
Report to East Riding of Yorkshire Council

by **Simon Berkeley BA MA MRTPI**

an Inspector appointed by the Secretary of State for Communities and Local Government

Date 25 January 2016

PLANNING AND COMPULSORY PURCHASE ACT 2004 (AS AMENDED)

SECTION 20

**REPORT ON THE EXAMINATION OF THE
EAST RIDING LOCAL PLAN: STRATEGY DOCUMENT**

Document submitted for examination on 28 April 2014

Examination hearings held between 7 October and 18 November 2014

File Ref: PINS/E2001/429/14

Abbreviations Used in this Report

AHVA	Affordable Housing Viability Assessment
DtC	Duty to Co-operate
FEA	Functional Economic Area
GTNA	Gypsy and Traveller Need Assessment
HMA	Housing Market Area
LDS	Local Development Scheme
LHS	Local Housing Study
MM	Main Modification
MSA	Mineral Safeguarding Area
NPPF	National Planning Policy Framework
PPG	Planning Practice Guidance
SA	Sustainability Appraisal
SAM	Site Assessment Methodology
SCI	Statement of Community Involvement
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment

Non-Technical Summary

This report concludes that the East Riding Local Plan: Strategy Document provides an appropriate basis for the planning of the district providing a number of main modifications are made to the plan. The Council has specifically requested that I recommend any main modifications necessary to enable the plan to be adopted.

All of the main modifications were proposed by the Council but where necessary I have amended detailed wording and I have recommended their inclusion after considering the representations from other parties.

The Main Modifications can be summarised broadly as follows:

- Clarifying policies, their intention and operation;
- Amending policies to better reflect national policy;
- Altering policies to be more specific where necessary;
- Expanding the scope of policies to ensure effectiveness;
- Revising the Policies Map to ensure that associated policies are justified and effective;
- Clarifying the Key Diagram and sub-area diagrams;
- Introducing a commitment to review the plan if circumstances relating to housing delivery change, or in any event by 2020;
- Removing the 'caps' on housing development in Rural Service Centres and Primary Villages;
- Satisfactorily reflecting statutory limitations and requirements;
- Expanding the geographical area over which rural exception housing schemes are supported;
- Removing standards relating to the construction, internal layout or performance of new dwellings;
- Introducing a commitment to update evidence concerning the accommodation needs of Gypsies and Travellers;
- Revising the retail capacity for Beverley;
- Revising the extent of the Primary Shopping Areas in Goole and Howden, to ensure that Policy EC3 is justified and effective;
- Strengthening policy support for rural employment areas;
- Amending the approach to on-shore wind energy developments to reflect the Written Ministerial Statement of 18 June 2015, and the revisions to the Planning Practice Guidance;
- Removing the 'stand-off' between Mineral Safeguarding Areas and development limits, to ensure that Policy EC6 is justified;
- Clarifying the function and purpose of the Key Open Areas; and
- Removing references to Common Land and Local Green Spaces from the plan, as none are proposed.

Introduction

General

1. This report contains my assessment of the East Riding Local Plan: Strategy Document (the plan/the Strategy) in terms of Section 20(5) of the Planning & Compulsory Purchase Act 2004 (as amended). The East Riding Local Plan: Allocations Document was submitted for examination at the same time, and my assessment of that document will be set out in a separate report.
2. In this report I consider first whether the plan's preparation has complied with the duty to co-operate, in recognition that there is no scope to remedy any failure in this regard. I then consider whether the plan is sound and whether it is compliant with the legal requirements. The National Planning Policy Framework (paragraph 182) (the NPPF) makes clear that to be sound, a Local Plan should be positively prepared, justified, effective and consistent with national policy.
3. The starting point for the examination is the assumption that the local authority has submitted what it considers to be a sound plan. The basis for my examination is the submitted draft plan dated January 2014, which is the same as the document published for consultation between 27 January and 10 March 2014.
4. My report deals with the main modifications that are needed to make the plan sound and legally compliant and they are identified in bold in the report (**MM**). In accordance with section 20(7C) of the 2004 Act the Council requested that I should make any modifications needed to rectify matters that make the plan unsound/not legally compliant and thus incapable of being adopted. These main modifications are set out in the Appendix.
5. The Council submitted a schedule of modifications alongside the submission draft plan. Further modifications were put forward by the Council both during and after the hearings. A public consultation on a comprehensive schedule of the modifications advanced by the Council at that time, along with the associated Sustainability Appraisal (SA), was held for six weeks from 30 March to 11 May 2015. A number of representations were made in relation to these proposed revisions.
6. I have taken account of all the responses from every relevant consultation in coming to my conclusions in this report. Indeed, some have persuaded me to either reject the revision suggested by the Council or to amend detailed wording. None of the changes I have made to the modifications undermines the participatory processes and SA that has been undertaken.
7. Further modifications have been put forward by the Council since that final consultation exercise was undertaken. Some of these are consequential changes, made for the purpose of consistency with main modifications that had already been consulted on. Others have been proposed as a result of the Written Ministerial Statement published on 18 June 2015, although no further SA has been undertaken. However, for the reasons given in this report, I am of the firm view that all of the main modifications put forward by the Council that have not been the subject of consultation are necessary for soundness and that further SA work is not necessary.

8. A significant number of other changes have also been put forward by the Council. However, these comprise minor or consequential revisions and factual updates. Whilst generally helpful and to be welcomed, their inclusion in the plan is not essential for soundness. I have generally therefore not referred to them in this report or the Appendix, although for reasons of clarity I have made some exceptions to this approach.

Policies Map

9. For convenience and to avoid repetition throughout this report, I address here an issue relating to the status of the Policies Map. The Council submitted a full, comprehensive version of the proposed Policies Map, including inset maps, alongside the Strategy and Allocations documents.
10. The Policies Map is not a development plan document. Rather, it is a geographical illustration or representation of the policies in the plan. Its purpose, simply put, is to show what policies apply where. The Council has put forward a number of changes to the Policies Map, which were made available for consultation alongside the proposed main modifications. I agree that the revisions advanced are needed to ensure that the associated policies are justified and effective. It is on the basis of those changes that I recommend that the policies in question are amended accordingly.
11. I should also say that this report considers the proposed Policies Map only insofar as it is pertinent to the policies of the Strategy document. Any illustrative representations shown on it as a consequence of the Allocations document only will be considered in my separate report.

Assessment of Duty to Co-operate

12. Section s20(5)(c) of the 2004 Act requires that I consider whether the Council complied with any duty imposed on it by section 33A of the 2004 Act in relation to the Plan's preparation – the Duty to Co-operate (DtC).
13. The East Riding is a large, predominantly rural district. However, it completely encircles the land boundaries of the City of Hull. York is also close to its administrative limit. It is largely because of these relationships, and particularly the relationship with Hull, that East Riding faces a number of strategic, cross-boundary issues. Perhaps those of greatest relevance to the Strategy are economic development and housing.
14. Significant economic growth is planned in and around the Hull port area, including within East Riding. The off-shore wind energy industry is the spearhead for this. Turbine and associated manufacturing, repair and logistics operations are planned. The Government has identified a 'Centre for Off-shore Renewable Engineering'. Around 536 hectares of land has been designated as part of the Humber Renewable Energy Super Cluster and the Humber Green Port Enterprise Zones. These include sites in the East Riding at Hedon Haven, Salt End and Elloughton-cum-Brough. The Enterprise Zone has recently been extended to include additional land at Goole and Melton in East Riding. This is economic development of a very significant scale, in terms of both investment and land use.

15. Housing in the East Riding is affected by a number of factors. The district involves housing market areas centred around Hull and York. The level of economic development being planned for in Hull and East Riding will affect the need for housing in the plan period. The drive for regeneration and housing renewal in Hull is an additional influencing factor.
16. Transport is also a matter of significance. The Strategy identifies an east-west multi-modal corridor through the district, broadly defined by the general route of the M62/A63 and the railway line. This corridor links the Humber ports of Hull and Goole with the rest of the country via the Humber estuary, inland waterways, rail and highway routes. A number of manufacturing and storage and distribution businesses are located along this route and the Strategy aims to build on this.
17. The ways in which the Council has engaged with relevant prescribed bodies in relation to the range of strategic priorities are set out in the Council's DtC Background Paper [CD06]. It is clear that arrangements are in place for joint working with a number of partner organisations, notably neighbouring local authorities, and that these involve both professionals and elected Members. These include on-going and standing provisions for discussion on a wide range of topics, encompassing the key issues mentioned above as well as others.
18. From the evidence, it is apparent that the Council has sought to engage constructively with the bodies prescribed under section 33A at appropriate stages in the plan-making process. The Council's background paper sets out the outcomes of co-operation, albeit in quite general terms. These include joint working on a variety of other plans and projects.
19. A number of the prescribed bodies have provided to the Council a letter stating their position in relation to the DtC. Some unambiguously say they consider the DtC to have been met. Others strongly suggest this, and none raise any unequivocal objections in this regard.
20. I note the letter from the Leader of Hull City Council dated 1 September 2014, highlighting some areas where the two Councils differ. But the DtC under S33A does not demand agreement. Consequently, and considering the evidence of constructive engagement and co-operation between the two Councils, I do not regard the differences between them as any failure in relation to the DtC.
21. Some argue that the DtC has not been met because the Strategy will not meet the objectively assessed need for housing. I consider this in detail later. For present purposes, it is sufficient to note that I consider the plan adequate in this regard. The Council has worked with Hull City Council to arrive at a figure intended to represent the objectively assessed need for housing in the housing market area. This is a clear example of close co-operation of the kind sought by the DtC and encouraged in national policy.
22. For these reasons, I conclude that the DtC has been met.

Assessment of Soundness

Main Issues

23. Taking account of all the representations, written evidence and the discussions that took place at the examination hearings I have identified eight main issues upon which the soundness of the Plan depends.

Issue 1 – The basis for the overall approach

Whether the plan has been positively prepared and whether the approach taken justifies it when considered against the reasonable alternatives

Engagement and positive preparation

24. The Council confirms that the Strategy has been prepared in accordance with its Statement of Community Involvement, which was adopted in 2007, revised in 2013 and again updated in January 2014. From the evidence, it is apparent that the Council has sought the views of the community and others from the early stages of the Plan's formulation. This has been an on-going and positive process.
25. Press releases, the Council's website and public display boards have been used to advertise periods of consultation. Relevant documents have been made available for people to read in the Council's offices and in libraries around the district, as well as on-line.
26. A variety of engagement techniques have been used. The Council has held meetings with stakeholders and attended meetings of the district's Town and Parish Councils to explain the proposals. Workshops have been held with the Local Strategic Partnership, Local Enterprise Partnership, Town and Parish Councils and action groups, comprising a presentation from Council planning officers, followed by a 'round table' discussion of the issue, the proposed approach and the options. In addition, 'drop-in' sessions have been held around the district, primarily to answer any questions from the local community. Questionnaires were handed out for people to give formal feedback. Furthermore, the Council has involved Planning Aid in the process. As I understand it, Planning Aid engaged with pupils in schools and colleges, and with older people, and has advised the Council on consultation techniques. All of this is positive.
27. Criticism has been made of the extent of engagement, the methods used and the availability of documents, especially in relation to community involvement. While it is possible that more could have been done, that is always the case. One must be realistic. From all I have read and heard, I am of the firm view that even in the context of the difficult and controversial issues addressed by this Strategy, the level and type of engagement has been proportionate.
28. As I see it, the level of objection to some aspects of the plan clearly indicates the strength of local opinion on those matters. But it also suggests that the Council has been successful in reaching out and engaging local residents and others in the process. I acknowledge that many remain dissatisfied with the plan. That is inevitable. Proper engagement and positive preparation are not synonymous with agreement on solutions to the issues involved.

The assessment of alternative options

29. Assessing alternative options is a fundamental strand of plan-making. It is necessary for soundness, and a Plan can only be justified when it has been formulated on such a basis. On the whole, it is the function of the Sustainability Appraisal to perform this task.
30. It is evident that sustainability appraisal has been undertaken at numerous relevant stages throughout the strategy's formulation. This helps to give confidence that it has been a genuinely iterative process that has informed and influenced the plan.
31. The Submission Sustainability Appraisal Report (April 2014) [CD15] (the SA report) sets out a number of objectives which are, in effect, indicators of sustainability. The plan's vision, objectives, spatial strategy and policies, and a number of alternative options for each, are evaluated against the sustainability objectives using various methods. Scoring systems of the sort commonly employed in sustainability appraisals are used.
32. The sustainability objectives are wide ranging and stem from the economic, social and environmental dimensions of sustainable development. They are sufficient in scope to ensure that the options considered are adequately tested. While other options may in some cases have also been appraised, I consider that enough has been done to ensure a satisfactorily robust evaluation of the plan's strategy and policies against the reasonable alternatives.
33. Some criticisms have been made of the SA report. Perhaps the most fundamental point raised is that it does not consider specific levels of housing put forward by participants as alternatives to that proposed in Policy S5 of the plan, being at least 23,800 dwellings (net) over the plan period. I disagree. National policy is clear that evidence should be proportionate. To demand that sustainability appraisals explicitly address every housing figure put forward by participants would, in my view, be wholly disproportionate. Without a proportionate, pragmatic and realistic approach to the consideration of alternative options, the plan-making process would be unduly burdened and inevitably delayed significantly.
34. Moreover, in this case, it is clear that the SA report does consider a level of housing higher than that in Policy S5. Option D, under issue S5ii of the SA report relates to "*the provision of higher than 1,500 dwellings per annum*". Precisely what the SA report analyses as "*higher than 1,500 dwellings per annum*" was the subject of some discussion at the hearings. Since then, the SA report authors have provided explanation in a letter to the Council dated 5 March 2015 [CD15/01]. From this, it is apparent that Option D did include consideration of the higher housing figures in the various scenarios specified in the Local Housing Study (January 2014) [CD161] (the LHS), including scenarios of 1,875 and 2,174 dwellings per annum. I discuss the LHS and the scenarios modelled later in this report. For present purposes, the important point is that levels of housing significantly higher than that in Policy S5 have been taken into account in the SA report.
35. On this basis, and bearing in mind the need for proportionality, I consider that

the range of options assessed by the SA report in relation to the level of housing is satisfactory. In short, I regard the SA report to be adequately robust in this respect.

36. A Habitats Regulations Assessment (HRA) Stage 1 screening report has been produced [CD11]. This concludes that part of Policy S6 may lead to likely significant effects on the Humber Estuary SAC/SPA/Ramsar site. However, this conclusion was reached on the basis that the whole of the 240 hectare Hedon Haven employment site would be developed without mitigation within the site.
37. A HRA Stage 2 Appropriate Assessment (AA) has subsequently been undertaken [CD12]. This finds that the mitigation measures identified, comprising enhanced habitat at Newton Garth and Hedon Haven, are necessary. The plan was altered to include these measures prior to its submission. With these changes, the AA concludes that with the delivery of these measures, the plan will not have an adverse effect on European Sites. The HRA Appraisal Note on the modifications reaffirms this [CD354]. Natural England has confirmed that it concurs with this conclusion.

