles for the topic. For housing, these are contained in policy CS7.

Principles for Housing

- 3.4.8 Policy CS7 identifies the housing priorities for the District, which flow from the spatial vision and the strategic objectives, and which clearly seek to address the local housing issues referred to in the spatial portrait. I consider that the policy is spatial and inclusive in its approach, and that its principles are consistent with national policy.
- 3.4.9 The policy refers to the need to meet the strategic supply for housing set out in the RSS in a way that is consistent with the location strategy of policy CS2, and which gives priority to the re-use of existing buildings and previously developed land. It emphasises the regard that should be given to infrastructure provision and the need to promote good design that is respectful of the distinctive built and natural environmental assets of the area. The policy also gives priority to provision of a choice of housing types to meet the needs of the whole community and to meeting local needs for affordable housing. I am satisfied that it provides a flexible but clear steer for the forthcoming Housing and Development Management DPDs, in which housing site allocations will be made, mechanisms for monitoring and managing the supply of housing land will be detailed and housing related development management policies will be set out. I conclude that the policy is effective and sound with the following three exceptions.

- 3.4.10 The meaning of the first principle is ambiguous and for clarity it should be amended in accordance with suggested change **(PH/3/1)**, to inform that the first priority will be given to meeting local need for affordable housing.
- 3.4.11 The fifth principle should be amended to reflect the priority established in policy CS1 for the re-use of traditional agricultural/farm buildings, as set out in **(AM31)**, which I have modified for consistency with my recommendations concerning the local sequential approach of the Core Strategy.
- 3.4.12 My third concern with policy CS7 relates to its fourth principle, which seeks to limit occupancy of all new housing to people with a local connection to the area, as a mechanism to address housing affordability in the District, which the Core Strategy highlights as being a key issue.
- 3.4.13 The Council's justification for this policy, which is supported in principle by RSS policy L5 is that it perceives that a high incidence of second home ownership, purchase for holiday lets and by retirees with greater disposable income than the average local residents buying in the District are combining to inflate house prices and thus reduce the number of properties available at the lowest end of the market. These factors are thought to make it more difficult for young local people and key workers, particularly, to enter the property market and to find accommodation locally. However, I do not consider that the evidence contained in the 2006 Housing Needs Survey, local house price data and the SHMAs indicate that this is a problem that is widespread throughout the District. It appears to be concentrated in pockets, particularly in settlements close to the National Park. Therefore, I conclude that a blanket, district-wide occupancy restriction is not justified.
- 3.4.14 Furthermore, the EVA indicates that the local occupancy restriction is a cost which reduces the full market value of homes by around 15%. Thus, it has a significant impact on the viability of new housing developments and it reduces the proportion of affordable housing that market led housing development can deliver. In addition, local house price data indicates that it hinders the sale of open market homes by making them less attractive to money lenders and house purchasers. Consequently, it has adverse implications for housing delivery generally, especially in the prevailing suppressed economic conditions.
- 3.4.15 In the light of this evidence the Council has concluded that as delivery of affordable housing is its first priority, it wishes to amend policy CS7 (4) by applying the local occupancy restriction only where there is justified evidence of need and outside the Key Service Centres. The precise wording of this change was discussed at a hearing session, and as a result was modified to that contained in **(PH/8/1)**, which also amends the supporting text at paragraphs 6.2 and 6.3, to inform that in addition, all affordable housing provision will be subject to a local occupancy restriction. This change is necessary for the policy to be justified and made sound. For implementation, suggested changes **(PH/8/2)**, **(PH/8/3)** and **(PH/8/4)**, which I have consolidated in **(PH/7/1)**, are also necessary. They clarify the intended definition of local connection which, for market housing includes also a person or household who has secured work in the

relevant locality. I conclude that provided that all of these changes are made to policy CS7 it can be made sound.

Housing Supply

- 3.4.16 Table 7.1 of the RSS sets out the required distribution of regional housing provision 2003-2021. For Eden this equates to a total of 4,300 dwellings, with an annual average rate of 239 dwellings. RSS policy L4 informs that for the purpose of producing LDFs, local planning authorities should assume that the average annual requirement set out in the table will continue for a limited period beyond 2021. Paragraph 7.19 of the RSS clarifies that the requirement figures are expressed as 'net of clearance replacement'. Also, that the average annual figures are not absolute targets and may be exceeded where justified by evidence. Thus, the strategic requirement for new housing is clear. Paragraphs 6.4 - 6.8 of the Core Strategy, which include a housing trajectory to 2021/22, confirm that this requirement will be met.
- 3.4.17 However, both PPS3 and PPS12 require a minimum timeframe of 15 years for the delivery of housing. The Core Strategy is inconsistent with these national policies and is therefore unsound in this regard.
- 3.4.18 In response to this criticism, the Council has suggested changes which would extend the time frame for housing provision to 2025, and would make consequential changes to the overall numerical provision and the housing trajectory. They also refer to the impact of the current downturn of the economy on completion rates. These changes are detailed in **(AM33)**, **(AM34)**, **(AM35)**, **(AM36)** and **(AM37)**, and are necessary to make the Core Strategy sound.
- 3.4.19 To be effective it is necessary, amongst other considerations that the required number of houses can be delivered overall, in accordance with paragraphs 52 - 57 of PPS3. Also, that they can be provided in accordance with the locational strategy of policy CS2. A total of 4,386 new dwellings are required to 2025 to meet the strategic requirements of the RSS, as projected beyond 2021. The SHLAA, which I have previously concluded to be a robust evidence source, identifies the potential delivery of 5,929 units within this 15 year period. Thus the strategic numerical requirement can be met.
- 3.4.20 Table 5 of the SHLAA, which the Council has updated from a revised base date of 2009, demonstrates an overall supply of sites available to enable delivery of 1,651 units during the first 6 years to 2015, which meets the required supply for deliverable sites. Tables 6 and 7 of the SHLAA (not adjusted) identify that the developable supply of sites during the years 7-15 could deliver 4,278 units, which would comfortably exceed the required supply for this period. The tables also demonstrate that sufficient land will be deliverable and developable during the requisite timeframes to meet the required managed target of 274 net annual average completions that are necessary to make good a shortfall in completions for the duration of the plan period.
- 3.4.21 On the basis of the evidence contained in the SHLAA I conclude that numerically, the required number of houses can be delivered overall, in accordance with the RSS and paragraphs 52 - 57 of PPS3. I turn now to

consider if they can also be provided in accordance with the locational strategy of policy CS2.

