

STROUD DISTRICT COUNCIL

COUNCIL

THURSDAY, 25 APRIL 2024

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| Report Title | M5 Junction 14 - Funding Costing and Design approval for the Draft Local Plan |
| Purpose of Report | <p>This report sets out :</p> <ul style="list-style-type: none">• The background to the pause in the examination of the draft Local Plan• The Inspectors' concerns over M5 Junction 14• The work that needs to be undertaken to progress the draft Local Plan (design and costing)• The funding required to deliver the design and costing as set out in the Joint Action Plan |
| Decision(s) | Council RESOLVES to: Approve budget of up to £100k for M5 Junction 14 Design and Costings to allow the draft Local Plan Examination to continue. |
| Consultation and Feedback | <p>The Local Plan and supporting evidence have been subject to much public consultation at the different stages of production as required by the Plan making regulations. Since 2017, the Council has worked collaboratively with our Consultants AECOM, Gloucestershire County Council, South Gloucestershire Council and National Highways as well as other relevant stakeholders to seek to address several transport issues. The matter has been discussed at the Examination and the Inspectors were concerned on matters relating to M5 Junctions 12 and 14. The Council has provided a commitment to resolve these concerns during a pause in the Examination. Further consultation on the matter will be held in Autumn 2024.</p> |
| Report Author | <p>Tom Ridley, Interim Planning Strategy Manager Email: Tom.Ridley@stroud.gov.uk</p> |
| Options | <p>Option 1 – Address the Inspectors' concerns over M5 Junction 14 by undertaking the work that is required to progress the draft Local Plan. including the funding required to deliver the design and costing as set out in the agreed Joint Action Plan. This is the option promoted in the report. This approach is considered to be the best option for progressing the Local Plan to formal adoption without any further unnecessary delay.</p> <p>Option 2 – Make a decision that differs from the officers' and Inspectors' recommendations. If the Council were to propose a decision that differs from the Inspectors' recommendations and agreed position set out in the Joint Action Plan, in the absence of a robust justification, failing to take the local plan transport work forward would negate the existing funding, work and time invested in the Stroud District Local Plan to reach this advanced stage in the plan making process. The likely consequence is the draft Local Plan would have to be formally withdrawn and the significant planning risks are identified later in this report.</p> |

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| Background Papers | The full evidence base and information on the Examination can be found here: https://www.stroud.gov.uk/environment/planning-and-buildingcontrol/planning-strategy/stroud-district-local-plan-review/local-planexamination/examination-library | | | |
| Appendices | There are no Appendices | | | |
| Implications (further details at the end of the report) | Financial | Legal | Equality | Environmental |
| | Yes | Yes | No | No |

1. Introduction / Background

- 1.1 Local Plans sit at the heart of the national planning system, providing a framework for managing the use of land, to address local housing, employment and other needs whilst conserving and enhancing our local environment. The NPPF (2023) clearly states in paragraph 12 *“The presumption in favour of sustainable development does not change the statutory status of the development plan as the starting point for decision-making. Where a planning application conflicts with an up-to-date development plan (including any neighbourhood plans that form part of the development plan), permission should not usually be granted. Local planning authorities may take decisions that depart from an up-to-date development plan, but only if material considerations in a particular case indicate that the plan should not be followed.”*
- 1.2 Council adopted the current Stroud District Local Plan in November 2015. The Government expects local planning authorities to review plans regularly and to update them in whole or in part at least every five years. The adopted Local Plan is now more than five years old and the housing requirement set out in the Plan is no longer up-to-date.
- 1.3 In order to comply with Government requirements, in September 2017 Environment Committee approved a timetable for the Local Plan Review and approved an Issues and Options paper for public consultation. In October 2018 Environment Committee approved an Emerging Strategy for further public consultation and in October 2019 Environment Committee approved a draft Local Plan for further public consultation. A final Additional Housing Options document was approved by Environment Committee in October 2020 for public consultation.
- 1.4 The Local Plan Review has included four stages of public consultation to engage local communities and stakeholders from the start of the plan making process. The first three stages of public consultation included public exhibitions around the District, meetings with town and parish councils, key stakeholders and hard to reach groups. The Additional Housing Options public consultation was undertaken online due to Covid-19 pandemic restrictions. Reports from each of these initial consultation stages outlining the public consultation activities carried out, comments received and the Council’s response are set out in the Examination Library (CD4a – CD4e).
- 1.5 The next stages required the Council to comply with Regulation 19 and 20 of the Town and Country Planning Regulations 2012 (As Amended). Regulation 19 is the last stage of public engagement before submitting the draft plan to the Secretary of State who appoints Planning Inspectors to investigate the legal compliance, soundness and robustness of the Local Plan through Examination. This is a formal process set by Government regulations. On 20th April 2021 Environment Committee resolved to recommend to Council the formal submission of the draft Local Plan:

