



STROUD DISTRICT COUNCIL

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29 August 2023

Dear Ms V Lucas and Ms Y Wright,

Thank you for your letter dated 4 August 2023.

Council officers have today now had the opportunity to brief lead Members of the Council and we provide this initial response to the substantive points raised in your recent letter.

We note with concern the indication that the Council should consider withdrawing the draft Stroud District Local Plan (the draft Plan) primarily as a result of issues relating to the delivery of improvements to the M5 motorway junctions 12 and 14.

It is our understanding that Government expects Inspectors to deal with examinations pragmatically with a focus upon addressing shortcomings in draft plans to ensure that they can be adopted and communities can benefit from up to date local plans (see letter from the Chief Planner to Planning Inspectorate dated 6 March 2023).

With this expectation in mind, it is considered that there are a number of options to explore fully and pragmatically before considering the withdrawal of the Plan and the loss of the benefits that an up-to-date plan would deliver to the community.

These are:

- a. A pause in the Examination to allow further investigation of whether there is a reasonable prospect of delivery of infrastructure schemes that could mitigate the impact of housing that would generate traffic affecting M5 junctions 12 or 14.
- b. A pause in the Examination to allow further investigation of the extent to which housing needs could be met by allocations that would not generate traffic which would materially affect M5 junctions 12 or 14;
- c. Further consideration of the extent to which the draft Plan could be amended and adopted to allow for an early review.

Before we address these options further, it is considered important to draw to your attention the full context of the housing delivery proposed in the draft Plan.

As your letter records, the Council has provided a breakdown of the allocations which are likely to generate traffic which may affect M5 junctions 12 and 14, the delivery of which has a relationship with improvements works coming forward (see SLP AP-002 Appendix 2).

These allocations are G1 - South of Hardwicke, G2 - Land at Whaddon and PS30 - Hunts Grove Expansion, PS34 - Sharpness Docks, PS36 - New Settlement at Sharpness, PS37 - New Settlement at Wisloe.

That same document sets out the housing trajectory from sites the delivery of which does not have a relationship with the M5 improvement works i.e. the supply unaffected by constraints relating to the M5 junctions.

This shows a cumulative total of 8632 dwellings coming forward over the plan period. This can be compared with the total housing need identified in the plan for the 20-year period 1 April 2020 to 31 March 2040 (640 pa over 20 years) of 12,600 units. Thus, the trajectory demonstrates that nearly 70% of the housing need for the plan period can be delivered without any reliance upon the sites related to the M5 improvement works.

Further, the trajectory demonstrates that by the end of 2027/28 i.e. five years from now, these housing sites are expected to deliver 6518 units. That represents some 52% of the total twenty-year housing need met within the first eight years of the plan period i.e ten years of need is expected to be met within the first 8 years of the draft Plan period by sites that are not reliant upon the M5 improvement works coming forward).

That same trajectory demonstrates that by the end of 2029/30, sites which do not have a relation with the M5 improvements works are expected to have delivered 7224 units or some 57% of total housing need for the plan period within the first 10 years of the Plan.

Whilst you recommended changes to the housing trajectory during the hearing sessions held during May to June 2023, the substantive changes related mainly to those large strategic sites affected by the M5 constraints. The Council intends to produce updated housing trajectories (with and without the sites impacting upon the M5 junctions 12 and 14) and will submit this with the other proposed work set out below.

The Council believes that this context means that even without the sites which have a relationship with the M5 improvements works coming forward or without identifying additional omission sites for inclusion, the draft Plan is likely to provide a sound basis for meeting housing needs in the immediate 5 to 10 years.

This forms an important context for the consideration of the issues that you identify in your letter and for determining the way forward for the Examination which the Council would ask you to take into account carefully.

The M5 Improvement Works

In respect of the M5 improvement works, we note that the NPPF requires infrastructure and housing delivery to be aligned (NPPF paragraph 11). Further, footnote 37 of the NPPF explains that:

“The delivery of large-scale developments may need to extend beyond an individual plan period, and the associated infrastructure requirements may not be capable of being identified fully at the outset. Anticipated rates of delivery and infrastructure requirements should, therefore, be kept under review and reflected as policies are updated.”