- 3.4.22 Analysis of Tables 5, 6 and 7 of the SHLAA indicates that the intended proportions of development at the Key and Local Service Centres can generally be met. Appleby is the only settlement where a significant surplus of land has been identified (16.7% supply against a 9% requirement). Only in Penrith is there a potential undersupply, where identified sites would meet 59.2% of the total RSS housing requirement.
- 3.4.23 I do not consider that this slight numerical shortfall in identified housing land supply in Penrith against the locational strategy requirement for 60% itself renders the strategy undeliverable, but it does indicate reliance on most identified sites coming forward at their assumed capacities. This adds risk to the deliverability of the strategy, taking account of the economic downturn and its impact on land values, especially after the first five years of the plan period, when landowners' and developers' intentions are less certain. However, the fact that negotiations on planning applications for the development of several large parcels of land at the edge of Penrith are well advanced gives some measure of certainty that many, if not all of the larger sites will come forward as anticipated during the plan period.
- 3.4.24 However, deliverability of the locational strategy also relies on certainty regarding the local policy context. Much of the potential housing supply land in Penrith is greenfield land at its urban edge, but the Core Strategy is unclear in its intentions regarding urban extensions for housing. Paragraph 6.9 informs that the scale and distribution of housing, phasing and housing mix is being examined as part of the forthcoming Housing DPD. Paragraph 6.10 goes on to say that strategic greenfield developments on the outskirts of Penrith are under investigation. Map 3 which follows that text adds to the confusion by identifying on an Ordnance Survey (OS) based plan two broad locations for housing development to the north and east of Penrith. It is not clear if these locations are intended to illustrate broad locations for future growth or if they are intended to be strategic allocations.
- 3.4.25 Whilst I am content that precise site allocations, phasing, monitoring and housing mix may be delegated to the lower order Housing DPD given its advanced stage of production, I do not consider that it is appropriate for the scale and distribution of housing to also be determined at that lower policy level. PPS12 indicates that the Core Strategy is the place for strategic decisions to be made. I conclude that the lack of clarity regarding the intention towards land to the north and east of Penrith, development of which is crucial for the delivery of sufficient housing in accordance with location strategy, renders the fundamental housing delivery element of the Core Strategy unsound.
- 3.4.26 To provide the necessary clarity and to make this key part of the Core Strategy sound the following changes are necessary. The first part of the last sentence of paragraph 6.9, which refers to, 'scale and distribution of housing', should be deleted, as detailed in **(IC4)**. From the evidence I am satisfied that the northern and eastern edges of Penrith are the most appropriate locations for future housing development. Thus paragraph 6.10 should be re-worded to clarify that broad locations for urban extensions for future housing development have been identified in these areas, within

which specific housing sites will be allocated in the Housing DPD, as set out in **(IC5)**. Since it is not the intention to allocate strategic sites in the Core Strategy, OS based Map 3 should be deleted as recommended in **(IC6)** and the Key Diagram should be amended to show the broad locations for future housing urban extensions as detailed in **(PH/4/2)**.

Making Efficient Use of Land

- 3.4.27 In line with national key objectives of making effective and efficient use of land, as set out in PPS3, policy CS8 of the Core Strategy requires that housing developments should have a minimum density of 30 dwellings per hectare (dph) and achieve a brownfield target of at least 50%.
- 3.4.28 With regards to the first part of the policy I am satisfied from the Issues and Options document [ED1] that a range of densities lower than 30 dph and higher than 50dph have been considered and tested. From the evidence and having regard to the local context of mainly small rural communities, I consider that the stated minimum density requirement, together with references to higher and lower densities on either side provide the most appropriate and flexible range.
- 3.4.29 However, I do not consider that the second part of policy CS8 is effective; partly because it is not clearly stated, but more fundamentally because the evidence, including that contained in Local Service Centres – Brownfield and Greenfield Sites Maps [ED41] and the SHLAA, indicates that only 23.5% of new housing provision will be on brownfield land, as defined in PPS3. Thus, it is most unlikely that the 50% target, which is derived from the *indicative* 50% brownfield target given in Table 7.1 of the RSS, would be achieved. This is acknowledged in the preamble to the policy, which at paragraph 6.11 informs that, “given the rural nature of the District the Council believes that it is going to be very difficult to reach the 50% target, even with farm buildings being classed as previously developed”. I conclude that the second part of the policy is not deliverable and, therefore, that it is not sound.
- 3.4.30 An alternative target of 30% to reflect that of superseded Structure Plan policy H18 was considered in the Preferred Options document [ED2], discussed at the hearing session and subjected to further SA. In the updated SA, the downwardly revised pdl target scored less positively against environmental objectives, which seek to conserve as much greenfield land as possible, but the reduced target also recognises the potential for biodiversity at brownfield sites. Information contained in the SHLAA and in [ED41], indicates that a 5% contribution could arise from residential development/conversions of agricultural buildings in addition to 23.5% of new housing provision that will be on brownfield land. Notwithstanding that I have concluded in section 3.3 of my report that agricultural buildings should not be defined in the Core Strategy as pdl, I nevertheless consider that application of policy CS1 would enable a significant number of these potential residential developments/conversions to be approved. Thus if these are taken into account purely in the context of achieving the spirit of the pdl target, I consider that 30% is the most appropriate, feasible target, and is sound.

- 3.4.31 PPS3 requires LDDs to include a local pdl trajectory. This is not contained in the Core Strategy, but I am content that it can be included in the forthcoming Housing DPD.
- 3.4.32 I conclude that policy CS8 can be made sound provided that it is amended in accordance with **(PH/3/7)**, which I have modified to clarify that for the purpose of this target, conversion of traditional agricultural buildings is included.