Conclusion on Issue 1

38. Considering the above, I conclude that the plan's preparation has been satisfactorily positive and that the approach it takes is justified when considered against the reasonable alternatives. There is, therefore, a sound basis for the plan.

Issue 2 – The spatial strategy

Whether the spatial strategy is justified, effective and consistent with national policy

The settlement network

39. Policies S3 and S4 introduce a settlement network, or hierarchy. Settlements are categorised as Principal Towns, Towns, Rural Service Centres, Primary Villages and Villages. Anlaby, Cottingham, Hessle, Kirk Ella and Willerby – the Major Haltemprice Settlements – are listed separately. The policy sets the Major Haltemprice Settlements, Principal Towns and Towns as the main focus for growth.
40. The Council's Settlement Network: Background Paper (April 2014) [CD20] provides a detailed account of the justification for the placing of each settlement within network tiers. Factors such as population, the presence or otherwise of shops, services and facilities, and views expressed through consultation exercises have been taken into account.
41. The network has evolved to some degree through the plan's formulation. However, it is evident that the Major Haltemprice Settlements and the Principal Towns – Beverley, Bridlington, Driffield and Goole – are the most significant settlements with the largest populations and the greatest range of facilities and services. In short, it is clear that these are the most sustainable places. As such, their identification as the main focus for growth is justified.

42. Towns, Rural Service Centres and Primary Villages have been defined on a similar basis. Sustainability credentials and local opinion have again been important factors. However, geographical distribution has been more of an influence here. This is a question of the role of the settlements in relation to their hinterland, and the sub-area which they serve.
43. Overall, Policy S3 clearly sets out a coherent hierarchy of settlements and, generally speaking, directs growth to the most sustainable of them. I am of the firm view that the hierarchy of settlements proposed is justified, and that each settlement is placed within an appropriate category.
44. Some representations seek to move the placing of settlements within the network, one way or the other. I note the points made in this respect. But the network has not been drawn up on the basis of a wholly scientific methodology. Nor could it be. Like many aspects within the sphere of town and country planning, it is inevitably influenced by professional judgments, taking account of relevant factors I have already mentioned, such as sustainability credentials and local opinion. To my mind, this is a legitimate approach to take and, from the Council's evidence, the conclusions arrived at are reasonable and justified. I have neither read nor heard any arguments of such force that I am compelled to recommend alterations to the network.
45. The Major Haltemprice Settlements are quite close to Hull. This gives rise to a question about the effect of focussing growth in them on regeneration efforts in the city. However, Hull City Council is clearly content with the plan's approach in this regard, and has raised no objections.
46. Some suggest that because of the risk of flooding in some settlements, they should be 'down-graded' in the network. The Council disagrees. As explained in the Housing Requirement: Background Paper [CD21], the presence of flood risk has not affected the categorisation of settlements within the network. However, it has affected the level of housing apportioned to settlements through Policy S5. While Policy S3 frames the network as a tool for focussing new development, it is clear from paragraph 4.14 that the hierarchy also reflects the role or function performed by the settlements. That being so, I concur that the Council's approach is justified. I consider flood risk in relation to the distribution of housing below.
47. During the examination, it came to light that Full Sutton and Patrington Haven have facilities previously not recognised by the Council. Given this, I agree that they should be identified as Villages as the Council proposes (**MM1** and **MM2**). Moreover, for the effectiveness of Policies S3 and S4, they should be demarked by the development limits put forward (**MM3** and **MM4**).
48. While it is clear that growth is to be focussed on the settlements in the higher hierarchy tiers, in certain circumstances Policy S4 lends support to development that helps to maintain the vibrancy of the Villages and countryside. The latter is defined in the policy as anywhere outside the development limits. This is an appropriate approach, and will help to ensure that the vitality of the rural area is bolstered. However, I agree that the need to support sustainable patterns of development should be a consideration embedded within the policy. As such, the Council's modification **MM5** is necessary and suitable.

Development limits

49. As indicated above, the plan defines settlements using 'development limits'. These are introduced through Policy S3 and applied through Policy S4, among others. A set methodology has been used to identify these limits. This is explained in some detail in the Development Limits Methodology and Descriptions: Background Paper (April 2014) [CD25]. The parameters considered, including allowing opportunities for appropriate infill development in villages, are all appropriate. While professional judgements have clearly been made in defining the limits, this has been in the context of a consistently applied method. Overall, this is a wholly reasonable and satisfactory approach. As such, the development limits shown on the Policies Map ensure that Policies S3 and S4, and the plan as a whole, are justified and effective in this respect.
50. However, there are some exceptions. The Council has put forward a number of changes to the Policies Map, to ensure that the development limits satisfactorily accord with the methodology and to define the most appropriate demarcation (**MM6** to **MM14** inclusive). I concur that these Policies Map changes are needed for the soundness of Policies S3 and S4.

The sub-area approach

51. Six sub-areas are defined in the plan. Each has a dedicated section in the document along with what is, in effect, a sub-area specific Key Diagram. I find this approach to be very positive. It introduces a distinctly more local dimension to a plan which covers a significant area, and it helps to explain the strategy's intentions on a more locally meaningful basis.
52. Current characteristics and spatial planning objectives have helped to inform the sub-areas' delineation. Some object to the precise demarcation of the sub-areas. It may well be that some settlements could justifiably be set within another sub-area. However, as I see it, the Council has taken into account relevant factors and, as is often the case, officers have made judgements based on their expertise and knowledge of the district. That is an entirely reasonable approach to take, and a more appropriate method has not been suggested. I have neither heard nor read any objections of such persuasive force that the sub-area delineation should be changed for soundness.
53. That said, some modifications are needed to the sub-area diagrams. For clarity, and to ensure consistency in the illustration of the key areas of growth, they should be altered as the Council proposes (**MM15** to **MM21** inclusive). Clarifications are also necessary to the sub-area policies and their supporting text (**MM22** to **MM27** inclusive), particularly to avoid any ambiguity about focussing housing development within the sub-area.
54. I agree that the sub-area policies should set out the potential for improvements to non-car modes of transport. The changes suggested by the Council are needed in this regard (**MM28** to **MM32** inclusive, and **MM14**). In addition, to my mind, it is important that the sub-area policies provide detail about the infrastructure requirements affecting the settlements within their boundaries. As such, I consider the Council's revisions (**MM33** to **MM38**

inclusive) necessary.

55. Moreover, the Council also proposes modifications to give clear support to the 'roll back' of existing development threatened by coastal erosion (**MM39** and **MM40**). That is a reasonable and appropriate position. As a separate matter, the Council proposes a change to Policy A5, such that the provision for two-way traffic in relation to Stamford Bridge need not necessarily be within the settlement itself. On the evidence and from the hearings, that is a necessary and appropriate response.

Neighbourhood Plans

56. Support for Neighbourhood Plans is embedded throughout the plan, in Policy S1 and others. The approach taken is wholly appropriate. However, numerous Neighbourhood Areas have been designated that are not included on the submitted Policies Map. The Council has proposed to add them. I concur that, for the effectiveness of Policy S1 and other policies which refer to Neighbourhood Plans and Areas, that the proposed revisions to the Policies Map should be made (**MM41**).

Conclusion on Issue 2

57. Considering the above, with the main modifications put forward by the Council, I conclude that the spatial strategy is justified, effective and consistent with national policy.

Issue 3 – Housing

Whether the plan's strategy for housing is justified, effective and consistent with national policy

58. In planning for housing, the starting point in national policy is that Local Plans should meet the objectively assessed need for housing in the housing market area (HMA). However, this is unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the NPPF as a whole, or where specific policies in the NPPF indicate that development should be restricted.
59. Policy S5 says that provision will be made for at least 23,800 (net) additional dwellings (1,400 per annum) in the East Riding between 2012 and 2029. This is the plan requirement. Whether it will ensure that needs are met is at the heart of this issue.

The housing market area

60. What constitutes the HMA is a matter of some debate and disagreement. The Council's evidence, or at least its presentation, has given rise to some confusion on this point, not least the use of the term 'Hull HMA' to refer to two different areas. Indeed, **MM42** is necessary to clarify matters, as are the changes proposed to the Key Diagram (**MM43**). However, from the hearings and the Council's subsequent Housing Market Areas: Supplementary Note (October 2014) [CD345], it is evident that for the purpose of establishing needs in relation to plan-making, the Council considers the whole of the East Riding together with the City of Hull to be the HMA. This is a stance shared

with Hull City Council, and a position reached by close co-operation between the two authorities.

61. I recognise that this is a simplification. The Housing Requirements Background Paper (April 2014) [CD21] identifies several HMAs within the district. These are shown in Figure 1 of that document. It is quite a complicated picture. Given the absence of data below the local authority level, it is difficult to see how an assessment of housing need could fully reflect this situation. In the circumstances, the Council's approach of treating the district as falling within one single HMA is an appropriate one. It would be disproportionate to demand that the needs assessment be based on any finer grained analysis.
62. The Hull HMA is the most significant in terms of geographical scope. It also encompasses more of the areas earmarked for most growth in the plan, notably the Major Haltemprice Settlements and Beverley. Consequently, it is the HMA of greatest influence in the East Riding and of most relevance to the strategy. Considering this, the Council's decision to treat the whole of the East Riding and Hull as one HMA for plan-making purposes is justified.

The objective assessment of housing need and the plan requirement

63. The Council and Hull City Council have, in effect, agreed a joint strategy for housing. The housing need across the whole HMA has been considered, and the intention is that the local plans of both authorities will, in combination, meet that need. Among others, paragraph 5.4 of the plan explains this, although I agree that the additional wording in modification **MM44** is necessary.
64. The analysis of housing need is presented by the Council as one figure relating to the whole HMA area. This is entirely consistent with the NPPF.
65. However, things are not quite as straightforward as that. Both of the local authorities involved have undertaken an individual objective assessment of housing need for their own administrative area. The resultant figures are added together to arrive at the overall need for the HMA.
66. Much work has been done to assess objectively the need for housing in the East Riding portion of the HMA. The LHS, produced by GVA in partnership with Edge Analytics, forms the foundation of the Council's evidence. It analyses national population projections released by the ONS and sets out a series of alternative population and household projection scenarios.
67. The East Riding Local Plan Technical Note 1 (April 2014) [CD204] effectively provides an adjustment to clearly align the analysis of the LHS with the local plan period of 2012 to 2029. The primary issue here is that the LHS considers the period 2011 to 2029. GVA produced the LHS Addendum Note (August 2014) [CD231] as an update to the LHS to take account of new factors, including the 2012-based sub-national population projections and case law concerning the objective assessment of housing need. Finally, since the hearing sessions, the Council has taken into account the 2012-based household projections, released by the Government in the intervening period.
68. Through this body of evidence, a wide range of different scenarios with a

variety of assumptions applied to them have been considered. These include demographically-based and employment-led assessments. Of these, three are perhaps the most notable. I set out below a table showing these in relation to both the East Riding and Hull City Council areas, using the most up-to-date figures provided, which take account of the 2012-based household projections. As such they are slightly different to those discussed at the hearing sessions.

	Annual average dwellings		
	East Riding	Hull	Combined
Demographic-based	972	642	1,614
Employment-led 'policy-off' baseline	1,589	320	1,909
Employment-led 'policy-on'	1,933	394	2,327
Local Plan requirement	1,400	760	2,160

69. The Council considers the 'employment-led baseline' to best represent the objective assessment of housing need in the East Riding. This scenario is modelled around the key assumption of annual jobs growth being 339 full time equivalent jobs per year. The rationale behind selecting this scenario is that it does not take into account policy measures relating to economic growth. The Council has taken this approach as a result of its understanding of relevant legal judgements concerning the objective assessment of housing need.
70. In my view, in the specific context of the Council's approach to setting the local plan housing requirement (which I discuss shortly), it is appropriate to regard the 'employment-led baseline' as representing the district's housing need. The level of jobs assumed directly reflects the Regional Econometric Modelling (REM) undertaken by the Regional Economic Intelligence Unit. As such, it takes into account the forecast upturn in the local economy as it recovers from recession, and future trends in the employment sectors present in the district.
71. It is a 'policy-off' scenario. Importantly, it takes no account of any constraints. It also does not consider other policy influences. I recognise that it does not reflect the greater level of economic growth and job creation planned for by the Council – the plan is based on the creation of just over 18,000 jobs. Some argue that the objective assessment of need should have full regard to this. On the face of it, this is an argument of some merit.
72. However, it is wholly evident that the Council has taken account of the economic growth anticipated in arriving at the plan's housing requirement. The Council considers the 'employment-led policy-on' scenario – a higher figure – to represent the most appropriate housing requirement figure on which to base the plan. This scenario applies the adjusted REM model which forecasts 1,001 jobs per annum over the plan period. This is the preferred econometric model identified in the Employment Land Review (March 2013) [CD121], and is the level of economic growth on which the plan is based. The requirement in Policy S5 has been set accordingly (albeit on the basis of some

of the requirement being met in Hull under an 'apportionment approach' agreed with the City Council, which I discuss in detail below). Consequently, the arguments put are somewhat academic. Whether regarded as the need or the requirement, the 1,933 figure is that which must be provided for.

73. As referred to above, the Council has taken into account the 2012-based household projections since the hearing sessions, and has prepared a paper [CD346] explaining matters. Generally speaking, the 2012-based household projections change little. The methodology used was based on the '2011-based interim' and '2008-based' household projections. The Council says that the LHS Addendum is based on precisely the same methodology. Indeed, if one compares the 2012-based household projections against the equivalent demographic scenario in the LHS Addendum, the results are rather similar. The former suggests an annual average increase of 999 households, while the latter indicates the figure to be 929. To my mind, this adds to the confidence one can place in the modelling used in the LHS Addendum.
74. The assumptions made in the scenario modelling are an area of sensitivity particularly, perhaps, in relation to household formation, economic activity/employment rates and commuting. Alternative figures and approaches have been put forward by some participants, and I have considered them. However, the LHS amounts to a significant body of evidence. It draws on relevant primary sources, such as Census and ONS statistics, and sets out relevant alternative scenarios for consideration. In short, it is a generally robust and satisfactorily reliable base of evidence.
75. I find one exception to that general point, being the household formation rates used. Some confusion has arisen in this respect. From the hearing, the LHS and the LHS Addendum, I understand that the recommended scenarios rely on 2011 headship rates, and apply these beyond 2021. That may be appropriate. However, other participants have argued that an indexed method – whereby earlier household formation rates are followed post-2021 – would be more so. By and large, on the evidence presented to me in this examination, I agree. It reduces the risk of over-reliance on rates based on a period of recession when household formation is likely to have been suppressed. That being said, the Council has unequivocally committed to an early review of the plan, which I discuss in greater detail below. In this context, for the time being at least, the approach taken to headship rates should not be regarded as an undermining factor.
76. I note that a 5% reduction in the out-commuting ratio is assumed. On the one hand, this cannot be guaranteed. The Council has no ability to control who buys houses in the district or to regulate where the district's residents work. On the other, the scenario modelling cannot simply overlook out-commuting as a factor to take into account. Some assumption inevitably has to be made. But whatever assumption is made, it cannot be assured.
77. I recognise that there is no wholly evidential basis for the 5% reduction figure. But it is difficult to see how there could be. To my mind, any trends in out-commuting will be of limited relevance over the plan period, considering the significant increase in local jobs planned for. It seems to me that this is something of a 'game-changing' factor. In this context, and in the absence of any compelling alternative evidence, I consider the levels of out-commuting

used by the Council to be reasonable.

