

**COVENTRY AND WARWICKSHIRE and SOUTH EAST LEICESTERSHIRE****ECONOMIC PROSPERITY BOARD****21<sup>st</sup> November 2014****Process for Addressing the HMA's Full Housing Requirement****1 Purpose**

- 1.1 This paper builds on the paper discussed at the EPB on 10th October. It seeks agreement for a clear, shared process and timeline to identify and address the HMA's additional housing requirement.

**2 Background**

- 2.1 At its meeting on 10<sup>th</sup> October, the Economic Prosperity Board agreed the following recommendations:

1. *Agree that all Councils proceed to adopt their Core Strategies and Local Plans without any further delay;*
2. *Agree that the OAN for the whole of the HMA is as set out in the new (2014) JSHMA document at 4,004 homes per annum;*
3. *Agree that, given the current starting point for the distribution of housing across the HMA is as set out in the table below, the process and timetable set out in Appendix Three is followed to agree a revised distribution :*

	<b><i>Proposed Distribution of Housing No's</i></b>
<b><i>Coventry</i></b>	<i>1,180</i>
<b><i>North Warwickshire</i></b>	<i>175</i>
<b><i>Nuneaton &amp; Bedworth</i></b>	<i>495</i>
<b><i>Rugby</i></b>	<i>660</i>
<b><i>Stratford-on-Avon</i></b>	<i>540</i>
<b><i>Warwick</i></b>	<i>720</i>
<b><i>Shortfall</i></b>	<i>234</i>
<b><i>TOTAL (HMA)</i></b>	<i>4,004</i>

4. *Agree to carry out a review in the form of a Joint Core Strategy for the whole of the sub region starting no later than 2017 to be complete by 2020 relating to a period to 2041 (but recognising the need to start earlier if required to meet other housing needs from outside the HMA).*

5. *Request that officers bring forward a further report detailing timetable; the governance; officer/other resource and other details necessary to support a Joint Core Strategy for the sub region.*
  6. *That recommendation 5 also considers how Hinckley and Bosworth's Development Plan would be linked with and/or incorporated.*
- 2.2 This paper seeks to provide further detail regarding recommendation 3 (particularly in relation to addressing the HMA's additional housing requirement (originally set out in previous papers as *the "shortfall"*) to ensure 4004 dwellings per annum is achieved) and provides a process and timetable to address recommendation 4 at the same time as recognising that not all the members of the EPB supported the proposal to work towards a Joint Core Strategy for the sub region.
- 2.3 The process and timeline set out in this report have therefore been prepared in such a way as to leave the option of preparing a Joint Core Strategy open, without committing to an actual Joint Core Strategy. However, even without a commitment to a Joint Core Strategy, the process is still considered to be an appropriate and effective means to address delivery of the HMA's housing requirement in full even if this is through co-ordinated reviews of individual Local Plans.
- 3 Why do we need to address an additional housing requirement?**
- 3.1 The 2013 Joint Strategic Housing Market Assessment (JSHMA) identified a housing need within the HMA in the range of 3750 to 3800 dwellings per annum and this figure was supported by the Joint Committee in March 2014 along with a proposed distribution of this between the six authorities (see table 1 below). This figure was reviewed in 2014 following the publication of the updated ONS Sub National Population Projections. This review indicated the HMA's housing need is 4004 dwellings per annum (see table 1 below) which has now been agreed as the HMA's Objectively Assessed Need.

Table 1

	Previous JSHMA conclusion (2013)	New JSHMA Annex Conclusion (2014)
Coventry	1,180	1,811
North Warwickshire	165 - 175	204
Nuneaton & Bedworth	495	422
Rugby	660	453
Stratford-on-Avon	540 - 570	508
Warwick	720	606
<b>TOTAL (HMA)</b>	<b>3,750 - 3,800</b>	<b>4,004</b>