Housing on Exception Sites

- 3.4.33 In line with paragraph 30 of PPS3, the intended purpose of policy CS9 is to facilitate the release of small parcels of land in rural areas outside the Key and Local Service Centres solely for affordable housing to meet identified housing need in locations that would otherwise be subject to policies of restraint. Such provision is justified by evidence contained in the Housing Needs Assessment 2006 [ED39], as updated in the SHMA [FD30].
- 3.4.34 However, policy CS9 Housing on Exception Sites is negatively worded and lacks clarity. Both the policy text and its preamble at paragraph 6.13 muddle consideration of rural exception site development referred to in paragraph 30 of PPS3 with circumstances where market housing development may be permitted on greenfield sites. Thus whilst its intention is justified and consistent with national policy its wording renders it unfit for purpose. I conclude that it is not effective or sound.
- 3.4.35 To address these shortcomings the Council has suggested changes **(AM40), (AM39), (AM41), (AM44)** and **(AM42)**, incorporated in **(PH/7/1)**, to the preamble, policy title and text, and its implementation section respectively. These changes would delete the first part of the policy and re-word the second part positively in the form of criteria for the provision of housing on rural exception sites, and would amend the preamble and implementation accordingly. Concern has been raised that the second suggested criteria, which refers to the application of the sequential approach to site selection set out in policy CS1 could be over zealously applied in the consideration of planning applications. But given the significant priority afforded in the Core Strategy to the provision for affordable housing a negative decision making approach would be perverse. Furthermore, the change that I have recommended to policy CS1, **(PH/1B/12)** adds necessary flexibility to the sequential approach. I conclude that with these suggested changes policy CS9 can be made effective and sound.

Affordable Housing

- 3.4.36 The Housing Needs Assessment 2006 (HNA) identifies a net shortfall of 265 affordable dwellings a year. The SHMA indicates a net annual affordable housing requirement for 227 dwellings in addition to a backlog of 562 affordable homes required up until April 2009. The SHMA also indicates that affordable homes are required across the District, particularly in some of the most rural parts, where in many areas the affordability ratio of incomes to house prices exceeds 8:1, which is around double the Government guidelines for affordability. On this evidence, a corporate priority of the Council is to provide as much affordable housing as possible.

The Core Strategy is regarded as being the most effective enabling tool to provide this.

- 3.4.37 Whilst the need for affordable housing provision has not been challenged, the scale identified in the HNA and SHMA is questioned by some representors, who believe that the Council's estimates are significantly inflated. They consider that the methodology of the HNA, which relies on the draft 2005 (March and December) national guidance, is incorrect and that the application of those guidelines is flawed. The HNA housing need figures provide the basis upon which the SHMA affordable housing need were derived; thus the SHMA figures are similarly criticised.
- 3.4.38 Using alternative calculations, based upon the 2005 methodology, a figure of 49 net annual requirement for affordable housing and a backlog of 506 dwellings have been produced by representors. In an attempt to reach a position of common ground for the purpose of the examination, the Council has re-worked its HNA figures using representors' approach to applying the calculations. This exercise has resulted in a net annual need figure of 158. The main difference in the various calculations arises from the calculation of homeless need. Other estimates of need based on the findings of parish surveys indicate yet different affordable housing need requirements, which are also lower than the SHMA figure of 227.
- 3.4.39 I am satisfied that it was appropriate for the Council to apply the draft 2005 guidance for assessing housing need in respect of the HNA, rather than the 2000 guidelines, which has acknowledged shortcomings. Also, that in principle, postal surveys are an appropriate means of obtaining data; but they should be used with caution. However, because of a lack of complete transparency of the data that informed the HNA it is not possible to scrutinise all of its figures, or to re-work the housing need figures with absolute confidence in their accuracy. A further difficulty of estimating affordable housing need, which is acknowledged in the SHMA, is that there is incomplete information on the private rental market that may be affordable to a proportion of households in housing need.
- 3.4.40 Nevertheless, I am satisfied that there is affordable housing need in Eden, the scale of which falls within the range of 49-227 net a year, and which is unlikely to be met by public subsidy alone. Therefore, I conclude that in principle, an affordable housing policy is justified.
- 3.4.41 Policy CS10 as set out in the submitted Core Strategy sets proportions and thresholds of at least 50% affordable housing to be provided on all new housing developments of 10 or more units and at least 33% to be provided as a proportion of all new housing developments of 2 or more units. Developers of individual units would be required to provide a financial contribution towards provision of affordable housing in areas of highest need. Paragraph 6.20 of the policy preamble clarifies that the proportion of affordable housing sought will depend upon the assessment of the level of need at that time in the particular area, but will be between 33% and 100% of the total number of dwellings proposed.
- 3.4.42 At the Exploratory Meeting the Council conceded that the thresholds and targets of the policy are not justified by robust viability evidence, as required by paragraph 29 of PPS3. This was subsequently commissioned and completed in October 2009. As a consequence of the findings of the

EVA the Council has acknowledged that submitted policy CS10 is not justified. I concur with that opinion. Nor does it set a district-wide target, as required by paragraph 29 of PPS3, and which in my opinion should be contained in a core strategy. The policy is therefore inconsistent with national policy contained in PPS3 and PPS12, and is not sound.

- 3.4.43 To remedy this, the Council advertised a revised policy on its website and in the local press, which is set out in [FD29]. This revised policy, together with representations made on it, the SHMA and the EVA were considered at hearing sessions held in December 2009.
- 3.4.44 PPS3 is silent on the matter of how economic viability assessments for affordable housing should be carried out. That carried out on behalf of the Council was undertaken by DTZ who have worked closely with the Homes and Communities Agency analysing the likely consequences of future housing market scenarios for the delivery of affordable housing across the country, as well as assessing the viability of affordable housing delivery in the north west of the country for the Regional Planning Body. Therefore they may reasonably be regarded as being creditable consultants in this field.
- 3.4.45 Like many other similar appraisals for other Councils, the EVA methodology considers a hypothetical range of sites and values them using their residual land value calculation, which are then tested against different proportions of affordable housing and tenure split to establish how these effect viability. In principle I consider this to be a robust methodology.
- 3.4.46 The EVA uses a baseline valuation date of June 2009 and assumes that a developer will require a minimum net return of 18% Gross Development Value (GDV) for larger sites of 10 or more dwellings and 16% GDV for sites of less than 10 units. A 4% GDV range is assumed to reflect marginal viability. With regards to land values, 20% of GDV in urban areas and 10% of GDV in rural areas has been assumed as a value at which land will be brought forward and developed for residential purposes rather than for a development with an alternative use value, or maintained at its existing agricultural use in areas outside of Penrith. A tenure split of 70% social rent and 30% intermediate housing has been assumed, but other proportions were tested. 50% was the highest proportion of provision tested. The smallest site size tested was 0.25 hectare and 30 dph was the lowest density assumed. The assumed trigger point to demonstrate viability is 50% plus of the cases tested.
- 3.4.47 The main findings of the EVA are that, on average across the tenure splits tested, a figure of 30% affordable housing provision is deliverable on more than 50% of the scenarios tested, with the 'tipping point' being 34%. However, this 'at least' 30% proportion does not take into account other S106 and S278 costs.
- 3.4.48 Consultation with stakeholders has been a key aspect of the study in order to test and explore the EVA methodology and assumptions made before carrying out the economic viability exercise. As a result of stakeholder input, assumptions concerning land values, interest rates, build costs, affordable housing values and housing mix were amended, but not in all cases to the full agreement of all stakeholders, particularly regarding build

costs and the proportion GDV that rural landowners will require to be persuaded to release their land for residential development.

