

## **Stroud District Local Plan Review Examination**

**Inspectors:** Victoria Lucas LLB MCD MRTPI and  
Yvonne Wright BSc (Hons) DipTP MSc DMS MRTPI

**Programme Officer:** Charlotte Glancy

Email: [bankssolutionsuk@gmail.com](mailto:bankssolutionsuk@gmail.com)

Tel: 01903 776601 Mobile: 07519 628064

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Ms Kathy O'Leary

Chief Executive  
Stroud District Council

Sent by email

09 April 2025

Dear Ms O'Leary

### **Stroud District Local Plan Review Examination**

1. Thank you for your letter dated 3 March 2025. We have carefully considered its contents and are now writing to provide our response.
2. In the letter you say that funding for the M5 junction improvement schemes cannot be secured in advance of the adoption of the Plan (page 1). To be clear, at no point have we requested or suggested that the necessary funding be immediately available for Stroud District Council (SDC) to spend, or even be definitively confirmed, in advance of the adoption of the Plan. Essentially, this issue is (and always has been) about whether there is a reasonable prospect of funding being identified and available to ensure that the necessary infrastructure will be in the right place at the right time to facilitate the delivery of the relevant housing sites.
3. The identification of the sources of funding becomes crucial when considering when these improvement schemes will be required. You acknowledge in your letter that "it is unchallenged that both schemes are required early in the Plan period.... On J14 ..the trigger point has already been reached." (page 4). We agree with this statement and, as we have previously stated, both schemes will be required in the early Plan period to deliver the housing sites reliant on these infrastructure improvements.

4. In summary, the site allocations reliant on these M5 junction improvement schemes require these junctions to be delivered within the first 5 years of the Plan period. These schemes will cost between £240m and £330m. Despite this, no external sources of funding have been identified in relation to either scheme other than the stated intention to approach central Government in order to lobby for some funding. Clearly considering whether there is a reasonable prospect of this funding being identified within the timescales envisaged is a matter of planning judgement.
5. However, due to the lack of significant sources of external funding having been identified at this stage in the Examination, we are unable to conclude that there is currently a reasonable prospect that they will be. This is because, as previously stated, applying for significant amounts of external funding takes time. At this stage potential sources of funding have yet to be identified. We acknowledge that plans should be aspirational and that plan allocations can themselves assist in securing funding for infrastructure. However, that would not justify as being sound, a Plan which includes major housing allocations reliant on significant and costly infrastructure for which there is currently no evidence that there is a reasonable prospect of them being funded at the appropriate time.
6. In terms of alternatives, we have considered this issue in our previous letters. The question of what level of housing could be delivered without triggering impacts on J12 and J14 was first raised during the focused session held on 7 March 2023. Since that date we have made several requests to SDC to provide us with further evidence to support the list of housing sites provided by them, including any relevant modelling and technical work. We have also been clear that this further work should be assessed by and agreed with National Highways (NH). Without NH's agreement that this list of housing sites can be delivered without severely impacting on J12 and J14 then we are essentially no further forward in resolving this issue than when we first raised it in March 2023.
7. In reaching a view on this issue, we have had regard to the Statement of Common Ground (SoCG) between SDC and NH dated December 2024. Under matters that are not agreed, NH refer to the need for traffic modelling to support the housing delivery assumptions in document EB134 Appendix 1. We specifically clarified with NH whether this statement also applied to EB135. NH confirmed to us via email that it did (29 January 2025). This information is available on the Examination website.
8. We can only rely on the information before us at the time that we write a letter. If the situation has subsequently evolved, then it is the responsibility of the parties to make Inspectors aware of this.

However, we have yet to receive information that updates or changes NH's position on this matter.