78. Moreover, the sheer scale of economic growth expected over the plan period is likely to have a positive effect in relation to employment levels. While not scientifically derived, the reduction in unemployment assumed, from 5.5% to 5%, represents a return to a level broadly reflecting the pre-recession situation, and strikes me as reasonable and generally appropriate.

The combined need and requirement for the whole HMA

79. As outlined above, for plan-making purposes the whole of the East Riding and Hull City Council administrative areas should be regarded as the HMA. The need to be met, therefore, is that of the two combined authority areas. Need and requirement figures have been presented for each authority area individually. However, the scope of my examination does not extend to Hull. This gives rise to some matters of fundamental importance.
80. I have concluded that the objective assessment of need for the East Riding should be based on the employment-led 'policy-off' scenario, and the requirement should be founded on the employment-led 'policy-on' scenario. Two points of relevance stem from this. Firstly, the plan does not aim to deliver the full quantum of the need or requirement identified, but relies on an 'apportionment approach'. I consider this below.
81. Secondly, both local authorities agree that the need and requirement for the HMA should be derived from the combination of the figures for both local authority areas. That is logical, and I concur.
82. However, the question of housing needs and requirements arising in Hull's portion of the HMA is not squarely a matter for my judgement. Establishing the most appropriate forecast scenario on which to base the assessments of need and requirement are issues for the examination of Hull's local plan. Such matters can only be scrutinised with the necessary rigour once the City Council has a draft plan and evidence base that has undergone the full preparation procedure. It would be manifestly wrong for me to predetermine that due process or its outcome in any way.
83. Whilst I have noted figures given in relation to Hull, and have included some in the table above, I have done so only to help illustrate the general approach being taken. I am not specifically considering figures for Hull through this examination, or the appropriateness of the scenarios from which any selected figures are derived. It is clear that matters may change.
84. I am aware of the recently published Updated Objectively Assessed Need for Housing in Hull (April 2015), produced by GL Hearn for the City Council. I note that this indicates that the need for housing in Hull alone is 642 dwellings per annum – this is shown in the table above, and is founded on a demographic-based scenario. I also note that the Hull Local Plan: Preferred Options Consultation Document (October 2015) considers three options for setting the level of housing requirement in that Local Plan. Two of these are based on the GL Hearn assessment, and one of those two leads to the preferred option of building 760 dwellings per annum (also shown in the table above).

85. The main point of note is that none of the options are based on an employment-led scenario. Yet both Councils agree that the needs and requirements of the HMA must be founded on a consistent application of the scenarios selected. That is to say that if housing in one part of the HMA is founded on an employment-led scenario, then so must the other – one cannot 'mix and match' employment-led and demographic scenarios within one HMA.
86. I understand from the most recent Joint Position Statement of the two authorities [CD385] that the City Council intends to alter its Local Plan approach in the light of the conclusions I reach in this report. That is a matter for the City Council. However, if it does not, or if scenarios which are not compatible with those on which East Riding's Strategy are based are found through examination to be the most appropriate in Hull, then this will undermine East Riding's Local Plan. One will appreciate, therefore, the degree to which this plan is reliant on that of Hull.
87. I fully recognise that the position of East Riding's Strategy is therefore not as stable as one would wish. The absence of an option in Hull's Preferred Options Local Plan which aligns with its employment-led approach adds to the insecurity. Some might say that the City Council is open to criticism on this point. However, the Joint Position Statement lends adequate comfort that matters will be rectified, and tempers to some extent the degree of risk involved.
88. It would be unreasonable to reject this plan's approach to identifying housing need and requirement on the basis that Hull's approach has yet to be settled. That would amount to a pre-determination of what is or is not the most appropriate path in Hull, and would be unjustified.
89. Moreover, I am mindful of the acute need for the East Riding to put into place an up-to-date Local Plan, and of the Government's clear aim in this regard. Even if, in the event, the plan were to be undermined by proceedings in Hull, I consider it more appropriate to have a short-lived plan in place than none at all.
90. I reach the above view only on the basis of modifications proposed by the Council to address the possibility that Hull's Local Plan fails to meet expectations in terms of housing provision. **MM45** introduces a commitment to review the plan if there is a significant change in circumstances relating to housing need and delivery. It also commits to a review of the plan by no later than 2020 in any event. The latter will ensure that any delay to Hull's Local Plan will not mean that any failure to meet the needs of the HMA continue unchecked. In my view, these contingencies are not only appropriate, they are essential to the soundness of the plan.
91. It has been suggested that the two local authorities ought to produce a local plan jointly. In the context of the established HMA, I agree that a single strategy founded on jointly produced needs and requirements assessments would be ideal. But it is for local authorities to decide what development plan documents to draw up and how to go about gathering evidence. In addition, in this case, the two authorities have been preparing plans for some time at entirely different timescales. Hull City Council withdrew its Core Strategy from examination in January 2013, and is now at an earlier stage of the plan-

making process. I understand that the City Council currently anticipates submitting the Local Plan for examination after Spring 2016. Even if it were possible to demand that a joint plan be produced, then significant delay to East Riding's local plan would result. That would be an unreasonable course, distinctly at odds with the Government's aim for local authorities to put local plans in place.

The apportionment approach

92. The East Riding and Hull City Councils have agreed an 'apportionment approach'. Under this, East Riding will provide less housing than either its objectively assessed need or its identified requirement. Hull will make up this 'shortfall' such that the housing needs and requirements of the HMA overall are met. From the table above, the 'shortfall' amounts to 533 dwellings per annum. This gives rise to numerous issues.
93. I have been given no evidence of insurmountable constraints which suggest that the East Riding's needs and requirements could not be met within the district. Some speculate that they could be, and are critical of the approach. However, the co-operation here relates to one HMA. National policy aims to ensure that the needs arising in the HMA are met. It does not seek to prevent this being achieved through cross-boundary co-operation, even if it is not a necessity. I see no reason why a need for housing arising from one part of the established HMA should not be met in another part. The important thing here is not the local authority boundary, but the area in which the housing market operates.
94. Moreover, there are good reasons to support this apportionment approach. While there may be no environmental constraints preventing the need identified in the East Riding being delivered within the district, both the East Riding and Hull City Councils regard an increased requirement in Hull to be desirable. They both argue that this will help to support regeneration in the city. It is clear that regeneration and housing renewal are key priorities for the City Council and that much effort and financial support has been and will continue to be invested in this.
95. Furthermore, the fact that the two Councils have reached an agreement under the Duty to Co-operate is an important factor in itself. I regard this to be an expression of localism and, in the absence of any compelling evidence to the contrary, it is one which should prevail.
96. I do not discount the possibility that the apportionment agreed by the Councils may prove challenging for Hull. Meeting its housing requirement may not prove straightforward for the city. Much will depend on the objective assessment of need in relation to Hull's portion of the HMA, and the Council's evidence of the land available to meet both that need and the 'delivery shortfall' in the East Riding.
97. Evidence has been produced to this examination about Hull's draft housing need and requirement figures as they presently stand, and about land availability in Hull. However, it is not for me to draw conclusions about the city's ability to deliver the housing required of it under the apportionment approach. The City Council has co-operatively agreed to this approach. On

this basis, to conclude that it could not deliver, before Hull's Local Plan is even submitted for examination and without full and proper scrutiny of its evidence base, would be both premature and unjustified.

98. I note the argument that the apportionment approach pursued by the two Councils may be a less sustainable option than meeting needs in the authority area where they arise. The point here relates to the extent to which land in Hull is at risk of flooding, and the severity of the risk concerned. However, there is no tangible, evidential basis for this stance. It is true that I raised the issue of flood risk in relation to the quantum of housing proposed when I was examining Hull's subsequently withdrawn Core Strategy. But this was not, ultimately, the reason for that plan's withdrawal. The question remained for further exploration. It will, no doubt, be a matter for investigation through the examination of Hull's emerging local plan in due course. In this context, the Councils' approach should be regarded as sound and supported, for the time being at least.
99. East Riding's housing strategy relies on continued co-operation with Hull City Council. It is also contingent on Hull's local plan including provision sufficient to ensure that the remaining needs of the HMA are met. There is a risk here, and greater certainty can only be had once Hull's Local Plan is examined and adopted.

The spatial distribution of new housing

100. Policy S5 sets out the proposed spatial distribution of new housing. It is based on apportioning development to settlements based on their tier in the settlement network set out in Policy S3. In short, the general approach broadly aims to focus most development in the most sustainable places in the district.
101. The Housing Requirements: Background Paper (April 2014) [CD21] explains how the apportionment has been arrived at. To assist the formulation of options, a range of evidence concerning factors such as population, housing need, transport and accessibility, economic and environmental information has been drawn on.
102. Taking this into account, a number of options for housing growth have been set out at various stages of the plan's preparation. The Core Strategy: Issues and Options (April 2008) [CD76] suggested four variations, ranging from spreading growth across the district's settlements to focusing on the Principal Towns. Further options were given in the Preferred Approach Core Strategy (May 2010) [CD77]. Percentages have been used to express or define the options. It is pertinent to note that the option taken forward to the submission plan is Option G – focussed distribution in line with the settlement network.
103. All of the options have been considered in the Sustainability Appraisal (April 2014) [CD15]. Option G is not the best performing. Two options fair better, one which steers more development to the Major Haltemprice Settlements, and another which steers it to both the Major Haltemprice Settlements and the Principal Towns. However, Option G is only a slight variation on Option C. The differences relate to the percentage split between the Towns and rural

areas (the Rural Service Centres, Primary Villages and Villages). Indeed, paragraph 8.120 of the Sustainability Appraisal says:

"Although its score is not the highest, it is deemed to be one of the most sustainable options. The strength of this option is, in particular, in recognising the rural nature of the area and aiming to strike the right balance between the growth in larger settlements and support of rural renaissance."

The Council says that it is for these reasons, and because of concerns expressed by Parish Councils and residents about rural decline, that Option G has been selected.

104. Overall, the general approach taken to housing distribution is not an especially scientific one. However, it is clear that relevant evidence has been used, that the choices considered have been informed by the sustainability appraisal process and that local feeling has been taken into account. Moreover, it is evident that whilst other options were considered by the authors of the Sustainability Appraisal to perform better, they nonetheless considered the distribution proposed to have advantages. In my view, this combination of factors amounts to a good reason to support it.
105. Some exceptions have been made to the broad approach. The level of housing that some settlements would otherwise receive under Option G has been revised because of flood risk constraints. I consider this in further detail below. For present purposes, it is sufficient to note that I consider the approach taken to be appropriate.
106. However, as submitted, the plan makes a further exception in relation to Rural Service Centres and Primary Villages. Policy S5 says that sites for housing will be allocated to support their growth based on a:
- "20% increase in the number of dwellings in a Rural Service Centre over the plan period, or a total of 170 dwellings, whichever is the lower; [my emphasis]*
- 10% increase in the number of dwellings in a Primary Village over the plan period, or a total of 85 dwellings, whichever is the lower." [my emphasis]*
107. Each point here includes two components – a percentage and an absolute figure. At the hearings, for the convenience of discussion, I characterised these as a 'cap' and a 'cap within a cap'. That is not an entirely accurate portrayal. The percentages used stem from Option G – that is to say, they represent the level of housing assigned under the general approach to distribution. The absolute figures, though, are genuine 'caps'. They set a fixed limit which has no direct relation to the chosen apportionment approach.
108. The Council argues that the proposed limits would prevent excessive levels of development which could impact on the character of the settlements concerned, their social and physical infrastructure and which could exacerbate high levels of out-commuting. It also points to consultation feedback.
109. But there is no firm, robust evidence to support this stance. I have not, for example, been presented with any assessments which detail these impacts or compare the effects with and without the caps. Moreover, the Sustainability Appraisal Note (March 2015) [CD338] indicates that while removing the caps

may have some negative impacts against certain sustainability objectives, there may be some benefit in relation to others.

110. The Government's aim of boosting significantly the supply of housing is clear from the NPPF. The proposed 'caps' do the opposite. They deliberately suppress the level of housing that would otherwise be delivered through the consistent application of the broad approach to housing distribution chosen by the Council. In my view, they are a somewhat artificial device for which there is no robust or otherwise satisfactory justification.
111. Modifications (**MM46** and **MM47**) have been put forward by the Council to rectify this. **MM46** removes the 'caps' from the policy and other references to them in the supporting text. **MM47** revises the figures assigned to the settlements affected by the 'caps' – Holme on Spalding Moor, Keyingham, Leven, Snaith, Stamford Bridge, Flamborough, Nafferton, North Ferriby, Preston, South Cave and Swanland – so that they reflect the percentage arrived at through the Option G approach. This modification is both necessary and satisfactory.

Flood risk

112. The Council has produced a Level 1 Strategic Flood Risk Assessment (SFRA), and a Level 2 SFRA in relation to Goole. A number of settlements in the network set out in Policy S3 include significant areas at risk of flooding. As I have mentioned previously, this has not affected their place in the network.
113. Some of the land underpinning the distribution of housing in Policy S5 is in Flood Zones other than Zone 1. Some suggest that it need not – that there is sufficient sequentially preferable land available in the district at a lower risk of flooding. That may be so. But the Council's approach has not considered flood risk in isolation. It has been considered through both the SA and the Site Assessment Methodology (January 2014) [CD33] (the SAM) alongside other sustainability factors. Moreover, the Council's application of the sequential test has not treated the whole district as the area of search. Rather, more local areas have been considered, broadly based on the local housing market areas within the district that I briefly noted earlier.
114. To my mind, all of this is appropriate and satisfactorily consistent with national policy. It is clear from the diagram 'Taking flood risk into account in the preparation of a Local Plan' in the PPG (paragraph reference ID: 7-005-20140306) that the achievement of sustainable development is among the central questions to be considered. The Council's stance, in effect, is that development outside Flood Zone 1 is necessary to this end. From the evidence supporting the settlement network, the SA and the SAM, I consider this a reasonable position to take.
115. Goole is a prime example. Much of the settlement is at high risk of tidal/fluviat flooding, the predominant risk being from tidal inundation from the Humber Estuary/River Ouse. Although this risk is largely mitigated by existing tidal defences, the Council does not overlook the risk of defence breaches. Moreover, as pointed out in the Background Paper, the town is also susceptible to surface water flooding. But, in all other respects, it is plain that Goole is unmistakably among the most sustainable settlements in the district. It

would be inappropriate to simply ignore this and unquestioningly direct development elsewhere because of the flood risk issues. One must first assess site-specific flood risks in detail to establish whether development could be safely accommodated. Effectively, this is precisely what the Council has done – it is this approach that has led to the earmarking of Goole for some new housing.