- 3.4.49 I also consider that these latter two assumptions of the EVA do not take sufficient account of the very rural nature of the District. I share views expressed that higher build costs should be assumed for smaller developments outside Penrith. Also, that insufficient account has been taken of the fact that most greenfield land in Eden is agricultural, which landowners consider to be a long term asset that also has the financial benefit of being exempt from inheritance tax. For these reasons I consider that the greenfield GDV may have been set too low at 10%.
- 3.4.50 A further concern of representors that I support is that the impact of the cost of any additional S106 contributions or S278 costs are not reflected in the 30% target assumed to be viable. Other tables in the EVA indicate that such requirements, which are referred to in policy CS6, have a dramatic adverse effect on the viability of a scheme.
- 3.4.51 Other criticisms of the EVA include density assumptions, but for the reasons that I give concerning my examination of policy CS8, I consider that it is correctly set at 30dph. A further criticism of the EVA is that it does not include a typology of the hypothetical sites which are considered to be viable at the 50% 'tipping point', which could fail to reflect that in Eden much housing will be delivered through small sites of less than 0.25 hectare. But evidence produced in response to this [FD35] indicates that, in fact, the viability results are not artificially favourably skewed by the lowest site size of the hypothetical sites tested.
- 3.4.52 I conclude that the EVA is generally a creditable and robust piece of evidence, but it is questionable if it gives sufficient weight to the very rural character of Eden. As a consequence, it may underestimate build costs and the percentage profit that landowners are likely to require to be persuaded to sell their agricultural land. It also fails to factor in other S106 and S278 costs in its conclusion that around 34% is a viable proportion of affordable housing to be sought; thus I conclude that it may present an over optimistic analysis of realistic viable provision in the present depressed economic climate.
- 3.4.53 Representors who have submitted other, albeit less detailed analyses, indicate that a proportion of 20% would be more viable and realistic. It would also deliver the Council's Corporate Plan [ED49] requirement for an annual provision of 50 units of affordable housing. From balancing the evidence available I conclude that the viability 'tipping point' probably lies no higher than 30%.
- 3.4.54 I turn now to consider if the Council's revised policy CS10 is sound. This would require at least 30% affordable housing to be provided as a proportion of all housing developments of 4 or more units. For all developments of less than 4 units a financial contribution would be sought towards the provision of affordable housing in areas of highest need. The type and tenure of the affordable housing provision would be determined with reference to evidenced need at parish level.
- 3.4.55 A district-wide target is not specified in the policy or its preamble. However, the Council has indicated at the December Hearing sessions that a minimum target of 92 units annually could be included in the

- implementation section of the policy. That target comprises at least 50 units to be provided as a proportion of market housing, 30 units to be provided annually through public subsidy, which on past performance I consider to be a realistic expectation, with the remaining 12 affordable units being provided on rural exception sites.
- 3.4.56 Taking into account the small size of the majority of sites that will come forward I consider that a site size threshold of 4 is justified. However, I have concluded above that a greater than 30% proportion is unlikely to be viable in most cases, when increased build and S106 and S278 costs are added. Thus *at least* 30% is not justified by the EVA. Nor is it certain what proportion of affordable housing would be sought on an individual site; it could be up to 100%. This gives rise to significant uncertainty that could thwart delivery of market led housing within the District.
- 3.4.57 I also consider that the second part of the suggested policy, which has the effect of requiring the commission of a viability assessment in respect of every proposal for housing development, by consultants appointed by the Council and at the developer's expense, is unreasonable and will have the effect of hindering rather than enabling the provision of affordable housing. It is also contrary to paragraph 29 of PPS3, which puts the onus of responsibility for making viability assessments on the local planning authority.
- 3.4.58 The third part of the policy, which seeks developer contributions for off-site affordable home provision in schemes of less than 4 units is also inconsistent with PPS3 because the presumption is that provision will be provided on site. Furthermore, the suggested policy does not specify the approach that will be taken to obtaining developer contributions. In addition, the intention to direct these monies to *areas of highest need* may breach the test of Circular 05/2005, which requires contributions to be fairly related to the development proposed.
- 3.4.59 For these reasons I conclude that the Council's revised policy CS10 as detailed in [FD29] is not sound.
- 3.4.60 A third version of policy CS10 evolved from the discussion at the December hearing sessions. The Council's preferred version of this is set out in its suggested change **(PH/8A/1)**, with which it wishes to replace submitted policy CS10 and part of its preamble. It sets a district-wide target provision of at least 92 affordable homes, which I conclude to be justified for the reasons that I have already given. Part 1 of the policy would then inform how these would be delivered; by seeking at least 50 dwellings a year from private developments, 30 a year from Registered Social Landlords, both of which targets are evidenced to be feasible; and to reflect the rural nature of Eden, by encouraging affordable housing provision on exception sites to make up the remainder of the target provision.
- 3.4.61 Part 2 of the Council's suggested policy sets a site size threshold of 4 units and an aspirational proportion of 30%. However, both the amended policy and its supporting text would refer to the adverse impact that other site costs may have on delivering the 30% proportion and accordingly make provision for the negotiation of a lower provision if warranted by a site based viability assessment. I consider that this approach reflects the available evidence on need and potential for delivery, and it builds in

sufficient flexibility to take account of differing site and market circumstances.