“The draft Local Plan is approved for publication in accordance with Regulations 19 and 20 of the Town and Country Planning (Local Planning) (England) Regulations 2012 and subsequently to be submitted to the Secretary of State in accordance with Regulation 22 of the Town and Country Planning (Local Planning) (England) Regulations 2012.”

This was followed on the 29th April 2021 with the Council resolution to:

“Approve the draft Local Plan for publication in accordance with Regulations 19 and 20 of the Town and Country Planning (Local Planning) (England) Regulations 2012 and subsequently submit to the Secretary of State in accordance with Regulation 22 of the Town and Country Planning (Local Planning) (England) Regulations 2012.”

- 1.6 Following the required 8 weeks formal consultation period in accordance with Regulation 19, the draft Local Plan, public consultation responses and supporting evidence base required by Regulation 22 (Regulation 22 sets out which statutory documents must be submitted as part of the submission) were submitted for examination to the Secretary of State in October 2021. Two Inspectors were appointed to examine the Plan. Hearing sessions commenced in March 2023 and were paused in June 2023 to allow a summer break. The majority of the hearing sessions have already been held and have covered all site allocations and most of the policies set out in the draft Local Plan.
- 1.7 During the summer break, the Inspectors wrote to the Council on 4th August 2023 setting out concerns with three areas of soundness. The first issue was regarding the Strategic Road Network (SRN), specifically the capacity of M5 Junctions 12 and 14. The second issue raised specific issues with Strategic Site Allocation PS37 Wisloe new settlement in relation to the provision of the pedestrian and cycle bridge over the motorway on grounds of viability and deliverability. The final issue identified was with Strategic Site Allocation PS36 Sharpness new settlement regarding the provision of a passenger train service and bespoke Mobility as a Service transport scheme (MaaS) and concerns relating to the viability and deliverability of these schemes.
- 1.8 It is very important to note that this report considers only the concerns over M5 Junction 14. National Highways view that the existing junction arrangement at M5 J14 is operating at capacity and an improvement is required to accommodate growth in the area. This report does not address any other issues raised by the Inspectors. Those issues and how they are being dealt with are set out separately in the Joint Action Plan which is available in the Examination Library here: <https://www.stroud.gov.uk/media/2237308/sdip-joint-action-plan.pdf>
- 1.9 Since that initial letter, the Council has been closely working with Gloucestershire County Council, South Gloucestershire Council and National Highways to address the concerns raised with M5 Junction 14. Through joint working the Council, Gloucestershire County Council, South Gloucestershire Council and National Highways agreed the Joint Action Plan which sets out how all parties will work together, and the tasks required to address the Inspectors concerns over M5 Junction 14. The Joint Action Plan was submitted jointly on behalf of all parties to the Inspectors on 29 November 2023.
- 1.10 On 5 February 2024, the Inspectors wrote to the Council confirming:
- 1.11 *Since August last year we have been considering the request from Stroud District Council (SDC) to grant a pause in the Local Plan Examination. The purpose of this request is to allow SDC to undertake further work to address the concerns that we set out in our letter dated 4 August 2023 (id-010) specifically relating to the strategic highway network. Since then, we have exchanged several letters with SDC requesting and receiving clarification on the work to be carried out. We have also considered the responses from Highways*

England, Gloucestershire County Council and South Gloucestershire District Council on this matter.