116. Moreover, the level of housing development assigned to some settlements has been reduced from the level it would have otherwise received through the distribution method used. Again, Goole is especially notable. Policy S5 of the plan identifies 1,950 dwellings for Goole. This is by some margin the lowest figure for any of the four Principal Towns. Notable too is Hedon. Under Policy S5 Hedon, identified as a Town, is not earmarked for any new housing allocations. This is due to the present risk of flooding there. However, I have been told that a deliverable flood risk solution is being sought and could be found. Consequently, in such an event, the Council's commitment to partially reviewing the plan (**MM48**) is both appropriate and necessary.
117. I recognise that not all settlements with high levels of flood risk have been subject of a reduced level of housing. Anlaby/Willerby, Cottingham, Hessle, Howden, Snaith, Leven, Woodmansey and Wawne all fall into this category. The Background Paper: Housing Requirements [CD21] indicates that each of these settlements has sufficient land outside the high flood risk area to accommodate the level of housing identified for it under Option G (discussed above). Although not all of this is in Flood Zone 1, I concur that the approach taken to these settlements is reasonable and appropriate.
118. In some cases, in Goole and elsewhere, land has been identified in the supply through the application of the Exception Test. The specific sites concerned are not directly a matter for consideration through this examination. Nonetheless, it is pertinent to note that the Council has undertaken the Exception Testing necessary, including the requisite site specific flood risk assessments. While I draw no conclusions here on the acceptability or otherwise of the individual sites involved, this evidence does indicate that the land needed could be delivered in line with national policy in respect of flooding. As such, while much may rest on the soundness of the Allocations Document, this evidence does suggest that flood risk issues alone need not prevent Policy S5's housing distribution.
119. Overall, I am satisfied that the Council has had proper regard to the issue of flood risk in the setting of the strategy, and particularly the spatial distribution of new housing. The consideration of flood risk, which is set out in detail in the Council's paper Taking Flood Risk into Account in the Preparation of the Local Plan (November 2014) [CD276/01] has been appropriate and satisfactorily consistent with national policy.

The supply of land for new housing

120. Paragraph 47 of the NPPF is central to this matter. This gives rise to a number of questions, which I now consider.
121. It is clear that the plan will not meet the full, objectively assessed needs for market and affordable housing in the HMA. The strategy is to ensure that

identified needs are met across the HMA. In this context, and given the aforementioned commitment (through **MM45**) to review the plan if necessary, the plan should be regarded as adequately consistent with paragraph 47 in this respect.

122. Key housing sites are not identified in this plan. However, the Strategic Housing Land Availability Assessment – Position at 1 April 2014 (the SHLAA) sets out the sites considered by the Council. The Allocations Document proposes to allocate housing sites.
123. In order to reach a view about whether there is a supply of specific deliverable sites sufficient to meet the five year housing land supply requirement, one must first establish what the five year requirement is. Table 2 of the SHLAA illustrates the method used by the Council. This considers actual completions from 2012, the plan's base date, to 2014, when the SHLAA was published. When measured against the annual plan requirement of 1,400 dpa, which I have discussed above, a shortfall of 1,160 homes is identified. This is added to the five year plan requirement (1,400 x 5), and 20% of the resultant figure is added to it. The Council effectively accepts that there has been a record of persistent under delivery and so has applied a 20% buffer. The final figure from this calculation represents the five year housing land requirement. Table 2 shows this to be 9,790 houses. In my view, this is a satisfactory methodology.
124. The Council takes the 'Sedgefield approach' to dealing with the shortfall. That is to say, it is added into the first five years of the plan. That is appropriate – as is the inclusion of the shortfall within the calculation of the 20% buffer.
125. I now turn to the question of whether there is a supply of specific deliverable sites to meet the five year housing land supply requirement identified. Table 11 of the SHLAA, as revised by the Council's paper SHLAA Table 11 Update (March 2015) [CD10/11], sets out the five year land supply position. It sets out the sources of supply – planning permissions already granted, site allocations and a windfall allowance – and provides figures for each.
126. It is clear from the table that the demonstration of a five year supply is dependent on land allocations. As such, the adoption of the Allocations Document is a critical factor to the five year land supply position. However, in my view, that is acceptable. Indeed, providing deliverable sites for housing is a key function of a Local Plan, and reliance on plan-making in this regard is both appropriate and not uncommon.
127. As mentioned above, a windfall allowance is included. Paragraph 48 of the NPPF says that local authorities may make such an allowance "... *if they have compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply*". It is apparent from Table 8 of the SHLAA that windfall contributions have consistently become available. Between 2009 and 2014, 72% of all completions were on such sites. The windfall allowance made is rather less, in both percentage and absolute terms, than this historic rate. It equates to an annual average of around 144 dwellings. Table 8 records windfall completions of between 367 and 740 dwellings per year.

128. In addition, I recognise from the SHLAA Table 11 Update that the windfall allowance is not critical to the successful demonstration of a five year land supply. The supply figure, including 721 dwellings from windfall sites, is 14,948 homes. As already discussed, the five year supply requirement is 9,790. On this basis, the Table 11 Update calculates there to be a 7.6 year supply of deliverable housing land. It is evident that even with no windfall allowance the other sources provide a supply considerably in excess of that needed.
129. Overall, it is clear that there is a supply of specific sites sufficient to provide significantly more than five years' worth of housing, when considered against the five year requirement. The next question, then, is whether they are deliverable.
130. The SHLAA focusses on the sites being taken forward through the Allocations Document. Appendix B of the SHLAA is a compendium of the individual assessments of each site considered. The assessments each consider a range of factors relevant to the question of deliverability – for example, whether the site has planning permission, whether it is confirmed as being available, whether there are any constraints and if so what and whether they can be overcome, lead-in times and build rates. In short, this is a detailed and voluminous piece of work which is adequately up-to-date and robust.
131. On the basis of the site-by-site analysis, the SHLAA concludes that the majority of the sites proposed through the Allocations Document, or at least some considerable portion of them, are deliverable in the first five years of the plan. This is quite a significant point. It lends reassurance about the existence of a five year supply of land for housing, and the degree to which the five year requirement is exceeded adds further comfort.
132. Furthermore, Table 2 of the SHLAA provides five year requirement figures for each of the sub-areas identified in the plan. This uses the same methodology as that described above and, as I understand it, derives a sub-area plan requirement from the housing distribution set out in Policy S5. The Table 11 Update then illustrates the five year supply in relation to the sub-areas. From this, it is apparent that each sub-area, considered individually, has a supply of land for housing which exceeds the five year requirement. This is a distinct advantage, and gives confidence in relation to the deliverability of the proposed distribution of housing.
133. Beyond the five year period and, indeed, up to 2029, it is again the sites in the Allocations Document which represent the majority of the supply. Clearly, these are specific sites. As I have indicated, their deliverability has been considered through the SHLAA and they are among the sites assessed in its Appendix B.
134. Table 2 of the Housing Implementation Strategy (April 2014) [CD30] (the HIS) puts the contribution from allocated sites, in total over the plan period, at 20,982. This includes housing delivery through the Bridlington Town Centre Area Action Plan (adopted January 2013). This is a significant portion of the plan target – the 23,800 (net) set out in Policy S5. Moreover, from Table 2 of the HIS, the supply from development already completed, extant planning permissions and allocations combined amounts to 24,526 dwellings, which

clearly exceeds the plan requirement. This provides further reassurance that the plan should be regarded as deliverable.

135. I note that a 20% reduction has been applied to sites with permission, except for those supported in Policy AD1 of the Allocations Document, to allow for non-implementation. This is appropriate. I also recognise that the figures in Table 2 of the HIS are not wholly up-to-date. With the removal of the 'cap' from Policy S5, the Council put forward further sites for allocation through the examination of the Allocations Document. I make no comment here about the individual sites concerned. For present purposes, it is sufficient to note that the level of housing to be delivered through site allocations is greater than that indicated in Table 2.
136. All of this – the level of delivery from each source – is shown on a year-by-year basis in a trajectory, which is Figure 5 in the plan. Broadly speaking, this illustrates the Council's expectation that delivery will 'step up' between 2013 and 2018, and then generally plateau at a level above the plan's 1,400 dpa minimum target, roughly around 1,600 dpa.
137. Perhaps the most important factor to note relates to the 'residual requirement' – that is, the total requirement taking account of shortfall in early years. The trajectory shows the residual requirement being met somewhere between 2025 and 2026. Some may think that at odds with the 'Sedgefield approach' taken by the Council. It is not. The Council has adopted the Sedgefield approach in relation to demonstrating deliverability. The trajectory illustrates expected delivery. There is a significant difference between the two. Just because land can be delivered at a certain point does not mean that it necessarily will be. It is not in any house builder's interest to over-provide or flood the market. A steadier, more level and consistent delivery pattern is anticipated by the trajectory, and strikes me as a more likely outcome. At least, it is a reasonable and suitably cautious expectation to have.
138. Neither Local Plans nor plan-makers have absolute control over delivery. They can only aim to create the right conditions for the necessary delivery to occur. In this context, the trajectory should be regarded as adequately realistic.
139. On this point, Policy S5 and paragraph 5.15 of the plan as submitted, indicate that a 'managed-release' mechanism will be introduced through the Annual Monitoring Report (AMR) or a Supplementary Planning Document (SPD) if there is significant over-provision of housing. That is not sound. The housing figures in Policy S5 are minima. Therefore, over-provision is not a possible outcome. Even if it were, it is clear to me from the 2012 Regulations that managing release is a matter for the development plan. Neither the AMR nor any SPD could be used for this purpose, and no such development plan policy has been suggested. Rather, the Council has proposed to delete the reference to using a managed release mechanism (**MM49**). In the circumstances, that is necessary.

Housing density and previously developed land

140. Paragraph 47 of the NPPF says that local authorities should set out their own approach to housing density to reflect local circumstances. As submitted, Policy H4 says that developments should seek to achieve a density of at least

30 dwellings per hectare (dph) and set out locations where they should seek a higher density. It also indicates circumstances where a lower density may be appropriate.

141. There is no entirely clear justification for the 30 dph figure. However, the Council has proposed to modify the text of the policy to encourage, rather than require, that this figure be met (**MM50**). For effectiveness, it also suggests a modification (**MM51**) clarifying that in the situations given in the policy, that a lower density will, rather than may, be appropriate. In my view, these changes lead to a more appropriate policy.
142. Policy S5, as submitted, says that at least 20% of new dwellings should be built annually on previously developed land. On the one hand, the HIS, particularly at Table 10, provides evidence that this can be achieved. On the other, I am mindful that, as I have already said, Local Plans cannot wholly control delivery. While it is apparent from the HIS that the 20% target could be met over the plan period, there must be greater uncertainty in relation to each and every individual year. As such, the Council's proposed modification (**MM52**) altering the target to one which relates to the plan period is necessary and justified.
143. In addition, the Council has proposed to alter the plan so that it encourages the re-use of previously developed land rather than prioritises it (**MM5**, **MM53** and **MM54**). I agree that the revised stance has greater consistency with the NPPF, and is more appropriate.

Affordable housing

144. The Council's Strategic Housing Market Assessment (2011) [CD189] (the SHMA) considers the need for affordable housing over the five year period from 2011. It identifies that need as being 1,008 dwellings, taking account of existing and future need during that period, and the supply available. A figure for the whole plan period is calculated in the HIS. This, in effect, uses an annual average figure derived from the five year figure but discounting the 'backlog' that the five year figure includes.
145. I note the criticisms made of the method used to establish the overall need for affordable housing. It is predicated on the basis of analysis of need over five years and extrapolating that over the plan period. The Council says that the SHMA considers a five year period because it follows the model in the SHMA Practice Guidance (August 2007) which, although now withdrawn, was current at the time the SHMA was drawn up.
146. However, the national Planning Practice Guidance (PPG) does not specify any particular method for calculating affordable housing need. Moreover, the Council told me that the SHMA will soon be updated, and if the evidence of need alters significantly then a partial review of the plan will be necessary. Indeed, the Council has proposed to add to the plan a commitment to an early review of Policy H2 (**MM55**). In these circumstances, and given the Council's previously mentioned commitment (**MM45**) to reviewing the whole plan by no later than 2020, I consider the method used to be adequate.
147. The total need over the plan period calculated in the HIS is 9,388 affordable dwellings. This equates to an annual average of 552. Again from the

Council's figures in the HIS, the total need during the first five years of the plan period (from 2012) is 4,760. However one looks at it, the level of need for affordable housing in the East Riding is, in my view, significant and pressing.

148. Policy S5 as submitted says that the Council will support the provision of an average of 310 new affordable homes each year, as part of the overall plan requirement figure. As a result of other changes to the plan, for example the removal of the 'cap' in Policy S5, the Council proposes to modify this figure to 335 (**MM56**). This is justified. However, it remains clear that Policy S5 plans to deliver substantially less affordable housing than is needed.
149. Delivering even the annual average figure supported by Policy S5 involves numerous sources of supply. Policy H2 requires affordable housing as part of residential developments depending on the number of units to be built. This policy also supports rural exception sites in certain locations. At the hearing, the Council indicated that around 228 affordable dwellings are anticipated every year, on average, through the application of Policy H2.
150. Numerous other sources have been identified by the Council, including the Homes and Communities Agency's Affordable Homes Programme and the Council's own Housing Revenue Account. This is detailed in paragraph 3.3 of the HIS. At the hearing, the Council said that these sources amount to a total of 5,372 affordable dwellings over the plan period. On this basis, the level of affordable housing planned for in Policy S5 is adequately justified. The problem, though, is that it falls significantly short of the identified need.
151. The Council's stance here is that it has taken a view about the level of affordable housing that is deliverable within the parameters of the overall growth envisaged, and planned on that basis. It seems to me that that is not wholly consistent with national policy. Paragraph 47 of the NPPF says that the objectively assessed need for affordable housing should be met, as far as is consistent with the policies in the NPPF. While the Council has made mention of constraints to increasing affordable housing delivery, no clear or specific, robust argument has been made in this respect.
152. On the face of it, the figures set out above paint a fairly negative picture. However, other factors point to a more positive position. The affordable housing supply figures given by the Council take no account of delivery in Hull. As I have already explained, under the apportionment approach, Hull will plan to deliver 533 dwellings per annum which would otherwise be catered for in this plan. It is inevitable that a portion of these will be affordable homes. Indeed, I note that the Hull Local Plan: Preferred Options Consultation Document (October 2015) sets out the City Council's preferred option of requiring that 10% of homes on sites of 15 or more dwellings be affordable.
153. In addition, in order to boost the supply of affordable homes, the Council has put forward a modification in relation to rural exception sites (**MM57**). As submitted, Policy H2 supports affordable housing schemes on rural exception sites where they are well related to the development limits of a Rural Service Centre, Primary Village or Village. The proposed alteration adds the Major Haltemprice Settlements, Principal Towns and Towns to this. In short, it widens significantly the geographical area in which affordable, rural exception

schemes will be supported. That, in my view, is necessary for effectiveness and is wholly justified.