It follows that the NPPF anticipates that schemes may come forward for allocation notwithstanding that associated infrastructure requirements may not be fully identified. What needs to be established is that there is a reasonable prospect of the associated infrastructure requirements being delivered to enable sites to come forward.

As your letter recognises, issues with the capacity and safety of the SRN cannot be resolved by Stroud District alone. It is very much a wider regional concern that requires a more strategic resolution. Key to this, is securing a commitment from all strategic partners, i.e. National Highways and the Local Highways Authorities, namely Gloucestershire County Council and South Gloucestershire Council. The Council considers that an adopted Stroud Local Plan, with a clear timeline for early review, provides a clear impetus for all parties to commit resources and strive for a solution. It also enables progress to be made on the forthcoming South Gloucestershire Local Plan and Gloucester, Cheltenham, Tewkesbury Joint Spatial Plan, the Examinations for which will undoubtedly cover the need for strategic infrastructure delivery.

In the event of a pause in the Examination, the Council would propose working further with stakeholders.

The Council's Next Steps paper SLP-AP-005 sets out an overview of the activities required to progress the matter of M5 junctions 12 and 14 infrastructure delivery. Your letter, and our proposed course of action, provides the opportunity to seek substantive agreement and commitment on key points, with clear direction on the urgency of the matter. We believe that your letter draws into sharp focus the need for all those producing growth options for Development Plans which will generate traffic affecting these junctions to work together in a timely manner.

Demonstrating a reasonable prospect of infrastructure delivery requires the agreement of roles and responsibilities, including the Scheme Promoter role, scheme costs, funding route and private sector apportionment. The Council proposes to convene senior level meetings with National Highways, South Gloucestershire Council and Gloucestershire County Council, to obtain in principle agreement on key points. This strategic level approach will enable Officers to progress more detailed matters.

The Council proposes to undertake further investigation with relevant stakeholders to gain greater certainty as to the likely overall costs for schemes at M5 motorway junctions 12 and 14 with the objective of reaching an agreed position with stakeholders. The scale of the schemes required in each location is already agreed, as is set out in the relevant Statements of Common Ground: SG10 National Highways Strategic Matters SoCG.

A scheme drawing at preliminary design stage exists for Junction 14. Immediately prior to the Matter 11 Hearing, National Highways provided comments on the Council's cost estimate on the basis of their requirements for key parameters such as highway possessions, depth of surfacing and National Highways' view that the junction would require two new bridge structures, rather than the retention of the existing bridge. At that point, all parties agreed that external funding would be required to deliver the infrastructure. The Council considers that there is a reasonable prospect of utilising the existing drawing to agree a broad cost estimate for this scheme, with appropriate ranges and contingencies reflecting the stage of design, utilising National Highways' experience in delivering schemes on its own network to its own requirements.

As stated, the scale of scheme required for M5 Junction 12 has been tested in the SDLP evidence base, which correlates to previous studies undertaken by National Highways. This is set out in more detail in the Council's Matter 11 Representation: SDCM1. It is understood that recent improvement works have been carried out at this location, suggesting that survey information required to form the basis of design work is likely to be available. It is therefore feasible that a preliminary design for M5 Junction 12 could be produced relatively easily, and agreed.

With senior level commitment to resourcing and responsibilities by all stakeholders, it is reasonable to state that a broad cost estimate appropriate for this stage of the process, for both M5 junctions 12 and 14, is likely achievable on a relatively short timescale to assist the progression of the Examination.

The Council has agreed that public funding is likely to be required to deliver infrastructure of the scale envisaged with development contributions providing part of the funding for schemes. National Highways has agreed that the current Industry Standard would be 15% private funding of the total cost of the scheme. The Council proposes to identify the potential sources of external funding and the likely timescale for the award of such funding to enable delivery of the improvement schemes. The Council has identified that potential sources of potential external funding include:

- DfT Major Road Network fund.
- DfT Local Growth Fund.
- DCLG Housing Infrastructure Fund. Whilst this is now closed for bidding, the delivery timescale of the Plan is such that it is not unreasonable to anticipate that funding opportunities with similar aims to provide infrastructure to unlock housing will become available in future.
- DLUHC Levelling Up Fund.

The Council considers that agreement between stakeholders on the likely external funding routes to be progressed is achievable within a relatively short timescale.