In light of the information now received, we can confirm that we agree to pause the Examination for the works to be undertaken. As requested in SDC's most recent letter the pause will be for a duration of ten months. This comprises seven months to complete the work set out in the Joint Action Plan, as dated November 2023, and three months to undertake a period of public consultation. The pause shall begin on the date of this letter. The Examination shall therefore resume on 5 December 2024.

The full letter is available in the Examination Library ID-015 <https://www.stroud.gov.uk/media/2345077/id-015-stroud-dlp-letter-from-inspectors-05-february-2024.pdf>

- 1.12 The Council and the other parties must now undertake the tasks and roles as set out in the Joint Action Plan in line with the timetable set out and approved by the Inspectors. This will allow the Examination to resume in December 2024.

2. Main Points

- 2.1 During the Examination in Public of the draft Local Plan, National Highways shared its view that the existing junction arrangement at M5 Junction 14 is currently operating at capacity at peak times. Therefore, an improvement is required to accommodate future identified growth in the area. The draft Local Plan acknowledges that improvements are required at M5 Junction 14 for some of the proposed allocated sites in order to be deliverable. The Inspectors have asked for these concerns to be addressed and the Joint Action Plan has been produced by the Council, Gloucestershire County Council, South Gloucestershire Council and National Highways jointly setting out the tasks and work to address these concerns. The Joint Action Plan covering M5 Junction 14 is available here: <https://www.stroud.gov.uk/media/2237308/sdip-joint-action-plan.pdf>
- 2.2 M5 Junction 14 is not located within the Stroud District and is not under the control of the Council. Instead, South Gloucestershire Council is the Local Highway Authority and the Local Planning Authority for South Gloucestershire where M5 Junction 14 is located. South Gloucestershire Council does not currently have an interest in acting as the lead on Costings and Design of a scheme at M5 Junction 14 as their draft Local Plan is at an early stage of production with housing numbers and locations of development yet to be fixed within an agreed strategy and policy framework. The outcomes of their Regulation 18 Consultation are not yet in the public domain and their reliance on M5 Junction 14 may change with future iterations of their draft Local Plan.
- 2.3 Another material consideration is the recent and rapid development of the 'Severn Edge' proposals. Western Gateway have been championing the Oldbury and Berkeley sites collectively as 'Severn Edge' low carbon energy hub since the unsuccessful bid to host the country's first prototype commercial fusion reactor. Two important developments have occurred recently.
- 2.4 Firstly, the Oldbury site has been purchased by the Government ('Great British Nuclear') from Hitachi, as a potential nuclear site. There is also a Government sponsored process to bring forward Small Modular Reactors which a number of major industry players are engaged in, including Rolls Royce.
- 2.5 Secondly the Berkeley campus, with exception of the college itself, has been sold by SGS College to Chiltern Vital Group which has a focus on low carbon energy and an ambition

to link with the wider Severn Edge proposition. Chilton Vital Group is the leader of a consortium which includes Rolls Royce and University of Bristol.