154. Notwithstanding the above, it is clear that the identified need for affordable housing will not be met. However, it is difficult to see what else the plan could do. Policy H2 already requires affordable housing to be provided on small residential developments – on schemes of 3 or more units in some settlements. The amount of affordable housing contribution sought varies across the district. This is a quite demanding policy. It is evident from the Local Plan Viability Assessment: Residential Analysis (January 2014) [CD164] (the Residential Analysis) that it has significant viability effects. More stringent requirements would, in all likelihood, lead to viability problems for the market housing schemes affected. I discuss viability matters in greater detail below.
155. Furthermore, despite the arguments of some, I am not persuaded that the plan should provide for more market housing in order to meet the affordable need. The LHS considers this approach. At paragraph 5.22, based on the affordable housing contribution required by Policy H2, it calculates that a total of 46,994 dwellings would be required. This is only just short of double the housing target in Policy S5. Bluntly put, it would be unrealistic to demand this level of housing delivery. There is no evidence to suggest that a figure of anything like this could be delivered, and I have severe doubts that it could be. As paragraph 5.23 of the LHS points out, it would result in a scale of market housing that significantly exceeds the objectively assessed need. In addition, it would have serious implications in relation to the Duty to Co-operate. In particular, the regeneration objectives of Hull City Council could be compromised. Considering these points, it is difficult to see how meeting the need for affordable housing could be achieved without undermining the aim of sustainable growth – a primary objective of both this plan and national policy.
156. Overall, I recognise that the level of affordable housing supported by Policy S5 will result in the identified need for affordable housing not being met. As such, in this regard, the plan is not wholly consistent with the NPPF. However, in the light of all the above, I consider that the plan does all one could realistically expect to create the right conditions for affordable homes to be delivered. In my view, on the evidence here, it would be unreasonable to demand more. Given these circumstances, I consider that the plan's shortcomings in relation to affordable housing should not lead to it being found unsound. Allowing it to proceed would help to secure the delivery of affordable housing that would not otherwise be provided, as well as the market housing and other significant developments planned. As such, in my opinion, it would be disproportionate to find this plan unsound on this basis alone. It will be better to have this plan in place than none at all.
157. The Secretary of State, through a Written Ministerial Statement (WMS) of 28 November 2014 and alterations to the PPG, altered national policy relating to affordable housing. Under these changes, for sites of 10 houses or less, and with a maximum floorspace of 1,000 square metres, affordable housing should not be sought. The Council proposed modifications to Policy H2 to bring the threshold in line with the WMS and the revisions to the PPG. However, following the High Court's decision in *West Berkshire DC & Reading BC v*

Secretary of State for Communities and Local Government [2015] EWHC 2222 (Admin) concerning the WMS and the PPG changes, the Council has withdrawn the modifications proposed. While I note that the Secretary of State has been granted leave to appeal the judgement, there is presently no basis for the modifications previously put forward. As such, they are not necessary for soundness.

Housing for older people

158. It is clear that the East Riding has an increasingly ageing population. Paragraph 2.13 of the plan says that this trend has an important impact on spatial planning.
159. The Council's Older People's Housing Strategy (2012) [CD170] is the main source of evidence on this. It does not quantify the need for housing for older people and the Council cannot point to any specific figures in this regard. Moreover, neither this document nor the plan itself provides any particular target for provision.
160. However, the Older People's Housing Strategy does give a strategic steer on this issue, and a broad indication about the general picture of demand in the district. In short, there is a need which should be addressed.
161. Objective 7 of the plan aims to provide a mix of housing which takes into account the specific needs of older people. Policy H1 builds on this. It requires new residential developments to contribute to the overall mix of housing in the locality, taking into account current needs, particularly those of older people. It also explicitly requires the provision of specialist accommodation, especially for older people, as part of the mix on larger allocations where it would meet an identified need.
162. Housing for older people is not the most robustly evidenced aspect of the plan. As a consequence, the policy response is perhaps not as specifically targeted as it might otherwise be. Nonetheless, the evidence suitably demonstrates the broad picture of need. The plan, and particularly Policy H1, sets a clear requirement that schemes must provide accommodation for older people. On the whole, it is adequately justified and effective in this regard.
163. The Council has put forward two modifications concerning Policy H1. I agree that the requirement to provide specialist accommodation should be subject to viability considerations. Moreover, given the evidence, the Council's support for specialist accommodation should not be contingent on a demonstration of the need for it. As such, **MM58** and **MM59** are both needed.
164. Moreover, as submitted, the plan refers in various places to Lifetime Homes standards and Homes and Community Agency standards. However, the Secretary of State's Written Ministerial Statement of 25 March 2015 is clear that local plans should not set any additional standards or requirements relating to the construction, internal layout or performance of new dwellings. Consequently, modifications **MM60** to **MM63** inclusive, deleting such requirements, are necessary.

Viability

165. Two housing viability studies have been produced for the Council. The Affordable Housing Viability Assessment (2010) [CD96] (the AHVA) considers the financial viability of the delivery of affordable housing across the district. It is based on the testing of a range of hypothetical development schemes across the district and undertakes a cash flow analysis. The AHVA identifies six different value areas across the district and assesses schemes within each. It is this which has led to the geographic differentiation in the level of affordable housing sought from residential schemes in Policy H2.
166. The Local Plan Viability Assessment: Residential Analysis (January 2014) [CD164] (the Residential Analysis) uses a residual valuation method to assess the viability of residential development. The methodology models different types of sites and applies a number of assumptions, including those relating to development costs, land values and profits.
167. The aim of this assessment is to establish whether the policy requirements of the plan are viable. As such, it takes into account the differing levels of affordable housing requirements in Policy H2. The impact on viability of the plan's open space and housing density requirements are also taken into account.
168. As with all studies of this sort, the Residential Analysis is inevitably 'high level' in nature and is sensitive to the assumptions made. That being said, because it applies varying values within each of the six value areas, it actually considers 13 different value scenarios, as set out in Table 2.6. It also considers different density scenarios, such that a significant number of development situations are considered – 104, the Council told me. In short, it is a detailed and thorough analysis, which adds to the confidence that can be had in it.
169. Both agricultural and brownfield land prices have been considered. Build costs have been taken from Building Cost Information Service (BCIS) data, and local adjustments have been made. An allowance for external works is included in the build cost. Other costs assumptions include 6% for the various professional fees involved, 3.5% for marketing and sales agent fees, and 5% for contingencies. A developer's return of 20% of gross development value has also been included. For planning obligations, a base assumption of £3,000 per unit is allowed for. These values appear generally appropriate. Moreover, it has been assumed that schemes are debt funded at 6.5% interest. This is quite a generous allowance which helps lend confidence in the viability buffer.
170. To establish sales values, assessments of this sort sometimes rely on residential 'asking prices'. Here, though, the Residential Analysis has drawn on Hometrack – a web-based tool which collates information about sales prices actually achieved. This is an appropriate information source, and using achieved rather than asking prices is an advantage.
171. In general terms, the assumptions made are based on appropriate evidence and strike me as broadly reasonable. Local circumstances and values have been reflected where possible. Indeed, to this end, a stakeholder event was held with local agents and developers.

172. Crucially, it is evident that costs arising from the policies in the plan have been squarely taken into account. In particular, as I have indicated, the affordable housing requirements set by Policy H2 have been included.
173. To reach a view about viability, the Residential Analysis applies a site value threshold or benchmark site value. A 50% uplift in land value has been used, being 50% of the difference between the existing/alternative use value and the market value of the land with planning permission. That is to say, in order to be judged viable, the residual value must equal or exceed 50% of the uplift in land value. This in effect represents the competitive return necessary to incentivise a willing landowner. I consider all of this to be appropriate.
174. The tables at Section 2.6 of the Residential Analysis provide the appraisal outputs. From them, the report authors conclude that in current market conditions there are several areas that appear viable, largely in the rural higher value locations like Beverley and the Wolds, and in some of the Major Haltemprice Settlements. In other areas, though, viability is marginal. I concur with that conclusion.
175. It is clear that the plan's policies, particularly that concerning affordable housing, has a significant impact on viability. However, the need for affordable housing is pressing. There is a question of balance here – that is, balancing the urgent need for affordable homes to be delivered against the viability of housing schemes.
176. Taking into consideration the results of the viability appraisals and the conclusions reached in the Residential Analysis, the Council has struck a reasonable and appropriate balance. While viability in some parts of the district may presently be questionable, the plan relates to the period to 2029. It is unlikely that viability will remain static as the economic cycle progresses. Moreover, Policy H2 includes a 'viability clause', such that its demands need not be met in full if an unacceptable impact on the viability of the scheme in question would result.
177. Overall, I consider that the Residential Analysis represents sufficiently robust evidence on the impacts of the plan on development viability. It amounts to a reasonably reliable demonstration that the plan's policies need not render unviable schemes that would otherwise be a viable prospect.

Accommodation for Gypsies and Travellers

178. As part of its plan formulation, the Council commissioned an assessment of the need for accommodation for Gypsies, Travellers and Travelling Showpeople. The Gypsy and Traveller Need Assessment (November 2012) [CD130] (the GTNA) reviews a previous 2008 needs assessment, and takes account of data from the bi-annual caravan count and information from the Council concerning pitch provision and supply. It also draws on information from key stakeholders, and from a survey of 92 Gypsy and Traveller households. The survey involved interviews with households living in trailer-based and bricks and mortar accommodation. In addition, consultation was undertaken with 85 local resident households, which it is estimated represents around 64% of the district's Gypsy and Traveller population.
179. Some important characteristics of the local Gypsy and Traveller population are

identified in the GTNA. In particular, most Gypsies and Travellers in the district have lived locally for over ten years, and can be regarded as belonging to it in some way. The population consists mainly of Romany Gypsies – a protected group – and there is a mix of households which still travel and those which do not.

180. I consider the GTNA to be an adequately robust source of evidence. It is clear that considerable efforts have been made to establish the nature and extent of the present Gypsy and Traveller population, and their accommodation needs. The question of concealed households is addressed as fully as one could expect. Indeed, the study identifies that most of the need for new pitches arises from overcrowding and concealed households, especially in relation to the first five years of the plan.
181. A projection of requirements for 2012 to 2029 – the plan period – is presented. This shows a gross need for 63 additional residential pitches in that period. This comprises of a need for 34 pitches between 2012 and 2017, and for a further 29 between 2017 and 2029. Paragraph 6.32 of the plan clearly reflects the needs identified in the GTNA. It notes that since the GTNA's publication, planning permission has been granted for 13 new pitches.
182. Taking this into account, Policy H3 clearly states that the Council will seek to meet the need for 63 new pitches over the plan period. It says that the Allocations Document or Neighbourhood Development Plans will allocate sufficient land for 25 new permanent pitches to ensure a deliverable supply for the first five years of the plan period. This is a clear commitment. It is notable that it will lead to slightly more pitches than are strictly necessary between 2012 and 2017. I regard this as a buffer, or contingency to help ensure that the need is met. This is a laudable and appropriate approach.
183. Policy H3 also tackles years six to 15 of the plan. In effect, it identifies two broad locations for sites – the Cottingham to Beverley area, and the Driffield to Bridlington area. These are not defined on the Policies Map. On the one hand, this does leave a degree of uncertainty in relation to the broad locations. On the other, it introduces greater flexibility which lends confidence about the possibility of appropriate sites being found or otherwise coming forward. In addition, the NPPF does not specifically demand that broad areas should be marked out on the Policies Map, or elsewhere.
184. There are two issues here. The first is whether the GTNA is sufficiently up-to-date. It could be more so. However, its publication coincides with the start date of the plan. That is an advantage. The drawback of the time periods used in the GTNA, and this is the second issue, is that it does not give a specific needs figure for the next five years from the present time. Consequently, the Council's commitment to allocating land and thus providing for specific, deliverable sites, does not squarely relate to the next five years.
185. Overall, I consider that the GTNA should be regarded as adequately up-to-date for present plan-making purposes. I reach this view on the basis that the Council will up-date this evidence by 2017. The GTNA itself indicates that this should be done by that time, and the Council has put forward a modification in that regard (**MM64**). I consider this a necessity. In the context of this commitment, the level of need provided for through Policy H3 is adequately

consistent with national policy.

186. Criteria are set out in Policy H3 for the purpose of guiding land allocations and for decision-taking. In my view, they are fair and consistent with national policy. I note the suggestion that a 15 pitch threshold would be appropriate in certain circumstances. That may be so. But equally there may be circumstances where it would not be appropriate. As it is, the policy's criteria allow for such matters to be decided on a case by case basis. I consider this appropriate, and no alteration is necessary for soundness in this regard.

187. Modification **MM64** also refers to recent changes to national policy in the definition of Gypsies, Travellers and Travelling Showpeople, and **MM65** modifies the plan's glossary accordingly. For consistency with national policy, these modifications are required. As the Designing Gypsy and Traveller Sites: Good Practice Guide (2008) has been withdrawn, so should the reference to it in the plan (**MM66**).

Conclusion on Issue 3

188. Considering the above, with the main modifications put forward by the Council, I conclude that the plan's strategy for housing is generally justified and effective, and is adequately consistent with national policy. Notwithstanding the shortcomings in relation to affordable housing, it should nonetheless be supported for the reasons given.

Issue 4 – Economic development

Whether the plan's approach to economic development is justified, effective and consistent with national policy

Employment uses (B Use Classes)

189. Part A of Policy S6 says that the future needs of the district's economy will be met through the allocation of at least 235 hectares of employment land. As I explain below, this figure excludes the Hedon Haven site. The policy also disaggregates this figure in relation to B1, B2 and B8 uses, and refers to broad areas where sites should be located.

190. Analysis of employment land requirements is undertaken in the Employment Land Review (March 2013) [CD121] (the ELR) and the ELR Addendum Note (April 2014) [the ELR Addendum]. The ELR itself was updated in January and March 2014, and includes a table of amendments within its covers.

191. Initially, the ELR considers four different land requirement scenarios reflecting both historic trends and based on the REM. Within the modelling, assumptions are made about a number of factors, particularly job densities and plot ratios. These assumptions establish, respectively, floor space and land requirements. The job densities and plot ratios applied are those used in a study undertaken by Roger Tym & Partners for Yorkshire Forward in 2010. The purpose of that study was to establish appropriate assumptions to be applied when planning for employment land in Yorkshire and the Humber, derived specifically from in-depth regional analysis. That strikes me as an appropriate source to rely on, especially as it reflects local, Yorkshire and the Humber circumstances.

192. An allowance has been made in the ELR for 'churn' – the demand for employment land created by businesses relocating. Information about commercial property vacancy levels and land lost to non-employment uses is taken as a proxy for the level of churn to be accounted for. Data from the Valuation Office Agency (VOA) has been drawn on, as has the Council's information about planning permissions. I regard all of this as suitable.
193. The ELR then 'benchmarks' the four models against a variety of factors – the local economic context, consideration of local commercial market drivers, the alignment of the forecasts with the strategies of the Local Enterprise Partnerships, and consideration of 'pipeline' commercial floorspace with permission. This benchmarking exercise suggests overall a more positive outlook for economic growth than that forecast by the baseline REM model and the project-on scenario. Consequently, two further adjusted scenarios are modelled: adjusted baseline REM and adjusted project-on scenario. Table 6.1 of the ELR presents the results as follows:

Scenario	Land requirement to 2029 (ha)
1. Historic land take-up	297
2. Commercial floorspace change	261 (251)
3. Baseline REM	-14
4. Project-on scenario	88
5. Adjusted baseline REM	40
6. Adjusted project-on scenario	143 (128)

194. Because the models considered in the ELR have different starting dates, they are realigned where necessary by the 'factoring-in' of take-up rates between the model's start date and 2013, the latter being the ELR's base date. From Tables 6.7 and 6.10 of the ELR, the outputs for the commercial floorspace change model and the adjusted project-on scenario are 251ha and 128ha respectively. I have shown these figures in brackets in the table above.
195. Overall, paragraph 6.40 of the ELR concludes that there is a demand for between 128 and 252 hectares of employment land to 2029. I take this to mean that the demand should be regarded as a figure within the range produced by scenarios 6 and 2. The Council's Employment Land Requirements: Background Paper (April 2014) [CD22] says the range is between 128ha and 297ha, representing scenarios 6 and 1.
196. The 235ha figure given in Policy S6 does not directly reflect the output of any of the scenarios considered in the ELR. However, that is not a failing of any kind. None of the figures in this ELR or any other can be guaranteed or relied on as being completely accurate. They are forecasts, and it is appropriate to treat them as such. Consequently, the relevant point here is that the figure in Policy S6 falls within the range given in the Council's evidence. That is a suitable approach.