9. As such, the concerns that we highlighted in our 7 February letter remain valid. Specifically, that there is a need for further modelling to support the housing delivery assumptions in both EB134 and EB135. As this document sets out which housing sites, in the opinion of SDC, are capable of being delivered without severely impacting on J14 and J12, it is important that all information supporting those delivery assumptions is shared fully with NH so that this can be verified. We note that you have stated that information has since been provided by SDC to NH. However, we have not been clearly advised of NH's position on this evidence.
10. Notwithstanding this, we have carefully considered whether it would be appropriate to continue with the Examination even if agreement was reached between SDC and NH on the housing sites which could be delivered without severe traffic impacts occurring at J12 and J14. Under this scenario the Plan may provide the reasonable prospect of somewhere between 63 and 71% of the submitted Plan's housing requirement of 12,600 being delivered.
11. Significant delays to the Examination process have already occurred including several months between January and April 2022 whilst we waited for SDC to produce a summary of all duly made representations (despite this having been requested following the advisory visit by the Inspector). SDC also submitted significant additional evidence to us in May 2022 and it was necessary to undertake consultation on this. This was completed and the responses and summaries were submitted to us in December 2022. In light of these delays, hearings eventually commenced in March 2023. The last hearing session to be held was on 23 June 2023. Following this we wrote to SDC on 4 August 2023 setting out our concerns particularly relating to the impact on J12 and J14 and the proposed new settlements. In that letter we advised that we considered withdrawal of the Plan to be the most appropriate way forwards.
12. Following the 10 months pause in the Examination that we agreed to (in our letter of 5 February 2024), there are still outstanding hearing sessions that need to be conducted. It is also likely that a further hearing session will need to be scheduled to allow participants to discuss the further work undertaken during the 2024 pause. There would then need to be SA/HRA and consultation on proposed modifications to the Plan. Following this, we would need to write our report, including any main modifications. At best, it is likely this would take a minimum of 6 months to complete. We would therefore in reality be looking at the adoption of a Plan at the earliest towards the end of 2025, over 4 years after it was originally submitted for Examination.

13. As previously stated, the Plan was submitted by SDC to PINs for Examination on 25 October 2021 and is being examined under the provisions of the NPPF (2021) that were in place at that time and the transitional arrangements set out in revisions to the NPPF since then. Fundamental to our assessment of the Plan's soundness is the extent to which it would meet the housing need figure of 12,600 homes (as assessed in line with the NPPF 2021 and the subsequent transitional arrangements). Whilst there might be benefit in further prolonging the Plan Examination, which has already been under way for more 3 years, if that were likely to result in the adoption of a Plan which would meet the identified housing need, that is clearly not the situation in which we are in. At best it appears that the Plan would be able to provide for 71% of the identified housing needs.
14. Aside from its transitional arrangements referred to above, we have had regard to the December 2024 NPPF only to the extent of considering whether its guidance on the calculation of housing needs (ie the revised standard method) might justify prolonging the Examination: for example, if the current assessment of housing need for Stroud were to be significantly lower than 12,600 dwellings for the Plan period and, thus, the Plan's reduced delivery of housing would meet most or all of the current assessment of housing need. However, this situation does not apply here as the revised standard method actually results in an increase in housing needs for the district. Having taken all these issues into account, including the further work that still needs to be undertaken before this Examination could be concluded, we believe that it would be in the best interests of Stroud District to focus efforts moving forwards on producing a more up-to-date Plan that would be capable of being found sound.
15. Turning to matters of detail, your letter highlights two issues regarding alleged inaccuracies. Paragraph 3.31 of document EB133a (along with the appended cost plan) does include an allowance of £500,000 to cover land acquisition costs. However, the same paragraph also states that "At this stage, the amount of land which would need to be purchased is unknown and the value of that land cannot be known until the scheme is finalised and the land negotiations are progressed". The concerns we expressed were merely seeking to highlight that the land acquisition costs are unknown and therefore uncertain.
16. We also stated that costs could be higher than anticipated in our February letter. In doing so we were merely seeking to highlight that estimating costs for large scale infrastructure schemes can be uncertain due to the variable factors involved and that NH had stated that the costs outlined for the J14 improvement scheme were at the lower end of what they might expect for a scheme of this nature. Even if we were to accept that the costs for the schemes are likely to reflect the lower end of the scale, there is still no evidence before us as to

how between £240m and £330m would be available in time to ensure that the junction improvement schemes are delivered during the early part of the plan period. Whilst s106 or CIL funds may well be capable of providing approximately 15% of the overall total needed, it is a matter of agreement that the J12 and J14 schemes cannot be delivered without significant sources of external funding.

17. For the reasons outlined in this letter, and our 7 February 2025 letter, we remain strongly of the belief that given the length of time that has already elapsed in this Examination (over three years since submission of the Plan), it would not be in the best interests of delivering the homes required in Stroud district by agreeing to further prolong the Examination.
18. Whilst we have very carefully considered the contents of your letter and have reviewed our previous conclusions in the light of them, unfortunately, for the reasons detailed above, we still consider that withdrawal of the Stroud District Local Plan Review from Examination is the most appropriate way forward.

Yours sincerely

*Victoria Lucas and Yvonne Wright*

Inspectors appointed to examine the Stroud District Local Plan Review