- 3.2 The higher Objectively Assessed Need agreed by the Economic Prosperity Board in October means there is an additional housing requirement of around 234 dwellings per annum (or 4680 over a 20 year period) that still needs to be addressed. However the exact scale of the additional requirement cannot be finalised until the capacity of each District is fully understood and this is dependent on Strategic Housing Land Availability Assessments (eg in Coventry and Rugby) and the Joint Green Belt Study.
- 3.3 This makes it premature and potentially unsustainable to address the additional requirement now by agreeing a final distribution between districts or by identifying the most appropriate sites. The distribution set out in recommendation 3 of the October EPB report has been agreed as a “starting point”. It is now suggested that the meaning of this is clarified to provide certainty for those authorities with impending local plan examination processes and to enable all authorities to provide a clear and consistent approach in dealing with appeals. It is therefore proposed that each authority commits to the distribution set out in recommendation 3 of the October EPB report (which is consistent with the distribution agreed in March 2014) but that it is recognised that this is subject to change if the proposed capacity work (set out in 4.1(b) below and step 7 of the table below) demonstrates that the level of housing proposed cannot sustainably be achieved within the administrative boundaries of any particular authority. In this case, the balance of the housing number will be added to the additional housing requirement and addressed as set out in the remainder of the process/timeline. In this context the additional requirement of around 234 dwellings per annum (or 4680 over a 20 year period) should be seen as the minimum.
- 3.4 Given that two authorities in the HMA will be subject to Examination in Public over the next 6 months and all will face planning appeals, it is vital that we develop and clearly commit to a shared process and timetable for addressing the additional housing requirement.
- 3.5 So, it is in the interests of all six local planning authorities to address this issue as soon as possible. However given the uncertainties about capacity and the most appropriate distribution, this means that at this stage we need to commit to a shared process and timeline. This must not simply be an agreement to address this in the future but must involve a clear commitment from all six authorities to a process that can demonstrably deal with the additional housing requirement and a commitment to deliver this process in accordance with a timeline. To achieve this commitment, it will be necessary for the process and timeline to not only be supported by the EPB but also for each of the six authorities to formally sign off the agreement.
- 3.6 A further connected issue is that we need a shared justification for the proposed distribution of the HMA’s housing requirement. This is particularly important to enable Coventry City Council to progress their local plan and will also ensure that the distribution is robustly defended at EIPs and appeals. To do this, it is proposed that estimated housing need set out in the JSHMA Annex “Part Return to Trend” figure (see appendix 1) is used as the initial consideration, as this forms the basis for the HMA’s objectively assessed need of 4004 dwellings per annum. However, it is recognised that the distribution of the OAN set out in that scenario is unrealistic as it indicates a need in excess of 36,000 dwellings for Coventry. In supporting the distribution set out in recommendation x below, the six Councils are recognising that the indicative distribution of the need in the JSHMA Annex cannot be met in reality and are accepting an initial redistribution to the Warwickshire authorities. This

redistribution enables the HMA to take a very significant step forward in achieving the OAN, subject to the further capacity work described below.

#### 4 Process and Timeline to Identify and Address the Housing Shortfall

4.1 There are 5 key elements to the process set out in the timeline shown in Table 2 below:

- a) **Joint Monitoring:** establish an effective joint Monitoring Group to ensure consistent development monitoring processes
- b) **Assessment of Housing Land Capacity:** agree a joint methodology for undertaking SHLAAs and applying this to build a shared picture of the HMA housing land capacity and the distribution of this. This will also enable the exact scale of the shortfall to be established
- c) **Identify and agree broad spatial options:** Combine a capacity-led approach based on SHLAA information with other key factors like the SEP employment growth proposals, transport corridors, commuting patterns and migration patterns to establish and appraise broad spatial options for meeting the shortfall
- d) **Review of evidence:** assess and agree the impact of the Joint GB study, updated population projections, updated monitoring data (housing and employment); housing need arising outside the HMA etc)
- e) **Coordinated Review Process:** undertake a review process to ensure the HMA's housing requirement continues to be delivered.

Table 2

	Date	Task	Purpose
1	November to December 2014	Set up a joint <b>Monitoring Group</b> to establish consistent development monitoring processes (as a minimum this should cover housing and employment)	To enable the HMA's 5 year land supply position to be established To ensure consistent and comprehensive data is available regarding housing and employment delivery and supply
2	November to December 2014	Compare <b>SHLAA methodologies</b> and agree a shared methodology to be used for all SHLAA's undertaken within the HMA (SHLAA Workshop)	To ensure consistency between authorities and to enable reliable site comparisons to be made To enable the HMA's housing land capacity to be established and to understand the distribution of this capacity
3	December 2014 to January 2015	Each Local Authority to <b>formally commit</b> to the process and timetable	To ensure shared confidence that the process will be delivered To demonstrate to Inspector's that the shortfall will be addressed effectively
4	December 2014 to May 2015	First Local Plan examination window	Relevant to Stratford-on-Avon and Warwick, with DTC input from other 4 LPA's.
5	February	Completion of <b>Joint Green Belt Study</b> (stage	To inform housing land capacity work