197. Whether one considers scenario 1 or 2 to best represent the top of the robust range, it is clear that Policy S6 is towards the high end of the spectrum given in the Council's evidence. For reasons I shall presently explain, I consider it most appropriate that it is.
198. Firstly, it is apparent from the ELR that the econometric modelling represents a very cautious outlook in terms of employment land requirements. The ELR says that the forecasts underestimate the local manufacturing potential in East Riding and the Humber linked in part to the estuary and the port.
199. In addition, as I have mentioned previously, a very significant level of economic growth is anticipated in and around the Hull port area, including within the East Riding. Led by the off-shore wind energy industry, turbine and associated manufacturing, repair and logistics operations are planned. The Government has identified a 'Centre for Off-shore Renewable Engineering'. Around 536 hectares of land has been designated as part of the Humber Renewable Energy Super Cluster and the Humber Green Port Enterprise Zones. These include sites in the East Riding at Hedon Haven, Salt End, Elloughton-cum-Brough, Goole and Melton. In March 2014 Siemens and Associated British Ports announced that they jointly intend to invest £310 million to deliver turbine production and installation facilities, including a blade manufacturing plant at Alexandra Dock in Hull. To my mind, all of this builds confidence that the growth planned for will come forward.
200. In this context, the plan seeks to ensure not only that Hedon Haven is delivered, but also that other related and necessary supply-chain businesses can be accommodated. As I see it, in planning to provide employment land towards the top end of the forecast requirement, Policy S6 is doing all it can to make sure that the land needed can be delivered, and to ensure that there will be a good degree of choice in the market. I consider it crucial that it does. If it did not, it would run the risk of failing to properly support the nationally significant projects in question here, which would be unacceptable.
201. Some suggest that this amounts to over-provision. Even if that proves over time to be right, in the circumstances presented by the economic growth planned for and its significance, taking the approach proposed is wholly justified. The essential point, it seems to me, is that the plan must ensure that the employment land needed is provided. As paragraph 19 of the NPPF says, significant weight should be placed on the need to support economic growth through the planning system. In the context here, that is a consideration of paramount importance.
202. Overall, I am satisfied that the employment land requirement figure in Policy S6 is founded on a clear and satisfactorily robust base of evidence, and it is set at a level intended to ensure that needs are met. In this regard, it is both justified and consistent with national policy.
203. Part A of Policy S6 says that sites will be allocated to provide approximately 55ha for B1 uses predominantly in the Major Haltemprice Settlements and Principal Towns, 65 ha for B2 uses across the district, and 115ha for B8 uses, primarily at locations along the East-West Multi-Modal Transport Corridor. In short, it disaggregates the overall requirement by type and, to some extent, by location.

204. From the Council's Background Paper and the ELR, I understand that the ELR recommends that at least 17 to 18 hectares should be for B1a/b uses, and the remainder should be for B1c, B2 and B8 development. Paragraph 6.6 of the ELR points out that B2 could be the dominant of the latter three, and that the 18ha for offices is a minimum. While Part A of Policy S6 places a greater emphasis on B8 than on B2, it is broadly in line with the ELR recommendations. Moreover, from paragraph 5.23 of the plan, it is clear that the disaggregation by use class in Policy S6 is to be approached flexibly both in terms of allocating land and deciding planning applications. Taking these points into account, I consider the disaggregation by employment type set out in Policy S6 to be satisfactorily justified.
205. It is appropriate that Part A of Policy S6 provides some spatial direction for the purpose of guiding land allocations. Steering B1 uses towards settlements in the top tiers of the Settlement Network set out in Policy S3 is the most appropriate approach – it is clear that national policy regards offices as a main town centre use and seeks to locate them accordingly. Guiding B8 developments towards the East-West Multi-Modal Transport Corridor is also reasonable, given the transport connections present.
206. The ELR considers the question of geographic disaggregation. However, it is clear from paragraph 6.9 that with the exception of historic land take-up, scenario 1, the scenarios modelled cannot be easily broken down on this basis because of the nature of the inputs used. Consequently, the ELR uses historic land take-up as a proxy to disaggregate the requirements resulting from the models in relation to the Functional Economic Areas (FEAs).
207. Indicative land requirements are given in the 'Recommendations by FEA' section of the ELR. I summarise the figures given there below, although I note that the Council's Background Paper gives slightly higher figures at the top end of the range.
- Goole and Selby FEA: 65 to 125ha
 - Hull FEA: 33 to 68ha
 - York FEA: 10 to 23ha
 - Yorkshire Coastal FEA: 18 to 37ha
208. The ELR considers the existing supply of employment land against these figures, whether there is an apparent under or over supply for each FEA, and whether further land should be allocated. From this, it is wholly apparent that there is an adequate potential supply of land to meet the identified requirements.
209. Some participants have raised concerns, particularly in relation to the undersupply noted in relation to the Goole FEA and the over-supply in the Hull FEA. The point is made that less employment land should be directed to the latter and more to the former. I disagree.
210. As I have already explained, the FEA requirement analysis is based on past land take-up. Paragraph 5.106 of the ELR is clear that it is presented as indicative, not absolute figures to be adhered to in forward planning terms. It

is "... a starting point for understanding the relative balance between supply and demand over the plan period".

211. Moreover, as paragraph 5.107 clarifies, when looking at the requirement figures given, there is a specific need to consider the impact of major drivers, including the investment at Green Port Hull. As that paragraph notes, a significant proportion of employment land requirements in the future are consequently anticipated within the Hull FEA.
212. In the light of this, as I see it, while the FEA disaggregation is helpful as a broad indicator, the Council is right to not slavishly adhere to it. There is no guarantee that future employment land take-up will mimic the past. Indeed, given the scale of investment and development planned in and around the Enterprise Zone, and its position in the eastern part of the Hull FEA, away from the Goole FEA, a shift in the distribution is more likely. To my mind, it is preferable, given the probability that close clustering of related businesses will have financial benefits and possible sustainability advantages. As such, the plan's emphasis on the Hull FEA is most appropriate.

The Key Employment Sites

213. Four Key Employment Sites are identified in Policy S3 – Hedon Haven, Melton, Humber Bridge Head and Capitol Park. They are not only shown on the plan's Key Diagram, but Policy S3 identifies that their development limits are set out on the Policies Map. Consequently, in effect, these are strategic allocations made through Policy S3 of this plan. I have treated them this way, and I deal with them in this report accordingly.
214. The emphasis on the Hull FEA is brought into focus through the plan's identification of these four Key Employment Sites. The Hedon Haven, Humber Bridge Head and Melton sites are all in the Hull FEA and represent the significant majority of key employment land identified in Policy S3. Only Capitol Park is in the Goole FEA. However, for the reasons I have given above, this is an appropriate distribution.
215. As I understand it, two evidence base documents have led to the identification of the Key Employment Sites chosen – the SAM, or rather, its application, and the ELR. The SAM sets out the methodology for assessing all sites considered. It draws on the Sustainability Appraisal, and 'translates' the SA criteria into a set of questions against which sites are assessed. The Council's Background Paper Part 1 – Allocations Process (April 2014) [CD26] explains in detail how the SAM has been applied. Shortly put, I consider the SAM outputs, insofar as they are relevant to the Key Employment Sites, to be based on a satisfactorily robust assessment.
216. In addition, it is clear that these sites are specifically identified in the ELR as meeting criteria of a Key Employment Site. Indeed, from the ELR, it is apparent that the four Key Employment Sites identified are the only sites in the district that meet the criteria set out in paragraph 6.58 of the ELR. Covering matters such as economic development priorities, inward investment opportunities, transport connections, scale, infrastructure and deliverability, these criteria are appropriate. I acknowledge that their application has involved judgements being made. However, within the consistent framework

created by the criteria, that is reasonable.

217. The Council's examination statement verifies that all landowners involved in the Key Employment Sites have confirmed that the land identified is available for the employment uses proposed. The evidence produced also demonstrates that they each have safe and appropriate access routes. I particularly note that officers of the highways authority have undertaken assessments and that junction studies have been carried out in conjunction with Highways England as part of the Infrastructure Study (2014) [CD156]. These factors lend reassurance about the deliverability of the Key Employment Sites. Moreover, the SAM assessments consider the question of deliverability, such that it is embedded in the selection process. I discuss below site specific issues, including concerns raised in relation to possible constraints to delivery.

Hedon Haven

218. At around 205ha, Hedon Haven is by far the largest of the Key Employment Sites. Around 80ha of it is within the Enterprise Zone and is covered by the Paull Local Development Order (June 2013) [CD141] (the LDO) for development associated with port related renewable and low carbon industries. Indeed, because of its size, its role in relation to the port and the Enterprise Zone and the importance placed on it, this site is treated separately in Policy S6 and the ELR. That is to say, the 235ha set out in Part A of Policy S6 excludes Hedon Haven, which is covered by Part B of the policy.

219. I understand that Highways England has confirmed that the development can be accommodated by the network, and that some road improvements will be necessary. The Council says that Regional Growth Funding is earmarked for 15% of the transport and utilities infrastructure costs, and that the Humber Growth Deal is anticipated to fund flood defence improvements. All of this and the aforementioned announcement by Siemens enhance confidence in relation to deliverability.

220. The main point of dispute in relation to this site is raised by the RSPB. It says that the Habitats Regulations Assessment is flawed because it does not include nocturnal survey data in relation to birds. It also raises a concern in relation to the enhanced habitat anticipated and required through Policy S6 as mitigation for the impact of development on the Humber Estuary Special Protection Area/Special Area of Conservation/Ramsar site.

221. However, it is apparent that Natural England has been involved in the plans for the site for a considerable time, through both the LDO and in relation to the formulation of the plan. Natural England raises no concerns, including about the survey work undertaken.

222. It may be that it would be better for the new habitat creation required to be on the estuary side of site. But this area is covered by the LDO, and grants outline planning permission for development there. Moreover, condition 10 b) of the LDO deals with habitat creation to avoid likely significant effects. It says that the measures have been implemented, and requires adherence to information in the Environmental Impact Assessment produced. In short, a non-estuary location for the new habitat area has already been approved. Given this, I agree with the Council's point that requiring otherwise through

this plan would not be deliverable.

223. That said, I concur that Part B of Policy S6 should be modified as proposed by the Council (**MM67** and **MM68**). This is necessary to ensure that the policy satisfactorily aligns with the statutory requirements.

224. In addition, paragraph 32 of the NPPF indicates that cost effectiveness is a matter of relevance in relation to transport network improvements needed to limit the significant impacts of development. It is appropriate to modify paragraph 5.31 of the plan to reflect this, as the Council has suggested (**MM69**).

Melton

225. The Melton Key Employment Site is, perhaps, the most controversial. Two appeals, one seeking residential development on it and another concerning a mixed residential and employment proposal, were dismissed by the Secretary of State in June 2015 [CD362]. These decisions are presently being challenged through the High Court. A significant level of objection has been received from local residents, both to the promotion of the site by the owner for housing but also to its identification as a Key Employment Site. I have considered all of the points raised.

226. However, I am satisfied that its inclusion as a Key Employment Site is the most appropriate option. Much of the site has been included in the recent extension of the Enterprise Zone. Moreover, for reasons already given, I consider the level of employment land sought by the plan to be justified. At around 67ha, this site makes a significant contribution to the planned supply. Consequently, its identification as a Key Employment Site helps considerably with the degree of confidence one can have in the deliverability of Policy S6, and thus its effectiveness. In addition, the landowner confirms that ultimately the site would be available for the proposed employment uses, if residential development is not sanctioned through either this examination or the ongoing appeal/High Court challenge process.

227. In short, if the legal challenge fails, this Key Employment Site would be deliverable. If it succeeds, however, then the Council will need to consider whether and how that affects the plan. I note the Council's view, set out in its examination statement, that the plan would require significant modification. Given the present position, that will be a matter for the Council to resolve depending on the facts, the evidence and its stance at the time.

228. Given my views and conclusions in relation to Issue 3, I do not consider the Melton land necessary for the delivery of the housing needed. While it is plain that much rests on Hull's Local Plan, it is most appropriate, in my view, to allow that process to resolve the question of meeting the needs arising in the HMA. Considering the co-operation between the two Councils under the Duty to Co-operate, it should at least be given the chance to. If it should fail, then the appropriateness of housing development at Melton, and indeed elsewhere, will be a matter for the Council's further consideration as part of the plan review it has committed to.

229. Some suggest this site should be considered as open space, and that the part of it closest to houses in North Ferriby should not be built on. I disagree. At

present, it comprises fields and currently undeveloped plots within the existing business park. From my site visit, I do not consider that it performs any meaningful open space function. Moreover, I see no reason why commercial uses on any part of the Key Employment Site should cause any significant problems for residents of North Ferriby. The distance between existing homes and the site, coupled with the presence of the high trees forming the intervening, quite wide finger of woodland known as Long Plantation, should ensure that residents' living conditions are not materially harmed. Planning conditions could be used in this respect, to control, for example, the types of employment uses or hours of operation. Similarly, any contamination present can be dealt with through the planning application process, and need not prevent the allocation of the land for employment purposes.

Humber Bridge Head and Capitol Park

230. Like Melton, both of these sites are partially developed business parks, and much of the land proposed for allocation has planning permission for employment uses. Capitol Park is included in the extension of the Enterprise Zone. There has been no suggestion that other sites should be allocated in preference to either of these sites. Considering these factors, and the ELR's identification of these two sites among the only four meeting the criteria for a Key Employment Site, I consider their allocation to be the most appropriate response.

Existing employment land and premises

231. Part C of Policy EC1 says there will be a presumption in favour of retaining employment land and premises. The loss of employment land or premises is supported in certain specified circumstances.

232. I agree with the Council that the approach taken here would only retain sites that are needed and, consequently, that it is broadly consistent with the aims of the NPPF in that respect. That being said, I concur with the point that support should be given to proposals for the redevelopment of employment land or premises that are shown to be not viable for employment uses. As such, **MM70**, put forward by the Council, is necessary.