- 2.6 The above developments are being viewed by Western Gateway and partners as a major opportunity to promote Severn Edge and accelerate the delivery of a nationally significant low carbon energy hub. The prospect of a Nationally Significant Infrastructure Project in close vicinity to M5 Junction 14 is also being considered by National Highways who have confirmed that potential future uses, impacts and any required mitigation impacting M5 Junction 14 should be considered by both Stroud and South Gloucestershire's draft Local Plans. This work though will have a lead-in time. Nevertheless, as a material consideration, it should be an option explored as part of the Costing and Design works proposed to be undertaken in the Joint Action Plan.
- 2.7 As South Gloucestershire Council and National Highways are not currently in a position to lead on the required works, the Council must now take a proactive lead on the initial Costings and Design work in order to progress our own Local Plan to a successful conclusion. The work on the Costings and Design will be starting with existing work previously undertaken by South Gloucestershire Council and National Highways which will make the process quicker and more cost effective. Without this, the Council will not be able to progress with the draft Local Plan Examination and face a potential recommendation to withdraw the draft Local Plan from the Planning Inspectors. The risks associated with this are outlined in section 2.8 below.

2.8 Risks

- 2.8.1 There are several risks associated with the Council not undertaking the Costing and Design works as set out in the Joint Action Plan. The first risk would be that the Council would not be able to demonstrate it had undertaken the tasks set out as agreed with the Inspectors in the Joint Action Plan. In this scenario it is possible the Inspectors would be unable to restart the Examination on 5 December 2024 and would instead recommend withdrawal of the draft Local Plan.
- 2.8.2 If the Council had to withdraw the draft Local Plan, it would be required to take stock and then start a new Local Plan as the requirement to have an up-to-date adopted plan would still be in place. The Government is currently reviewing and updating how Local Plans are to be prepared and any new plan would fall under the new regulations and guidance. This would result in a significant delay before any new Local Plan could be prepared, taken through Examination, and adopted. This would result in the significant costs of starting a new Local Plan as all the work and evidence base undertaken for the current draft Local Plan would need to be started again or refreshed.
- 2.8.3 Any new Local Plan would still face the same potential issues and constraints caused by impacts on M5 Junction 14 and the same works as proposed in the Joint Action Plan would still be required by National Highways for any future Examinations.
- 2.8.4 During the period of preparing a new Local Plan, the Council would be at significant risk of being unable to demonstrate the required five year housing land supply. This would result in the Council, and the communities it serves, having less control over where new development is located in the District with decision making in accordance with NPPF policies for sustainable development rather than based on the high environmental standards and locally set policies that are in the draft Local Plan. This would also likely bring high costs regarding planning appeals due to the Council fighting inappropriate developments. As the Council is currently still at Examination, it currently benefits from only having to demonstrate a four year deliverable housing land supply. While the Council can currently demonstrate a healthy supply against the four-year requirement, upon withdrawal

of the draft Local Plan the Council may be faced with the immediate loss of supply against the higher five year housing land supply requirement.

2.8.5 Finally, it is likely that not advancing with the Joint Action Plan Costing and Design work for M5 Junction 14 would delay or make the Severn Edge developments undeliverable. This could potentially have large impacts on a Nationally Significant Infrastructure Project and potential economic development and investment in the District.

3. Conclusion

- 3.1 The draft Local Plan Examination is currently in a ten month pause to undertake several tasks as set out in the Joint Action Plan as agreed with Gloucestershire County Council, South Gloucestershire Council and National Highways. This approach has been agreed with the Inspectors and is required before the Examination can resume in December 2024.
- 3.2 As the Council is at a more advanced stage with its draft Local Plan than South Gloucestershire Council, there is a need for one of the authorities to oversee the Costings and Design work as required to advance the Examination. The Council has always expressed that it would be willing to lead on the M5 Junction 14 Costings and Design work only if required to advance the draft Local Plan Examination and if funding was approved by Members.
- 3.3 As South Gloucestershire Council is not currently in a position to lead on the required works and National Highways do not have the resources, the Council must now lead on the Design and Costings or be in a position of not being able to progress with the draft Local Plan Examination and face the risks set out in this report.
- 3.4 While the Costing and Design work that needs to be undertaken has been agreed by all parties and accepted by the Inspectors, there is a cost of £100k required to undertake the works. The funding for this work is not included in the base budget for 2024/25 as at this stage budget was required for M5 Junction 12 only. In order to fund the work on M5 Junction 14 a transfer of £100k would be made from the Council's General Fund Equalisation Reserve into the Local Plan Reserve. This could then be released for spending on M5 Junction 14 as required. Any sums not required would be returned to the Equalisation Reserve at the end of the 2024/25 year. The Council would look to recover proportional costs from South Gloucestershire Council if the costings and design works are incorporated into South Gloucestershire's next draft Local Plan.
- 3.5 The draft Local Plan has taken a lot of resources and financial cost to prepare. Without the Council taking a proactive lead and funding the initial costs for the Costing and Design work, there is a danger all this work will be abortive. By approving the funding to undertake the work, the draft Local Plan Examination will continue, allowing the Council control of where development will be located in the District and delivering its high environmental policies. This report therefore recommends that Members approve the £100k to be paid from the Council's General Fund Equalisation Reserve. This will enable the Council to progress with the Examination in Public and avoid the risks and consequences of not progressing the Local Plan. Without having an adopted Local Plan in place the Council could face planning by appeal with associated cost implications and lose its ability to determine its future growth strategy.