- 3.4.62 The inclusion of the word 'may' that would preface the requirement for a viability assessment for a proposal providing less than 30% affordable housing provision would enable the Council to apply the policy with pragmatism. This is because it would enable a more relaxed approach towards requiring such an assessment for all proposals, especially in the early years of the plan when there is an urgency to kick start delivery of market housing to ensure that the RSS managed target is met.
- 3.4.63 The policy would also clarify that financial contributions may be sought in lieu of an affordable housing component on sites below the threshold size, in line with policy CS6. I have revised this part of the suggested policy to also add, as discussed at the hearing sessions, that the Council will not seek developer contributions where the development is covered by a local occupancy restriction, is on a rural exception site, or is otherwise providing affordable housing.
- 3.4.64 Part 3 of the policy would inform that requirements regarding size, type and tenure of affordable homes will be negotiated on a site by site basis having regard to the most up to date evidence of housing need. Suggested change **(PH/8A/2)**, which I have incorporated in change **(PH/7/1)** would add corresponding information to the implementation section of the policy. I consider this to be acceptable in terms of PPS3, which does not prescribe that such information should be set out in a core strategy.
- 3.4.65 With these changes, policy CS10 and its supporting text can be made sound.

Provision for Gypsies and Travellers

- 3.4.66 The first part of policy CS11 states that it is the Council's intention to allocate sites for gypsies and travellers in the forthcoming Primary Development Control Policies DPD, but it is not clear from this that the number of additional pitches required by the RSS will be translated into specific allocations, as required for compliance with Circular 01/2006. The required provision set out in the Partial Review of the RSS is still open to further amendments through its Examination in Public process. However, the draft requirement generally reflects that given in the Cumbria Gypsy and Traveller Accommodation Needs Assessment [ED38] and [ED38A], which indicates that for Eden, 8 additional pitches are required 2007-2012 and a further 5 for 2012-2016. In addition, 5 transit pitches are required for the period 2007-2016. After 2016 provision will be made by assuming a 3% compound increase, as advised by 4NW.
- 3.4.67 For soundness, this information should be added to the preamble to the policy at paragraph 6.22, in accordance with **(AM46)**, which I have modified to state the intention to make provision in accordance with RSS requirements when these are known. In addition, the intended numerical provision should be reflected in the monitoring section of this policy, as set out in **(PH/7/2)**, which I have modified to include reference to the RSS, to provide targets post 2016 and for transit pitch provision.
- 3.4.68 The second part of policy CS11 provides criteria against which the suitability of sites proposed to accommodate gypsies and travellers, both

allocations and windfalls, will be assessed. In line with the opinion of CLG who have commented on a draft version of the policy [FD27/EDC/01] I conclude that the criteria are fair, reasonable, realistic, flexible and effective, and generally comply with Circulars 01/2006 and 04/2007. Thus provided that the changes which I have specified above are made, the policy will be made sound.

3.4.69 To summarise, my overall conclusion on this matter of meeting local housing needs is that provided the following changes are made the policies and proposals of the Core Strategy, which aim to ensure that sufficient housing of the right type is provided in a way that makes effective use of land in order to support sustainable communities, will be justified, effective, consistent with national policy and made sound. The precise details of the necessary changes are given in Annex A to this report.

- Amend policy CS7 to clarify that its first principle is to meet local need for affordable housing. That its fourth principle applies a local occupancy restriction to market housing outside the Key Service Centres where there is robust, up-to-date evidence to demonstrate its justification in the particular location. Amend its fifth principle to accord with the sequential approach set out in policy CS1.
- Extend the time frame of the Core Strategy for housing provision to 2025 and make consequential changes to the numerical housing supply requirement and to the housing trajectory.
- Clarify that there will be housing urban extensions to the north and east of Penrith, make consequential changes to the Key Diagram and delete Map 3.
- Reduce the brownfield target of policy CS8 to 30%.
- Delete the first part of policy CS9 and re-word its second part to accord with paragraph 30 of PPS3.
- Amend policy CS10 to set a site size threshold of 4 units and a proportion of 30% affordable housing to be sought from housing developments.
- Add reference in paragraph 6.22 to the necessity to make provision for gypsy and travellers pitches in accordance with the requirements of the RSS when these are known.

3.5 Main Matter 5 – *Whether policies CS12 – CS15, which seek to maintain a healthy economy and improve the economic base to provide for a more skilled labour force, and to attract and retain young economically active people are justified, effective and consistent with national policy.*

3.5.1 The Core Strategy informs that the strength of the District's economy is vital to the future prosperity and the quality of life of its residents. The District's high levels of employment mask a dependency on low paid work. The third suite of policies of the Core Strategy that comprise its 'Working Communities' section set out the principles for economic and tourism

development in the District. These policies flow from several Strategic Objectives of the Core Strategy; namely 1, 2, 3, 7, 8, 9, 10, 11, 12, 13, 14 and 15. They aim to ensure that adequate opportunities exist to improve the quality and range of employment available. Also, to ensure that the rural communities are maintained and their businesses are allowed to diversify and expand at an appropriate scale, in line with policy W1 of the RSS.

- 3.5.2 The key evidence base that underpins these policies includes; Eden 2006-2016 Developing the Economy of Eden: A 10 Year Plan (2005) [ED23] and Employment Land and Floorspace Assessment (2007/08) [ED24]. However, I do not consider that these documents are sufficiently robust to justify the intended employment land provision set out in policy CS13. In particular, the methodology, detail and limited timescale of the Employment Land and Floorspace Assessment does not comply with current national guidance and best practice on employment land reviews. The Council acknowledges this deficiency, and during the examination period commissioned an Employment Land Study (ELS) [FD31]. The ELS was carried out in accordance with national guidance and best practice, and satisfies the requirement of RSS policy W3 in this regard. I conclude that its additional information is sufficient to make the employment evidence base of the Core Strategy robust.

General Principles

- 3.5.3 Policy CS12 is a criteria based policy that sets out general principles for economic development and tourism within the District. However, like other over-arching topic based policies of the Core Strategy, it lacks local distinctiveness, and as a result, it fails to address the particular economic issues of this District. For this reason, I conclude that policy CS12 is not effective. In response to this criticism the Council has suggested changes **(AM48)** and **(AM6)**, which add spatial detail necessary to make the policy sound.