Viability

233. The Local Plan Viability Assessment: Commercial Analysis (January 2014) [CD163] undertakes viability appraisals in relation to economic development. It is very similar in approach to the Residential Analysis. It uses a residual valuation method to assess the viability of three of the Key Employment Sites identified in the plan, and taking hypothetical commercial schemes based on various cost and value assumptions. The Hedon Haven Site is not considered because of its specialist nature. Overall, it is concluded that the viability of development is likely to be compromised in current market conditions in many cases.

234. However, for a variety of reasons, I do not regard this as a significant problem. The analysis is largely based on present costs and values, which could well alter throughout the plan period. In addition, there is little in the Commercial Analysis to suggest that these viability issues are a consequence of the Key Employment Sites chosen. They apply equally well to both the Key

Employment Sites identified and any other alternative sites which fit the modelling typology.

235. Furthermore, I am mindful that the Commercial Analysis is, in effect, an analysis of the profit to be had from undertaking development. The delivery of business uses is not necessarily dependent on creating profit from the development itself. It is not uncommon for economic development to be delivered because the building concerned is required for a business purpose. This factor points to the possibility of a more positive outcome than the analysis might suggest.
236. The plan requires the delivery of new land for economic development. It is imperative for soundness that it does. Notwithstanding the viability issues identified in the Commercial Analysis, from the evidence produced, particularly the ELR, I am not convinced that there are other sites which, when considered on the same basis, are unquestionably more appropriate in viability terms. Even if there are, this advantage has to be considered against the other site selection criteria. In my view, less suitable sites should only be selected ahead of more appropriate ones where a consistently applied appraisal of viability clearly supports the former and discounts the latter, or at least gives rise to very significant doubts. That is not the case here.

Centres and main town centre uses (including retail)

237. Policy S7 sets out the strategic approach to retail development. It introduces a two-tier hierarchy of Town and District Centres, sets out in Table 4 the floorspace capacity for convenience and comparison goods in each centre identified in the hierarchy and commits to meeting that need.
238. The hierarchy of centres is informed by the Town Centre and Retail Study (2009) [CD194]. This considers the catchment areas of each of the district's centres for both convenience and comparison goods. It assesses the number of shops and services present in each, and their turnover in both absolute terms and as a share of the district-wide total. The hierarchy recommended as a result of this analysis is that in Policy S7. In my view, it is satisfactorily justified.
239. Retail capacity is considered in the 2009 study, but this has been updated. The most recent evidence in this regard is that in the Town Centres and Retail Study – Retail Capacity Update (November 2013) [CD196/02]. Drawing on information about the likely future distribution of the district's population, this undertakes expenditure forecasts for each of the centres up to 2029. The need for retail floorspace is assessed on the basis of these forecasts taking into account the extent of trade retention in each catchment area. A market share approach is adopted for this purpose – that is to say, the capacity analysis is based on the market share of each centre within its defined catchment area. An increase in turnover is allowed for, to reflect improvements in sales densities over time, and advice from Experian is drawn on in this respect. Turnover from visitors is taken into account, as are commitments for new retail developments.
240. Some criticisms have been made of the studies. However, like many aspects of plan-making, establishing retail capacity is not an exact science.

Appropriate data sources have been used and, by and large, the allowances made appear reasonable. Overall, I regard the retail evidence to be adequately robust.

241. However, there is one exception. The comparison goods capacity for Beverley given in Table 4 is given as a range of 10,200 to 20,500 square metres gross. This directly reflects the 2013 Update. However, following discussion at the hearings, the Council undertook a 'sensitivity test' of these figures. This uses a revised estimate of comparison turnover for the new retail development at Flemingate in Beverley, which is presently under construction. The new figures take account of amendments to the Flemingate scheme, approved in April 2013. The fresh analysis results in a capacity range of 4,900 to 9,800 square metres for Beverley.
242. As a consequence of all this, the Council has put forward a modification (**MM71**) to Table 4, revising the range in line with this updated assessment. I agree that this is necessary.
243. Paragraph 5.39 of the plan says that the upper convenience goods figures in Table 4 represent the unlikely situation in which all the capacity is taken by smaller food stores, such that the lower end of the range is more appropriate. It says that for comparison goods, the lower figures are likely to be more applicable in larger centres where new floorspace is most likely to be occupied by multiples and other larger retailers with relatively high sales densities. I note the suggestion that modifications should be made to clarify this. However, to my mind, paragraph 5.39 provides adequate explanation. While greater clarification may help, I do not regard this as essential for soundness.
244. Among other things, Policy EC3 requires an impact assessment for edge of centre and out of centre retail, office and leisure uses, depending on the size of the development and whether a Town or District Centre is involved. The thresholds given stem from the 2009 study, and have been set in line with its advice. They appear reasonable to me, and no objections have been raised to them. As such, I consider the two thresholds to be adequately justified, and their inclusion ensures the effectiveness of the policy.
245. However, an impact assessment should not be required in relation to schemes which are in accordance with an allocation, as impacts should be taken into consideration in allocating the land. Consequently, the Council's suggested modification (**MM72**) is necessary.
246. Part F of Policy EC3 supports proposals for non-retail main town centre uses in Primary Shopping Frontages where a high proportion of retail uses are maintained. This raises the question of what constitutes a 'high proportion of retail uses'. Paragraph 7.36 points to the Town Centres and Retail Study, and says that non-retail uses could comprise approximately 25% of a Town Centre Primary Frontage or 33% in a District Centre. On the one hand, it would improve the effectiveness of the policy to include such thresholds. On the other, the absence of prescription lends flexibility to the policy. This allows for local circumstances to be considered, such as the local characteristics of the centre concerned, and the current level of non-retail and vacant units. I regard this to be an effective approach, and the most appropriate.

247. Proposals for out-of-town retail, office and leisure uses are supported by Part J of Policy EC3 where they are below 100 square metres (gross) of floorspace. Schemes above this threshold are required to assess the impact of the development and, where not to serve a purely localised need, they must demonstrate compliance with the sequential approach. Again, the threshold stems from the Town Centres and Retail Study. At the hearing, the Council said that it considers the threshold to be reasonable. I agree. It is based on evidence proportionate to its purpose and in my view it is adequately justified.
248. Neither the plan nor its evidence base addresses the full range of town centre uses. However, I do not regard that as a problem here. In this district, particularly given its rural nature, it would be disproportionate to demand a more wide-ranging analysis.
249. The Council has proposed changes to the Primary Shopping Areas as identified on the Policies Map, to ensure that the primary retail areas on Boothferry Road in Goole and in Howden are properly reflected (**MM73** and **MM74**). I agree that these changes are necessary to make sure that Policy EC3 is satisfactorily effective and justified.

The rural and visitor/tourism economies

250. Both the rural economy and tourism feature in the plan's objectives. Objective 4 aims to realise opportunities for appropriate rural economic diversification, while Objective 11 seeks to ensure that the local economy is strengthened, modernised and diversified. Encouraging a thriving and sustainable tourism and visitor economy is the fundamental aim of Objective 13.
251. These broad aspirations are carried through into a number of the plan's policies. Policies S4 and EC1 allow appropriate employment developments outside of the defined development limits, in the countryside, in certain circumstances. This includes the expansion of existing industrial estates. Both of these policies, and Policy EC2, particularly support agricultural, horticultural and forestry uses and other land-based businesses, including tourism development. Policies EC1 and EC2 explicitly support farm diversification schemes and tourism development in the countryside. Much of this is reflected in the Sub-Area Policies, A1 to A6, and the paragraphs supporting them recognise the role of a number of specific rural industrial estates.
252. Overall, I consider that the plan takes a positive approach to supporting rural businesses and tourism. On the whole, it does all one could reasonably expect to support rural economic growth.
253. Having said that, the modifications put forward by the Council (**MM75** to **MM78** inclusive) will undoubtedly bolster the plan in this regard. Providing unequivocal policy support for Catfoss, Hutton Cranswick, Gilberdyke, Full Sutton and Holme on Spalding Moor Industrial Estates is, in my view, most appropriate, as is their identification on the sub-area key diagrams (**MM16**, **MM18**, **MM19** and **MM21**).

Conclusion on Issue 4

254. Considering the above, with the main modifications put forward by the

Council, I conclude that the plan's approach to economic development is justified, effective and consistent with national policy.

Issue 5 – Sustainable development and climate change

Whether the plan's policies concerning renewable and low carbon energy are justified, effective and consistent with national policy

255. This plan takes a very supportive approach to renewable and low carbon energy development. Objective 14 supports a wide portfolio of energy infrastructure and businesses, and sets out the aim of maximising the potential of renewable and low carbon energy generation in the district. Policy EC5 lends its backing, in principle, to a wide range of energy sector development, including those set out in the plan's Table 7. All of this is consistent with the NPPF's core principles.

256. The plan does not set specific strategic priorities in terms of the types of renewable and low carbon developments sought. Neither does it identify suitable areas for such developments. But the approach taken here is an entirely receptive one which seeks to encourage all types of renewable and low carbon projects. In the context of this flexible attitude, the absence of firm priorities is reasonable.

257. It is clear that the Council has considered identifying suitable areas for energy developments. In the Preferred Approach Core Strategy (May 2010) this is shown in paragraph 9.138 as 'New Option D'. However, the Council rejected this approach for two main reasons. Firstly, in the context of the significant level of developer interest, it was considered too restrictive. Secondly, the suitability of areas depends on the type of development involved and can change – the cumulative impacts of developments coming forward could cause a previously suitable area to be unsuitable. That is a reasonable point, particularly given the activeness of the energy sector in the East Riding. Generally speaking, in my view, the plan sets out a sufficiently positive strategy to promote energy from renewable and low carbon sources.

258. However, a Written Ministerial Statement was published on 18 June, after the hearing sessions. This makes it clear that planning permission should only be granted for wind energy developments if:

- the site is in an area identified as suitable for wind energy development in a Local or Neighbourhood Plan; and
- following consultation, it can be demonstrated that the planning impacts identified by affected communities have been fully addressed and therefore the proposal has their backing.

The Written Ministerial Statement is the most recent expression of Government planning policy for onshore wind development. The PPG was updated to reflect this. It also clarifies that whether the proposal has the backing of the affected local community is a planning judgement for the local authority.

259. In response to this, the Council has put forward modifications (**MM79**) to Policy EC5 and its supporting text. These changes exclude wind energy

developments from the policy's supportive stance and commit to identifying suitable areas for wind energy schemes through a review of the Local Plan and/or Neighbourhood Plans. In the meantime, applications will be determined in the light of the Written Ministerial Statement and the PPG. In the circumstances, I agree that making these changes is the most appropriate path.

260. Policy EC5 includes clear criteria to ensure that adverse effects from energy developments are addressed satisfactorily. To this end, the Council has proposed some changes to the wording used in the policy and supporting text (**MM80**, **MM81** and **MM82**), which I agree are more appropriate.
261. The plan does not seek to introduce local requirements in relation to the sustainability credentials of individual buildings. Rather, it relies wholly on the application of the Building Regulations in this regard. That approach is consistent with national policy.

Conclusion on Issue 5

262. Considering the above, with the main modifications put forward by the Council, I conclude that the plan's policies concerning renewable and low carbon energy are justified, effective and consistent with national policy.

Issue 6 – Protecting mineral resources

Whether the plan's approach to Mineral Safeguarding Areas is justified, effective and consistent with national policy

263. Through Policy EC6, the plan identifies Mineral Safeguarding Areas (MSAs). Non-mineral development which would adversely affect the viability of exploiting underlying or adjacent mineral deposits is only supported by the policy in certain specified circumstances.
264. As submitted, one such situation is where the development is in accordance with an allocation in the Local Plan or a Neighbourhood Development Plan. However, there is no justification for this criteria and I see no reason why land allocations should, as a matter of policy principle, be allowed to sterilise mineral resources. The modification (**MM83**) suggested by the Council is therefore necessary.
265. The MSAs are shown on the accompanying Policies Map. Notwithstanding the presence of any minerals, they do not extend into settlements. They have been deliberately excluded from within the defined development limits, and have generally been set back by 200 metres. There is no clear, robust justification for this 'stand-off'. The Council has proposed to extend the MSAs up to the development limits (**MM84**) and to amend paragraph 7.76 of the plan to explain matters accordingly (**MM85**). I concur that these modifications are necessary for the effectiveness of and justification for Policy EC6. Also for effectiveness reasons, **MM86** is required. This gives a clear indication of when it is likely that the criteria in Policy EC6 will apply to a development.
266. It has been suggested that the MSAs should be expanded into the district's urban areas. The PPG makes two points of relevance:

"... safeguarding is the process of ensuring that non-minerals development does not needlessly prevent the future extraction of mineral resources ..." [my emphasis]

"... Safeguarding mineral resources should be defined in designated areas and urban areas where necessary to do so. For example, safeguarding of minerals beneath large regeneration projects in brownfield land areas can enable suitable use of the mineral ..." [my emphasis]

267. I note that MSAs have been defined across urban areas in other districts. However, there is no clear evidence that it is necessary to do so in this case. No large brownfield regeneration schemes are envisaged in the plan, and no other comparable, suitable opportunities for extraction in urban areas are apparent to me. On the contrary, it is evident that much new development will be on greenfield sites, and that there is a clear need to bring such sites forward, especially for housing. On the evidence produced, I consider that excluding the MSAs from within settlements is the most appropriate approach, and will not lead to the needless sterilisation of mineral deposits.

Conclusion on Issue 6

268. Considering the above, with the main modifications put forward by the Council, I conclude that the plan's approach to mineral safeguarding areas is justified, effective and consistent with national policy.

Issue 7 – Infrastructure

Whether the plan is based on a sound assessment of infrastructure requirements and their deliverability

269. An Infrastructure Study (2014) [CD156] has been prepared for the Council. Building on earlier work, it gives detailed consideration to a very wide range of infrastructure types, from flood defences to library services. The Study establishes present provision, and considers the infrastructure required to support the delivery of the level of housing proposed in Policy S5 and the economic growth planned for in Policy S6. It draws on various technical highway junction studies, and a review of the evidence concerning flood risk in Hedon. Overall, in broad terms, it is a significant body of evidence and it is appropriate that the district's infrastructure planning is founded on it.

270. In effect, Section 11 of the submitted plan, particularly Table 13, is the Council's Infrastructure Delivery Plan. Drawing on the Study, Table 13 sets out the infrastructure likely to be necessary during the plan period. From all this, it is clear that the Council has a good understanding of the likely infrastructure needs. Those considered to be most critical are marked as essential in Table 13's Priority and Phasing column, and are listed in paragraph 9.1.6 of the Council's hearing statement. This is quite a lengthy list.

271. However, it is clear from both the Study and the Council's hearing statement that the costs involved in delivering the necessary infrastructure have been identified. Indeed, many of the infrastructure projects have funding sources earmarked. In relation to some of the most critical infrastructure, such as some flood alleviation schemes, a significant proportion of the finance needed has already been secured.

