Stratford-on-Avon District Council
Core Strategy Examination

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Sent by email only

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Dear Mr Nash

EXAMINATION OF THE STRATFORD-ON-AVON CORE STRATEGY
INSPECTOR'S INTERIM CONCLUSIONS

As I indicated at the end of the recent Hearing sessions, I am writing to give you my interim conclusions on a range of key topics in the examination: (i) the objective assessment of housing need; (ii) the assessment of the duty to co-operate; (iii) the adequacy of the sustainability appraisal; (iv) other aspects of legal compliance; (v) employment; and, (vi) housing strategy and housing supply.

My interim conclusions on these topics are set out in the attached paper. In reaching them I have given full consideration to all the relevant written representations made to date, as well as the discussions at the relevant Hearing sessions. My interim conclusions are given without prejudice to the conclusions that I reach at the end of the examination. The Executive Summary brings together the key areas on which further work by the Council is required.

I am not inviting responses from the Council or any other party on my interim conclusions. They are provided for the purpose of identifying those matters on which I consider further work is needed although, in response to requests made at the Hearing and to provide a degree of certainty in terms of investment decisions, I have taken a fairly comprehensive approach to the employment topic. However, I would ask the Council to let me know as soon as a possible, via the Programme Officer, if there are any points of fact or clarification you wish me to address.

When you have had time to consider the enclosed paper, I would appreciate it if you would let me have an estimate of the time that is likely to be required to complete the further work recommended. That will help me in planning the arrangements for, and timing of, the remainder of the examination.

I will continue to examine other topic areas that were discussed at the Hearing and it is possible that as a result of this I will write to you again, although at this stage I do not anticipate that this will have implications for you in terms of further work.

Yours sincerely

Pete Drew

Inspector

EXAMINATION OF THE STRATFORD-ON-AVON CORE STRATEGY
INSPECTOR'S INTERIM CONCLUSIONS

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Abbreviations Used in this Report

AML	Aston Martin Lagonda
CS	Stratford-on-Avon Core Strategy, Proposed Submission Version, June 2014
GBS	Greater Birmingham and Solihull
CW	Coventry & Warwickshire
DtC	Duty to Co-operate
dpa	dwellings per annum
EPB	Economic Prosperity Board
ELS	Employment Land Study
GLH	Gaydon Lighthorne Heath
HMA	Housing Market Area
JLR	Jaguar Land Rover
LVIA	Landscape and Visual Impact Assessment
LEP	Local Economic Partnership
LPA	Local Planning Authority
OAN	Objective Assessment of Housing Need
ONS	Office for National Statistics
PAS	Planning Advisory Service
SA	Sustainability Appraisal
SEP	Strategic Economic Plan
SELS	Strategic Employment Land Study
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
SNHP	Sub-National Household Projections
SNPP	Sub-National Population Projections
the Act	The Planning and Compulsory Purchase Act 2004 (as amended)
the Council	Stratford-on-Avon District Council
the Framework	National Planning Policy Framework
the Guidance	the Planning Practice Guidance
the 2004 Regulations	The Environmental Assessment of Plans and Programmes Regulations 2004
the 2012 Regulations	The Town & Country Planning (Local Planning) (England) Regulations 2012
UPC	Unattributable Population Change

Executive Summary

1. My interim conclusions are that whilst I am satisfied that the Duty to Co-operate [DtC] has been complied with, for the reasons set out in detail in what follows, the following elements of further work are required:
   i. Stratford-on-Avon District Council [the Council] need to revisit the Objective Assessment of Housing Need [OAN] because the labour market adjustments that are contained in the supporting evidence are not justified and fail to demonstrate that an adequate labour force supply will be available to meet the projected job growth within the District;
   ii. The Council needs to do further Sustainability Appraisal [SA] work to address identified defects in the SA process and as part of that exercise other strategic sites that have emerged at a late stage need to be considered and robust reasons given for selecting the preferred option and rejecting the alternative options;
   iii. As I find Proposal SUA3 is not justified the Council might wish to consider an allocation at Atherstone Airfield and do further SA to examine it in combination with SUA1 and SUA2; and,
   iv. The housing supply trajectory is tight and in view of the likely need to increase the OAN it needs to provide more headroom.

   The Council is invited to draw up a timetable for completion of this work, agree it with me, provide regular updates on progress against the timetable and advise me, via the Programme Officer, in good time so that I can resume the examination promptly when that work is complete.

Introduction

2. The Stratford-on-Avon Core Strategy, Proposed Submission Version, June 2014, [CS] was submitted for examination on 30 September 2014. Examination Hearings were held between 6 and 29 January 2015 and, in addition to making unaccompanied inspections, I undertook accompanied site inspections on 2 and 3 February 2015.