The Council proposes to discuss the mechanism for contribution to funding by the private sector with stakeholders, notably Gloucestershire County Council, South Gloucestershire Council and neighbouring planning authorities. The challenges relating to the status of neighbouring plans have been well documented through this Examination process. Notwithstanding this, growth calculations in the strategic model have been agreed with all parties. This provides a solid basis to apportion costs. The Council has presented a pragmatic and mathematically sound method of identifying apportionment between draft Plan sites, and external development. This includes robust assumptions on the scale of sites which may contribute, in order to avoid overestimating the chances of external sites contributing.

Notwithstanding this, there are other mechanisms and sensitivity testing which could be undertaken to provide confidence that private sector contributions totalling 15% of the agreed scheme cost would be reasonably achievable without rendering development unviable. A top down approach of identifying the total cost of schemes, and a 15% requirement for private funding, would identify the total likely liability for developments. An assumed level of contributions proposed from draft Plan sites has already been incorporated in viability testing. Without prejudice to a fair and proportionate apportionment of cost based on impact, sensitivity testing can be undertaken examining the likely level of cost which could be accommodated by development in Stroud, and this can also include sensitivity analysis of the funding implications for development outside of the District. This would demonstrate the level of “contingency” between the robustly calculated level of funding which would be proportionate for development outside of Stroud District, and the minimum level of funding from those sources which would be needed to deliver the M5 junction 12 and 14 improvements. This sensitivity analysis is highly relevant to understand and make judgments about whether there is a reasonable prospect of development supporting the private funding contribution to deliver the M5 Improvement schemes.

This exercise could commence immediately, with place holder calculations on total scheme costs used to begin discussions. It is suggested that an additional month would be required following agreement of total scheme costs, i.e. this exercise would be likely to be concluded in four to five months.

Thus there is substantial and important work that can be done on a relatively short timescale which will deliver further evidence relevant to the judgment to be made as to the prospects of the M5 junction improvements coming forward. The Council considers that it would be prudent and pragmatic to allow this work to be undertaken and the outputs of it taken into account prior to making any final judgment as to the way forward for the Examination.

The Council believes that there is a good prospect of agreement being reached with key stakeholders on a benchmarking of costs, a review of the apportionment method, the development of a funding package to industry standards and more detail on trigger points and delivery timescales can be achieved.

The Council proposes to provide you with a document setting out the detail of this work with relevant milestones, within 10 working days of the date of this letter i.e by the 12th September 2023. In overall terms, we believe this work can be completed within six months. This includes:

- 1-2 months for high level meetings and strategic decision-making;
- 3-4 months for scheme development and cost benchmarking, with progress made on other matters during this time;
- A further 1 month to conclude apportionment agreements.

In considering this letter and the way forward, it is also considered important to take into account whether withdrawing the draft Plan risks losing the momentum that has built up towards securing strategic infrastructure solutions. A certain impetus has developed to date as a result of the draft Plan and the Examination process. A timely pause in the Examination, spurred on by your letter, will be likely to encourage partners to work constructively to avoid similar situations arising for the next development plans to come forward for examination in the region.

As a result, we consider that a pause in the Examination is justified to allow further investigation of whether there is a reasonable prospect of delivery of infrastructure schemes that could mitigate the impact of housing that would generate traffic affecting M5 junctions 12 or 14.

Potential Further Sites

In the light of the uncertainties relating to the M5 Improvements and the outcome of the work relating to them, the Council proposes a parallel workstream in which it will explore the potential for additional housing capacity to come forward from existing sites and further sites to be identified which are not currently within the draft Plan but which could be considered to be appropriate deliverable sites without a relationship to the M5 improvement works.

This workstream would identify additional housing sites which could potentially come forward in the event that the issues relating to the M5 improvement works cannot be overcome.

Given that the draft Plan already includes sufficient sites which are unaffected by the constraints presented by the M5 improvements until 2030 (see above), this work would be focussed upon deliverability in the latter half of the housing trajectory.

A detailed list of tasks and timelines will also be provided to you within 10 working days, and this will include:

- An assessment of the potential for additional housing supply from existing allocated sites;
- An assessment of potential from other sites already taken through the Sustainability Appraisal process, but not included in the final draft Plan;
- Public consultation on any additional sites taken already through the Sustainability Appraisal process;
- Updating the Infrastructure Delivery Plan to take account of any additional sites or housing capacity;
- Updating viability and deliverability evidence.