Employment Land Provision

- 3.5.4 Paragraph 7.7 sets out how the employment land requirement for the District, which amounts to around 50 hectares up to 2025, has been calculated. This quantity is supported by the ELS, which puts this figure midway in the range of requirement identified by the study, and leaves a shortfall of around 8.0 hectares of additional employment land to be identified during the plan period. Although RSS policy W3 indicates in its Table 6.1 that there is a significant oversupply of employment land in Cumbria as a whole, it is accepted by 4NW that this is concentrated mainly to the west of the county. RSS policy CNL2 identifies Penrith as being a location where inward investments should be directed and service provision improved to meet the needs of local people living in south and east Cumbria. Thus I conclude that the identification of additional employment land in Eden is in conformity with this regional policy context and that its scale is justified by the evidence.
- 3.5.5 Policy CS13 and its preamble seek to indicate how this provision will be made. However, I do not consider that they are sound for the following reasons. Firstly, policy CS13 makes provision only for 11 years post

adoption. It also prefaces the required amount of land required by the words, "up to", 50 hectares. Thus the timescale of less than 15 years is inconsistent with PPS12 and the policy requirement is vague and not effective. The Council agrees in its topic paper [TP6] that the timeframe of the policy should be extended to 2025, but it has not suggested a specific change to this effect. My change **(IC7)** is therefore necessary to make policy CS13 consistent with national policy. Suggested change **(PH/4/4)** is also necessary for its clarity and effectiveness and to make it sound.

- 3.5.6 The intention of paragraph 7.8 of the Core Strategy is to identify land to the north of Penrith up to junction 41 of the M6 as an employment land urban extension, with its precise area and sites being defined and allocated in the forthcoming Primary Development Control Policies DPD. However, Ordnance Survey based (OS) Map 4, which refers to a single urban extension for employment land and the Key Diagram, which refers to urban employment extensions are inconsistent. Furthermore, since a strategic allocation is not proposed at this stage, an OS based map upon which the site is identified is inappropriate. This should be clarified and Map 4 should be deleted in accordance with suggested changes **(PH/4/1)** and **(PH/4/3)**. In addition, the Key Diagram should be amended as shown in suggested change **(PH/4/2)**, to indicate the intended broad location of the single urban employment extension to the north of Penrith.
- 3.5.7 Turning now to consider delivery, this land would form an extension to the Gilwilly Industrial Estate/Eden Business Park, phase 1 of which is fully serviced. But the proposed phase 2 would require significant flood risk mitigation works and the construction of a new road link to the motorway, together with improvements to some of the existing road junctions. This broad location scores well in terms of SA [CSD3] and the ELS, and I am satisfied that in principle it is the most appropriate option for additional employment land provision in the District. It would accord with the locational strategy of policy CS2, it is well located to the strategic road and rail network, and it would add to the portfolio of sites available for employment development in the District.
- 3.5.8 However, as I have indicated above, its development would incur substantial infrastructure costs that are currently not publicly funded and which are too excessive to be fully met by developer contributions. The requirement for substantial infrastructure funding is also a constraint on other alternative locations that have been considered but rejected by the Council.
- 3.5.9 The Council acknowledges that in the absence of identified funding, the future development of this land is somewhat aspirational. However, the principle of extending the Eden Business Park, which would accord with the regional priority for inward investment in the East Cumbria (M6) Corridor around junction 41, is supported in principle by the County Council, Cumbria Vision and the North West Development Agency. All of these bodies consider that identification in the Core Strategy of this broad location for future employment growth could act as a strong funding vehicle.
- 3.5.10 I am satisfied that there is sufficient stakeholder interest and support for the proposed employment land extension and that there is a reasonable

expectation that the necessary funding will be provided to enable the delivery of the land at the latter end of the plan period.

- 3.5.11 I consider also that all reasonable alternatives have been explored and that there is genuinely no other acceptable 'fallback' option for long term employment land at the anticipated level of provision. The ELS has identified through its review of existing allocations and commitments that there are around 42.0 hectares of suitable available employment sites that would make sufficient provision for the short to medium term needs. Furthermore, the provision of 50 hectares, which slightly exceeds the minimum identified long term requirement, provides sufficient flexibility to take account of the 'what if' scenario, if infrastructure funding for the Eden Business Park extension is not forthcoming.
- 3.5.12 However, to clarify this, a phasing strategy should be added to the preamble to policy CS13, as detailed in **(PH/9/1)**. In addition, a second part should be added to policy CS13, which would inform that in the early years of the Core Strategy favourable consideration would be given to proposals for B1, B2 and B8 purposes which are well related to Penrith, the transport infrastructure and which preserve landscape character, as set out in **(PH/9/2)**. Also, information should be added to the implementation strategy for the policy to highlight that the take-up of sites in phase 1 of the Eden Business Park and leverage of funding for phase 2 will be proactively addressed, in accordance with suggested change **(PH/9/3)**, which is encompassed in **(PH/7/1)**.
- 3.5.13 With these changes I conclude that policy CS13 will be made effective and sound.

Employment Provision in the Rural Areas and Tourism

- 3.5.14 Policies CS14 and CS15 respectively aim to encourage employment in the rural areas and to direct new tourism facilities towards the Key and Local Service Centres. Their implementation details in accordance with **(PH/7/1)** would demonstrate how and by whom various mechanisms for encouraging employment in the rural areas and new tourism facilities will be delivered. Their criteria based nature provides necessary flexibility. I conclude that these policies are justified, effective and in conformity with policy W3 of the RSS, and that they are consistent with national policy contained in PPS4; therefore, that they are sound.
- 3.5.15 To summarise, I conclude that provided the following changes are made, the policies and proposals of the Core Strategy, which seek to maintain a healthy economy and improve the economic base to provide for a more skilled labour force, and to attract and retain young economically active people would be justified, effective and consistent with national policy, and made sound. The precise details of the necessary changes are given in Annex A to this report.

- Amend policy CS12 to make it locally distinctive and to add a second part that supports proposals for employment uses that are well related to Penrith.
- Delete Map 4 and amend the Key Diagram to clarify the broad location of the employment land urban extension to the north of Penrith.

3.6 Main Matter 6 – *Whether policies CS16-CS20, which seek to reconcile the requirement for development with the need to safeguard the natural and built assets of the District and the implications for climate change, are justified, effective and consistent with national policy.*

- 3.6.1 The introduction to this suite of policies, CS16-CS20, emphasise that Eden District has a remarkable local environment containing high quality landscapes and townscapes. Also, that on a global scale, climate change is the most significant concern and the greatest challenge facing the world. These policies, which comprise 'The Environment' section of the Core Strategy flow from Strategic Objectives; 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 15. They set out general principles for protecting and enhancing the natural and built historic environments of the District, principles for achieving high quality, adaptable design for new development, and for energy conservation and use of renewable energy.
- 3.6.2 The key evidence base that underpins these policies includes the Cumbria Biodiversity Action Plan 2001 [ED17], Cumbria Biodiversity Evidence Base for Cumbria's Planning Authorities 2008 [ED18], Cumbria Species and Habitats Statements 2008 [ED19], North Pennines AONB Management Plan 2004 [ED20], and Flood Risk Assessments 2007, 2008 and 2009 [ED29], [ED30], [ED31]. I conclude that this evidence is proportionate, up-to-date and sufficiently robust to justify policies CS16, CS17 and CS18, which are also generally consistent with national policy.