272. Moreover, some infrastructure projects are already well progressed, perhaps notably the Cottingham and Orchard Park and Willerby and Derringham Flood Alleviation Schemes (COPFAS and WADFAS). At the time of the hearings, I was told that COPFAS is set for completion in late 2016 and that WADFAS was, at that time, under construction and due to be completed in late 2015. Given that these two schemes serve Major Haltemprice Settlements, among the locations where the plan focusses growth, the progress of these two projects is reassuring, and lends a degree of confidence in the plan's deliverability.
273. I recognise that flood alleviation matters in Goole are rather more complicated. However, detailed hydraulic modelling is underway and it is anticipated that this will ascertain precisely what further surface water drainage measures are needed.
274. The Council has suggested a number of changes to the Policies Map in relation to various flood alleviation and management schemes. However, the Council has not suggested that this is essential for the effectiveness of any specific policies. As I see it, while it might be helpful to reflect the latest position in relation to schemes coming forward, it is not necessary for soundness.
275. Significant school and highway infrastructure is also required. Concerning the former, a range of funding sources have been identified, including the Council, Academy Schools, Government finance and developer contributions. I note that the submission Allocations Document requires the provision of two new primary schools as part of two proposed housing allocations, one in Beverley, the other in Goole. In terms of necessary road improvements identified in the Study, the Council anticipates the funding required coming through Local Enterprise Partnership Growth Deals. The Council points to its track record of securing finance for transport projects.
276. A number of the plan's policies make demands for the delivery of infrastructure. Policy EC4 says that developments should bring forward necessary transport infrastructure. Policy ENV5 requires development to incorporate green infrastructure, and Policy C3 expects developments to meet the quite detailed open space qualitative and quantitative standards set out in Table 12. Policy C2 supports proposals that provide new services and facilities.
277. Policy C1, however, is perhaps the key tool in this regard. It requires contributions from developments to meet the need for new or improved infrastructure. As I understand it, such contributions may be secured through either legal agreements or through the Community Infrastructure Levy (CIL), once the Council has adopted a CIL charge. I acknowledge that the requirement to meet Policy C1 is subject to economic viability. However, given the evidence concerning viability, which I have considered above, that is most appropriate.
278. Overall, it is clear that implementing the plan requires quite a significant level and range of infrastructure to be provided. It is also evident that this will demand substantial financial investment. However, it is also apparent that the Council is acutely alert to the requirements, is aware of the costs involved and has earmarked sources of funding. Moreover, in some cases, the necessary finance has already been secured, and in others the infrastructure in question

is either being constructed or already has been. The plan itself does all it realistically can to secure infrastructure delivery. From all the evidence presented, there seems to me to be a reasonable prospect that the necessary infrastructure projects could be delivered in a timely fashion, such that the development planned need not be delayed or undermined.

279. The Council has put forward a modification deleting Table 13 from the plan and amending supporting paragraphs (**MM87**). I agree that this is the most appropriate approach. This information need not be presented in the plan itself – rather, it is evidence supporting the plan. Given this, and that much of its content will become outdated with time, it is more appropriate that it forms part of a separate, 'living' Infrastructure Delivery Plan document.

Conclusion on Issue 7

280. Considering the above, with the main modifications put forward by the Council, I conclude that the plan is based on an adequate assessment of infrastructure requirements and their deliverability. With the modification put forward by the Council, it should be regarded as sound in this respect.

Issue 8 – landscape, heritage, biodiversity, flood risk and open space

Whether the policies concerning landscape, heritage, biodiversity, flood risk and open space are justified, effective and consistent with national policy

Landscape

281. Policy ENV2 aims to ensure that new developments are sensitively integrated into the landscape, and that landscape characteristics and features are enhanced. It sets out a list of outcomes that developments should achieve, such as protecting and enhancing important open spaces and ensuring that important trees and hedgerows are retained. I concur with the Council's suggestion (**MM88**) that wetland and water features should be enhanced, as well as not detracted from. By and large, I consider these to all be reasonable and appropriate requirements.

282. However, Part A1 relates to the Key Open Areas shown on the Policies Map. As submitted, it requires that developments "*maintain the physical separation of settlements and protect the character and function of Key Open Areas*". The submitted wording indicates that there is something about the character of the Key Open Areas that warrants protection. Given that this is in a policy entitled 'Promoting a high quality landscape', the suggestion is that this is because they are of notably high landscape character. But I am not persuaded by the Council's evidence that they are.

283. Indeed, from the hearings, it is now clear that this is not the premise of the policy. It is not primarily a question of landscape quality. The main point here is that the Key Open Areas perform the function of maintaining the physical separation of settlements and, hence, their individual identity. The Council has proposed a number of amendments to Policy ENV2 and to some of the sub-area policies to reflect this (**MM89** to **MM93** inclusive). I concur that these changes are needed and that they are appropriate.

284. Some suggest that the Key Open Areas are tantamount to Green Belt policy. It may be that the policy function is reminiscent of some of the purposes of the Green Belt. But the plan includes none of the policy tools used in the NPPF to implement Green Belt policy. In particular, it does not include the fundamental concepts of openness and inappropriate development, and the need for very special circumstances to exist before the latter can be permitted. It also does not include the detailed, quite stringent Green Belt restrictions relating to the construction of new buildings.
285. Consequently, the resemblance to Green Belt policy is limited. Moreover, it is entirely appropriate to seek to prevent settlements sprawling into the countryside and merging. It is a concern which it is wholly legitimate for the plan to tackle in the way it does. The outcome of the policy's application will be consistent with the broad thrust and underlying principles of the NPPF, and should be regarded as sound.
286. In any event, neither Policy ENV2 nor any other categorically excludes new development in the Key Open Areas. Rather, Part A1 as modified requires consideration of the extent to which the development concerned would protect the character and individual identity of settlements, of whether the Key Open Area would be maintained and the question of coalescence. That is not a blanket ban, and it leaves open the possibility of schemes being allowed.
287. Paragraph 8.23 says that "*Policies A1 to A6 identify a number of Key Open Areas that need to be protected between settlements and have been shown on the Policies Map*". As a consequence this plan, rather than the Allocations Document, effectively designates the land to comprise the Key Open Areas. I have treated it this way.
288. Some objections have been made to the inclusion of certain parcels within the Key Open Area designation. However, from the evidence and from my site visits, I am of the firm view that the extent of the Key Open Areas is soundly based. In my opinion, broadly speaking, the swathes of land identified all perform the intended function of a Key Open Area. I recognise that some parcels may be less critical in this regard than others. But that does not undermine the contribution they make to the wider area. The point about the Key Open Areas is that the whole is greater than the sum of its individual parts. That is to say whilst some parcels may individually not be crucial, the contribution that they collectively make is. In this context, the extent of the Key Open Areas is satisfactory. Policy ENV2 is therefore justified and effective in this respect.
289. Policy ENV2 also seeks to protect and enhance existing landscape character, particularly within Important Landscape Areas (ILAs) which are shown on the Policies Map. Some suggest that these areas have simply been 'rolled forward' from the Beverley Borough Local Plan (adopted 1996). They have not been. While I note the similarities involved, it is clear to me that the ILAs stem from the Landscape Character Assessment (November 2005) [CD159] (the LCA). The LCA supports their identification, and their delineation is also supported by further work undertaken in the Important Landscape Areas: Boundary Refinement (2014) [CD157].
290. I note that some regard this work to amount to only a partial update. I also

note that the LCA considers landscape and visual aspects only, and has acknowledged gaps in relation to historic and ecological information. Nevertheless, for the purpose of identifying ILAs, I consider it an adequately robust analysis of the landscape character types, their quality and sensitivity. The detail and depth of assessment is appropriate and, in my opinion, satisfactorily supports the ILAs identified.

291. In addition, it is clear to me that the plan does not, as a matter of principle, prevent development in the ILAs. The protection and enhancement of the landscape character required by Policy ENV2 is a criterion to be met. But it is not a blanket policy restricting housing development of the sort the PPG says should be avoided.

Heritage

292. The Council has put forward modifications (**MM94**) to paragraph 5.34 of the plan, which relates to heritage assets in the vicinity of Hedon Haven. These changes add clarity by referring to individual assets, and so ensure the plan's effectiveness. However, I am not convinced that the Council's proposed changes to Parts B and C of Policy ENV3 are necessary for soundness. The modified wording would require that heritage assets are preserved or enhanced rather than merely conserved or preserved. I appreciate the reason for this is to improve consistency with legislation regarding Conservation Areas and Listed Buildings. But Parts B and C relate to a wide range of heritage assets, many of which are covered by different strands of legislation. In this context, as drafted, the modification put forward is not effective. Indeed, I consider the originally submitted policy wording to be more appropriate. In the absence of any more apposite suggestions for modifying it, I have reached the view that the originally submitted policy should be regarded as adequate.

293. However, the Council has proposed changes to the Policies Map (**MM95** and **MM96**). I agree that Conservation Area boundaries and Ancient Monuments should be correctly identified on the Policies Map, in order to ensure the effectiveness of Policy ENV3.

Biodiversity and geodiversity

294. Policy ENV4 relates to matters of biodiversity and geodiversity. It covers international, national and local sites. Many of these are covered by provisions in separate legislation, and such provisions will continue to apply to development proposals regardless of the content of this policy.

295. In my view, the policy tests and measures required by Policy ENV4 are satisfactorily consistent with the statutory provisions and national policy relating to the types of biodiversity and geological designations involved. However, the Council has proposed to alter Part C (**MM97**) to ensure that proposals which would lead to the loss of, or harm to, national sites are properly covered in the policy. It has also put forward changes to paragraph 8.64 to more clearly explain the policy stance (**MM98**). I agree that these are necessary modifications.

296. Furthermore, I concur that Local Wildlife Sites should be identified in line with the latest register of such sites. As such, the changes to the Policies Map proposed by the Council (**MM99**) are necessary to ensure the effectiveness of

Policy ENV4. However, Biodiversity Priority Areas need not be illustrated on the Policies Map, given that they are not set through the plan-making process.

Flood risk

297. Among other environmental hazards, Policy ENV6 addresses the risk of flooding in relation to proposals for development. It refers to the sequential test to locating new development, which is embedded in national policy, and also sets out specific criteria for developments to ensure that flood risk is properly managed. In general, this is all reasonable and appropriate.
298. However, several modifications are proposed by the Council in relation to flood risk issues. The explanation of the mechanisms for securing financial contributions in **MM100** will improve the policy's effectiveness. Modification **MM101** is necessary for consistency with national policy, which indicates that the flood risk sequential test should be undertaken using the SFRA as the starting point, rather than relying wholly on the Environment Agency's Flood Map. To properly reflect the sequential test, **MM102** is also required, so that development is steered first to Flood Zone 1, then to a sequentially preferable site. **MM103** is needed to reflect national policy concerning sustainable drainage systems. Finally, **MM104** is necessary to ensure that matters of housing supply remain separate to considerations of flood risk.
299. Policy ENV6 also aims to control development in Groundwater Source Protection Zones (SPZs). It is, in my view, entirely reasonable to seek to minimise risks of groundwater pollution, and the policy measures proposed are appropriate. However, SPZs are not identified through the plan-making process. SPZ1 is subject to change and the Council has, in agreement with the Environment Agency, proposed to delete it from the Policies Map (**MM105**). For the effectiveness of Policy ENV6, I concur that this is consequently necessary.

Open space

300. As I have previously indicated, Policy C3 seeks to ensure that the open space standards set out in Table 12 are met. The accessibility standard for outdoor sports facilities and playing pitches is 20 minutes walking time. However, for consistency with the evidence base, I agree that this should be amended to 20 minutes travel time (**MM106**).
301. Paragraph 9.29 says that specific thresholds triggering a requirement for open space will be set in a Supplementary Planning Document. However, it is evident from the 2012 Regulations that this is a matter for the development plan. Given this, and as the open space requirement is already triggered by Part B of Policy C3, it is necessary to delete this from paragraph 9.29 as the Council proposes (**MM107**). Moreover, specifying a site size threshold for requiring that open space be provided is the most appropriate course. **MM108** sets this at 10 dwellings or residential schemes of more than 1,000 square metres. These are reasonable thresholds to set, and are not unduly stringent.
302. The plan does not identify Local Green Spaces, and it is not the Council's intention to designate any through the Allocations Document. As such, the provisions relating to them in Policy C3 are neither effective nor justified.

They should, therefore, be deleted as the Council proposes (**MM109**).

303. Similarly, the Council has proposed to delete the Common Land designations shown on the originally submitted Policies Map and to identify the land concerned as Open Space (**MM110**). Given that Common Land is not referred to in any policy, I concur that this is necessary for the effectiveness of Policy C3 in preventing the loss of open spaces.

304. Furthermore, the Council has also put forward Policies Map changes to the extent of the areas identified as Open Space based, as I understand it, on their function. It strikes me that golf courses and driving ranges should be regarded as open spaces, and it is appropriate to exclude buildings from the designation. As such, I consider that the revisions proposed (**MM111**) are necessary for the effectiveness of, and justification for, Policy C3.

Conclusion on Issue 8

305. Considering the above, with the main modifications put forward by the Council, I conclude that the policies concerning landscape, heritage, biodiversity, flood risk and open space are justified, effective and consistent with national policy.

Other matters

306. I note the revisions proposed to the Policies Map in relation to the potential boundary changes to the Flamborough Head Special Protection Area (SPA) and potential Special Area of Conservation (SAC). However, such designations are not made through the local plan. Any future changes to the extent of the SPA and SAC would not undermine Policy ENV4 – it would apply equally to any new designations of this kind. As such, the changes suggested are not necessary for soundness.

307. As submitted, Policy EC4 supports development where it is accessible. I agree that this support should be extended to developments that can be made accessible. As such, the Council's suggested modification (**MM112**) is necessary.

308. Finally, to clarify those parts of the plan which refer to them, I also agree that the terms 'community service' and 'community facility' should be defined, as the Council has suggested, in the glossary. **MM113** is therefore necessary.

Assessment of Legal Compliance

309. My examination of the compliance of the Plan with the legal requirements is summarised in the paragraphs below. I conclude that the Plan meets them all.

310. The Strategy is identified within the approved Local Development Scheme (LDS) dated April 2015 which sets out an expected adoption date of October 2015. Although the plan's content is compliant with the LDS, some delays in its progress have occurred. I am satisfied that there is no fundamental conflict with the LDS.

311. The Statement of Community Involvement was adopted in 2007, revised in

2013 and again updated in January 2014. Consultation has been compliant with the requirements therein, including the consultation on the post-submission proposed main modification changes. It has also been compliant with the Public Sector Equality Duty, and the Strategy itself complies with that duty.

312. Sustainability Appraisal has been carried out and is adequate. The Habitats Regulations Stage 2 Appropriate Assessment identifies mitigation measures necessary, and concludes that with those measures the plan will not have an adverse effect on European Sites.

313. The Strategy complies with the 2004 Act and the 2012 Regulations (as amended). It also complies with national policy except where indicated above and modifications are recommended.

Overall Conclusion and Recommendation

314. The plan has a number of deficiencies in relation to soundness for the reasons set out above which mean that I recommend non-adoption of it as submitted, in accordance with Section 20(7A) of the 2004 Act. These deficiencies have been explored in the main issues set out above.

315. The Council has requested that I recommend main modifications to make the plan sound and capable of adoption. I conclude that with the recommended main modifications set out in the Appendix the East Riding Local Plan: Strategy Document satisfies the requirements of Section 20(5) of the 2004 Act and meets the criteria for soundness in the National Planning Policy Framework.

Simon Berkeley

Inspector

This report is accompanied by the Appendix containing the Main Modifications