This workstream would then tie in to considerations in relation to the M5 improvement works and could allow additional sites to be included in the draft Plan to address uncertainties regarding the delivery and/or timing of those works.

Wisloe New Settlement

We note that your concern regarding the viability and deliverability of the pedestrian and cycle bridge over the motorway. This is in addition to the delivery of the Wisloe new settlement being related to M5 Improvement Works in any event.

We believe that further work on this issue is capable of alleviating your concerns relating to agreeing scheme costs and resolving viability and deliverability matters.

A detailed list of tasks and timelines will be provided to you within 10 working days, but will include:

- Meetings between the site promoters and National Highways to agree the design, costs and arrangements for construction of the bridge;
- Reviewing the scheme masterplan and phasing of delivery, taking into account the requirement for the bridge to be completed during an early phase;
- Updating viability appraisals to demonstrate that the scheme remains viable.

It is considered likely that your site-specific concerns here could be resolved well within the timescales required to address the M5 improvement works.

Sharpness New Settlement

We note that you have concerns relating to the viability and deliverability of the provision of a passenger train service and bespoke Mobility as a Service transport scheme (MaaS).

We believe that further work on this issue is capable of alleviating your concerns. The site promoter has an experienced team working on these matters and the Council considers that a pause would allow them to engage closely with the relevant transport bodies in a collaborative manner. The Council would support the further work needed to alleviate concerns, ensuring proportionality with the stage of the planning process, i.e. Local Plan.

A detailed list of tasks and timelines will be provided to you within 10 working days, but will include:

- Meetings between the site promoters, Network Rail and train and coach operating companies to agree the costs of the proposed services, the deliverability of the necessary infrastructure and funding arrangements;
- Reviewing the scheme masterplan and phasing of delivery, taking into account the requirement for public transport provision to be in place from an early stage;
- Updating viability appraisals to demonstrate that the scheme remains viable.

Again, it is considered likely that your site-specific concerns here could be resolved well within the timescales required to address the M5 improvement works

Early Review

Given that the draft Plan identifies sufficient sites to meet more than half the plan period's needs in the first 10 years of that period, the option of committing to an early review is also available.

It would, for example, be open to the Council to propose an amendment to the draft Plan to prevent the sites with a relationship to the M5 works from coming forward until those works are committed/delivered and for the Council to commit to early review.

This option would ensure that the community has the benefit of a local plan which allocates site sufficient to meet needs over the period until a new and further plan is in place.

That further plan would be produced in circumstances where there would be a greater level of certainty regarding the costs and deliverability of the M5 improvements works, the availability of external funding, the extent to which growth in South Gloucestershire depends upon these works and the apportionment of costs as between the districts.

The Council considers that this too is a pragmatic option that it should be given time to explore in the context of the further matters set out above. The Council also notes that early reviews have been allowed/agreed at other examinations and accepted by Inspectors.

The Way Forward

We would like to reiterate our commitment to delivering a sound Local Plan for our communities in a timely fashion. The Council is committed to seeking to resolve outstanding issues relating to the draft Local Plan in a pragmatic fashion, in order to deliver benefit to the local community.

We believe that the draft Plan already contains proposals which are likely to deliver the housing this area needs in the short to medium term. We do not believe that withdrawing the draft Plan and going back several stages is appropriate, nor that this would be beneficial for our communities. Withdrawal of the draft Plan would not assist with the proper planning of land uses and infrastructure in the District in the short to medium term. The Council considers that, conversely, it would be a significant setback to the chances of timely delivery of infrastructure.

In this letter the Council has advised how it intends to address the issues raised with Sharpness and Wisloe new settlements as well as an approach to addressing the issues relating to M5 junctions 12 and 14.

The Council proposes to provide you with a document setting out the detail of this work with relevant milestones within 10 working days. In overall terms, we believe this work can be completed within six months.

This will allow the Council to work positively with other parties allowing the Examination to continue, with all other soundness concerns with the draft Plan to be addressed by main modifications.

The Council hopes that you will consider the matters above and this further information carefully before you reach your final conclusions on the way forward.

Yours sincerely



Kathy O'Leary
Chief Executive