4. Implications

4.1 Financial Implications

Financial implications are primarily set out in paragraph 3.4.

If Council agrees the requested budget, a transfer of £100k will be made from the Equalisation Reserve into the Local Plan Reserve and then used to fund payments against the budget. This will reduce the anticipated balance on the equalisation reserve by £100k (this was anticipated to be £6.776 Million at the end of 2024/25 in the most recent Medium Term Financial Plan).

Andrew Cummings Tel: 01453 754115 Email: Andrew.cummings@stroud.gov.uk

4.2 Legal Implications

The Report has set out the background to and the statutory requirements of the local plan making process.

The statutory framework for town and country planning development control in England is plan led. Decisions must be made in accordance with the Development Plan unless material considerations indicate otherwise.

District local planning authorities are required to produce a local plan and keep it under review and up to date. The Council has been adhering to this process and as set out in the Report the Stroud draft local plan is now at the examination stage. The Government has expressed a clear desire to see local plan examinations completed and the Secretary of State has exercised intervention powers elsewhere to ensure this happens.

As a result of the draft local plan being at the examination stage it is now under the control of the Inspectors appointed by the Secretary of State. Currently the Council and its partners are seeking to comply with the directions of the Inspectors in respect of the examination process following concerns expressed (inter alia) regarding the capacity of M5 Junction 14. The Report highlights a need for funding of further work to comply with those directions in respect of Junction 14 and to ensure that the local plan examination can restart in December 2024.

The risks and consequences to the Council of not progressing the local plan are set out in the body of the report (see Paragraphs 2.8 and 3.5).

Section 137 of the Local Government Act 1972 authorises a local council to spend money for the direct benefit of its area, or part of its area, or all or some of its inhabitants.

Part 1 of the Localism Act 2011 further provides for local authorities to have a general power of competence. Section 1 of the Act gives district councils England a power to do anything that generally individuals can do. The power can be exercised in any way whatever, including:

- (a) anywhere in the UK or elsewhere;
- (b) for a commercial purpose or otherwise for a charge, or without charge: and
- (c) for, or otherwise than for, the benefit of the authority, its area or persons resident or present in its area.

The generality of the power is not limited by the existence of any other power of the authority which (to any extent) overlaps the general power.

Subject to the above limitations, expenditure of money outside of the administrative area of the District is permissible.

Martin Evans (One Legal – Locum Planning lawyer)
Tel: 01684 272227 Email: legalservices@onelegal.org.uk

4.3 Equality Implications

An EIA is not required because an EIA was undertaken as part of the draft Local Plan preparation.

4.4 Environmental Implications

There are no significant implications within this category as the Draft Local Plan has been subject to Sustainability Appraisal (SA) during its preparation which has included assessing the contents against the objective of encouraging social inclusion, equity, the promotion of equality and a respect for diversity. The Draft Local Plan has taken account of any SA recommendations during its production.