General Principles

- 3.6.3 Turning to their effectiveness, to make it locally distinctive, additional text should be included in the preamble to policy CS16-Principles for the Natural Environment and an additional criterion should be added, in accordance with suggested change **(AM7)**. Also, criterion 6 should be amended as detailed in **(AM50)**, to make the policy sound. I conclude that policy CS17, which sets out general principles for the built (historic) environment, is sound without any changes being necessary.

Design Considerations

- 3.6.4 In common with several other policies of the Core Strategy, criteria based policy CS18, which seeks to achieve high quality design in development that is usable, durable, adaptable and locally distinctive, is itself bland and could pertain to many other rural districts. For this reason I conclude that whilst providing necessary flexibility, it lacks effectiveness and is not sound.
- 3.6.5 To rectify this, the Council has suggested two changes, which would make policy CS18 sound. Change **(AM51)** would add text to the preamble of the policy, which would highlight the specific features that make the built environment of the District distinctive. Change **(AM52)**, which I have slightly modified, would add necessary clarity to criteria 5 and 6.

Energy Conservation and Renewable Energy

- 3.6.6 Policies CS19 and CS20 seek to achieve sustainable energy use. In principle their objectives are consistent with national policy contained in PPS1

Planning and Climate Change Supplement and policy EM18 of the RSS. However, I have significant concerns with their precise wording.

- 3.6.7 To overcome these, the first part of policy CS19, which lists considerations that should be taken into account in the design of new development to maximise energy conservation and efficiency can be made sound by the addition of reference to low carbon energy sources, as detailed in **(AM53)**.
- 3.6.8 The second part of the policy sets thresholds related to targets for on-site energy production for new developments. Whilst the targets are in line with those set in the RSS and by the Government, the intended threshold that would encompass all new development is significantly more onerous than those set out in RSS policy EM18, which refer to 10 dwellings and more, and 1,000 square metres of non-residential floorspace.
- 3.6.9 The Council has conceded that it does not have robust evidence to justify this threshold, as required by paragraph 26 of PPS1 Planning and Climate Change Supplement. Thus the policy is not justified, nor is it sound. In response, the Council has suggested change (PH/5/2), but in addition to being insufficiently flexible to take account of local circumstances, design, viability and technical feasibility considerations, it adds little to policies EM17 and EM18 of the RSS. Therefore I do not support it. I conclude that the second part of the policy should be deleted and be replaced by new policy text that informs that with regard to the use of decentralised and renewable or low carbon energy in new developments, the thresholds and targets as set out in RSS policy EM18 will be adhered to until reducing thresholds/targets are developed in a future Primary Development Control Policies DPD, in accordance with **(IC10)**.
- 3.6.10 My concerns with policy CS20 is that it is somewhat reticent in its support towards renewable energy production and that it is, therefore, inconsistent with the priority afforded in national policies contained in PPS22 and PPS1 Planning and Climate Change Supplement. Furthermore, although Tables 9.7 a, b and c of the RSS set out a considerable requirement for renewable energy generating capacity within Cumbria as a whole, policy CS20 provides insufficient guidance on how Eden will contribute towards meeting these targets. Nor does the policy identify broad locations or criteria for locating suitable areas for renewable and low carbon energy production, and its supporting infrastructure. For these reasons I conclude that the policy is not effective and consequently, that it is not sound.
- 3.6.11 However, I am satisfied that these aspects of inconsistency with national policy and its ineffectiveness can be overcome, and that the policy can be made sound by amending it in accordance with **(AM55)** and **(PH/5/4)**. These changes would frame the policy more positively and would add considerations that should be taken into account concerning the location of renewable energy developments.
- 3.6.12 To summarise, I conclude that provided the following changes are made the policies and proposals of the Core Strategy, which seek to reconcile the requirement for development with the need to safeguard the natural and built assets of the District and the implications for climate change, will be justified, effective and consistent with national policy, and made sound. The precise details of the necessary changes are given in Annex A.

- Amend criterion 6 of policy CS16 to clarify its necessity in the context of safeguarding local distinctiveness.
- Add text to the preamble of policy CS18 that highlights the specific features which make the built environment of the District distinctive, and amend criteria 5 and 6 of the policy for clarity.
- Amend policy CS19 by adding a reference to low carbon energy sources and by deleting the second part of the policy that refers to targets and thresholds.
- Reword policy CS20 more positively and add the considerations to be taken into account for locating renewable energy developments.

3.7 Main Matter 7 – *Whether policies CS21-CS25, which aim to create active and inclusive communities are justified, effective and consistent with national policy.*

3.7.1 The last group of policies of the Core Strategy seek to ensure 'Active and Inclusive Communities'. Policies CS21-CS25 acknowledge that in order to create sustainable and viable communities it is important to provide for a sufficient range of services and facilities, including opportunities for retail, sport, recreation and higher education. Also, that they are accessible, provided locally and meet the aspirations of the community. Reflecting the very rural nature of large parts of the District the importance of protecting, where possible, existing facilities is rightly emphasised, as their loss can have a major impact on the community. They flow from Strategic Objectives; 1, 2, 3, 4, 5, 6, 7, 12 and 13.

3.7.2 The key pieces of evidence relating to retail, open space and recreation include a Retail Study completed in 2008 [ED25] and [ED25A], a Green Space Strategy 2007 [ED12], an Open Space and Facilities Study 2008 [ED13], Eden Play Strategy 2007-2012 [ED14] and the University of Cumbria Strategic Plan 2007-2012 [ED28]. Taking into account that overall the scale of growth within the area will be relatively modest and that commensurate to this the provision of community services and facilities will be small in scale, I conclude that this evidence is proportionate, up-to-date and sufficiently robust to justify this suite of policies, which are also generally consistent with national policy.