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	2015	1)	To enable reliable site comparisons to be made
6	January to April 2015	Rugby, Coventry <b>undertake SHLAA reviews</b> in line with agreed methodology	To complete the HMA's SHLAA coverage To enable a comprehensive understanding of the HMA housing land capacity to be established
7	May to June 2015	Assess the HMA's <b>housing land capacity</b> and the distribution of this and undertake <b>sustainability appraisal</b> of broad spatial options	To inform the broad spatial options To understand the exact size of the shortfall To provide technical evidence to justify recommendations to the EPB
8	July 2015	Present appraisal of <b>broad spatial options</b> to EPB	To establish broad spatial options to inform the coordinated review process
9	June to December 2015 (indicative timescale)	Stage 2 of <b>Joint Green Belt Review</b> developed.	To ensure green belt constraints can be applied to the assessment of capacity in a consistent way
10	Autumn 2015	Report to EPB recommending <b>preferred broad spatial approach</b> for addressing the shortfall (this won't be specific but will be distribution principles)	To provide the spatial strategy for a coordinated review process (this will not identify sites)
11	October - 2015 to September 2016	Second Local Plan examination window	Relevant to Coventry, Rugby and Nuneaton and Bedworth, with DTC input from other 3 LPA's.
12	2015-2016	Research pros and cons of "coordinated review" options drawing on experience from elsewhere	To inform decisions on governance arrangements, resources, scope etc
13	2016	Remaining Local Plans adopted	Likely to include Coventry, Nuneaton and Bedworth and Rugby.
14	2016	Draw together <b>other evidence</b> e.g: <ul style="list-style-type: none"> <li>• Impact of the current SEP</li> <li>• Proposals in revised SEP</li> <li>• Housing need arising outside the HMA</li> <li>• 2014 sub-national population projections</li> <li>• Any further SHLAA updates</li> <li>• Infrastructure requirements</li> </ul>	To inform the coordinated review process (or Joint Core Strategy)
15	2016	Agree/establish approach and governance for <b>coordinated review process</b> . This may take the form of a Joint Core Strategy or may involve a review of some or all adopted local plans (depending on the outcomes of the work on the broad spatial strategy)	To ensure coordinated review process (or Joint Core Strategy) is undertaken robustly and that it delivers the HMA's housing requirement
16	2016	Undertake preparatory work in advance of commencement of formal coordinated	Enables the coordinated review (or Joint Core Strategy) to be commenced

		<p>review process including:</p> <ul style="list-style-type: none"> <li>• Agreeing the purpose and scope of coordinated reviews (or Joint Core Strategy)</li> <li>• Undertaking an evidence review and research to address any evidence gaps</li> </ul>	promptly and completed as quickly as possible
17	2017 to 2019	Undertake <b>coordinated review(s) or Joint Core Strategy</b>	To ensure HMA's housing and employment requirements are delivered and are supported by necessary strategic infrastructure

## 5 Recommendations

5.1 The EPB is recommended to:

5.2 **Recommendation 1:** Reaffirm 4004 dwellings per annum as the OAN for the Coventry and Warwickshire HMA.

5.3 **Recommendation 2:** In recognition that Coventry City will not be able to accommodate the housing levels indicated in the Joint SHMA Annex (Table 1 above), it agrees the distribution **endorsed by the Board on 10<sup>th</sup> October 2014**, to accommodate some of the City's housing need, subject to a robust capacity study being undertaken.

5.4 **Recommendation 3:** Where, via such a study, any of the Warwickshire Districts can demonstrate that its capacity cannot meet the figure **endorsed by the Board on 10<sup>th</sup> October 2014**, the further shortfall will be added to sub regional additional housing need element.

5.5 **Recommendation 4:** agree the process and timeline set out in the Table 2 above to ensure delivery of the HMA's full housing need and that the process is commenced prior to the end of November 2014 as set out in the timeline.

5.6 **Recommendation 5:** agree that each of the six Local Planning Authorities within the HMA seek to formally sign off the recommendations of this report by February 2015.