General Principles

3.7.3 With regards to their effectiveness, policy CS21 sets out general principles for the provision of services and facilities. For precision, the policy title should be amended to clarify that they also apply to provision for open space, as detailed in **(PH/6/2)**. The policy highlights that the Council will work with partner organisations to ensure that the principles are met, but it does not identify who these might be or how the success of the policy will be monitored. I therefore conclude that it is not effective. These deficiencies should be rectified by amending the policy in accordance with **(PH/7/1)** and **(PH/7/2)**. In addition, it is necessary to re-word paragraph 9.5, which precedes the policy, to clarify its link to policy CS6 – Developer Contributions, in accordance with **(PH/6/1)**, which I have modified to bring it in line with the tests of Circular 05/2005.

Protecting Village Services and Facilities

- 3.7.4 The intention of policy CS22, as stated in its preceding preamble at paragraph 9.6, is to encourage the retention of village services and facilities to support the vitality of rural communities. However, its text is negatively worded and rather than indicating how they will be supported, it seeks only to resist loss, through consideration of two key criteria. Furthermore, the first criterion, which refers to the contribution of the established, existing and potential use of such premises, is poorly worded. For these reasons I conclude that the first paragraph of the policy is inconsistent with its stated purpose and that its first criterion is ambiguous; consequently that these parts of the policy are not sound.
- 3.7.5 To achieve its purpose the policy should provide both a 'carrot' and a 'stick'. Following the format of policy CS21 and reflecting an implementation mechanism listed for this policy and the last sentence of paragraph 9.6, this could be achieved as recommended in **(IC8)**. This necessary change would add a new first part to policy CS21, which would recognise that rural services and facilities often operate on the margins of viability. Also, that the Council will work with partner organisations to encourage new and retain existing village shopping facilities and key community facilities to support the vitality of rural communities. In addition for clarity, criterion 1 should be amended in accordance with **(AM58)**.
- 3.7.6 The second criterion, which requires economic viability evidence, including a minimum 12 month marketing period, to justify any proposals for alternative use for such premises, has been criticised for being unduly onerous. The Council has considered a shorter marketing period of 6 months, which has been the subject of consultation workshops, but this was rejected because it provides insufficient time to enable such proposals to develop. I am satisfied that the criterion in its submitted form is the most appropriate to resist loss of village community facilities.

Hierarchy of Retail Centres

- 3.7.7 The preamble to policy CS23 informs that, in general terms, retail development within the District is, and will remain centred on Penrith, which acts as a town centre, and on the other Key Service Centres, which perform as district centres. Also, that in accordance with PPS4, the Core Strategy needs to plan positively for the centres by making provision for new retail development where there is an identified need.
- 3.7.8 The policy identifies these centres and informs that support will be given to maintaining and enhancing their vitality and viability at a scale appropriate to their roles. The hierarchy for retail and other town centre uses in policy CS23 is supported by the Retail Study and is consistent with the overarching development location strategy set out in policy CS2. In line with guidance contained in PPS4, detailed definition of the town centre boundaries will be made in the forthcoming Primary Development Control Policies DPD.
- 3.7.9 However, the Core Strategy does not draw on the findings of the Retail Study to explain the overall level of retail development that will be required over the plan period and the scale that is appropriate at each of the centres. Nor does it clarify what steps will be taken to ensure that Penrith

continues as the main shopping centre for Eden, a stated aim of policy CS21. Surprisingly also, the DPD omits reference to a major shopping led mixed use development, known as the New Squares Development that is proposed in the centre of Penrith and which will add a significant amount of retail floorspace to the existing centre.

- 3.7.10 These omissions result in a lack of clarity and failure of the Core Strategy to provide an effective steer for lower tier policy making, thus making policy CS23 ineffective.
- 3.7.11 However, the policy can be made sound by the insertion of additional text to the preamble of the policy as detailed in suggested change **(AM59)**, which refers to additional retail capacity, and **(PH/1A/11)**, **(PH/6/7)** and **(PH/9A/1)**, which outline the New Squares Development proposals.

Open Space and Recreation Land, and the University of Cumbria

- 3.7.12 I consider that the criteria of policy CS24 provide a sufficient hook to enable the forthcoming Housing and Primary Development Control Policies DPDs to make allocations of land that have implications for open/green space provision. However, for compliance with Circular 05/2005, its criterion c) should be amended to clarify that 'any replacement facility should provide an equivalent or greater net benefit to the community...', as detailed in **(AM61)**. With this change policy CS24 can be made sound.
- 3.7.13 I conclude that policy CS25, which refers to the University of Cumbria is sound.
- 3.7.14 To summarise, I conclude that provided the following changes are made the policies and proposals of the Core Strategy, which aim to create active and inclusive communities will be justified, effective and consistent with national policy, and made sound. The precise details of the necessary changes are given in Annex A to this report.

- Amend the title of policy CS21 to read – Principles for Services, Facilities and Open Space.
- Clarify in the preamble to policy CS21 that, where appropriate, contributions will be sought from developers for the provision of sports/recreation/open space facilities.
- Amend policy CS22 so that it is positive in nature and its criterion 1 is clarified.
- Add references to the additional retail capacity of the town centres and the New Squares Development in the preamble to policy CS23.
- Amend criterion c) of policy CS24 to accord with the tests of Circular 05/2005.

4. Minor Changes and Other Matters

- 4.1 The Council wishes to make some minor changes to the submitted Core Strategy in order to clarify parts of the text. Although these changes do not address key aspects of soundness, I endorse them on a general basis in the interests of clarity and accuracy. These changes are set out in Annex B to

my report. I similarly endorse the correction of any minor typographical, spelling, grammatical and formatting errors in the submitted Core Strategy and the Annexes to this report, provided that they do not alter the substance or general meaning of the text or policies of the Core Strategy.

- 4.2 Some representations raise issues which go outside the context and purpose of the Core Strategy because they relate either to detailed elements of policies or to matters beyond its scope. Other points raised in the representations are not directly related to the requirements for soundness or are not central to my conclusions on the overall soundness of the Core Strategy. In these cases I have not recommended or endorsed changes in response.

5. Overall Conclusions

- 5.1 I conclude that, with the changes I recommend, the Eden District Council Core Strategy DPD satisfies the requirements of s20(5) of the 2004 Act and meets the requirements for soundness as defined in PPS12.

Shelagh Bussey

INSPECTOR