3. As I advised at the close of the Hearing sessions on 29 January 2015, I am writing to set out my Interim Conclusions on key matters. These include the DtC, OAN, SA and employment land supply. I established during the Hearing that Jaguar Land Rover [JLR] and Aston Martin Lagonda [AML] sought a clear steer on their respective allocations in the event that I was minded to issue interim conclusions and I undertook to do so. In the event I feel able to examine all of the proposed employment allocations because, unlike for housing, there is no need for that topic area to be reopened in substance pending consultation on the main modifications. For the reasons set out below the housing topic area needs to be revisited following further work on OAN and SA. In the circumstances I shall deliberately refrain from a detailed analysis of alternative housing allocations to enable the Council to review these in the first instance.

4. However I shall briefly comment on the overall housing strategy as that would not be prejudicial to the further work that is required and, in particular, consider where an increase in the housing requirement might be directed. This is without prejudice to the Council's findings. I shall also examine the housing land supply situation, acknowledging it too will need to be reviewed at a later stage in the examination.

5. As a matter of convention, in these interim conclusions numbers in [*square brackets*] refer to paragraphs earlier in the report. For the avoidance of doubt, these interim conclusions do not set out a final view on the soundness of the CS in respect of these or any other matters and they are issued without prejudice to the contents of my final report.

The Objective Assessment of Housing Need: *Background*

6. Paragraph 158 of the National Planning Policy Framework [the Framework] requires Local Planning Authorities [LPAs] to ensure that their Local Plan, which for this purpose would include the CS, is based on adequate, up-to-date and relevant evidence. Paragraph 159 of the Framework requires them to prepare a Strategic Housing Market Assessment [SHMA] to assess their full housing needs, working with neighbouring authorities where a Housing Market Area [HMA] crosses an administrative boundary. Paragraph 47 of the Framework states that to boost significantly the supply of housing, LPAs should use their evidence base to ensure that their Local Plan meets the full OAN for market and affordable housing in the HMA. Further guidance on undertaking an objective assessment is set out in the Planning Practice Guidance[1] [the Guidance].

7. The Coventry & Warwickshire [CW] Joint SHMA[2] takes the Office for National Statistics [ONS] Interim Sub-National Household Projections [SNHP], which cover the period from 2011-2021, as its starting point[3]. These take account of the size and structure of the population in the 2011 Census but are based on pre-Census estimates of population trends. The SHMA undertook a range of projections including PROJ1, linked to the 2010 and 2011 based SNPP, and PROJ1A, in which the projections were updated to take full account of the 2011 Census and revised ONS Mid-Year population estimates. It concludes that PROJ1A represents the main demographic projection and undertook sensitivity analysis on it based on differing assumptions with regard to headship rates. Although the SHMA is a useful starting point, and in many respects contains up-to-date evidence and analysis, it is not informed by the latest available information for the assessment of need up to 2031. For this reason only moderate weight can be given to its projections.

8. In May 2014 the ONS published new 2012-based Sub-National Household Projections [SNPP], which are the first set of population projections that take full account of the results of the 2011 Census. What has since been referred to as the SHMA Addendum[4] considers the implications of this additional information and was able to take account of the Guidance issued in March 2014. However it makes clear that the projections for individual authorities, rather than the whole HMA, should be regarded as only indicative. In the circumstances I attach significant weight to the SHMA Addendum because it was based on the most up-to-date population projections available at the time of convening the examination Hearings. However the SHMA Addendum makes clear, at paragraph 1.8, that it should be viewed alongside, and not replace, the main SHMA report.

[1] See section 2a, starting at paragraph ID 2a-001-20140306.
[2] Document Ref. ED.4.3.3, which was published in November 2013.
[3] Table 32, Document Ref. ED.4.3.3.
[4] Document Ref. ED.4.3.1, which was published in September 2014.

9. Following the submission of the CS to the Secretary of State for examination, at the end of September 2014, the Council instructed ERM to undertake a '*Consolidated Review of Housing Need and Requirement in Stratford-on-Avon District*'[5]. The deadline for comments on this topic, Matter C, was adjusted to 19 December 2014 to enable participants to submit written comments on it and thereby avoid disrupting the Hearings programme. The Consolidated Review formed the basis of the substantive discussion at the Hearing because it underpins the Council's late change to its OAN, and hence the Council's housing requirement, from 10,800 to 11,320[6]. Whilst I acknowledge the concern that this was procedurally irregular, in the circumstances I consider it was an appropriate pragmatic response.

10. With the original SHMA, the SHMA Addendum, the ERM Consolidated Review, 5 different projections on behalf of the development industry and CPRE, there are 9 alternative approaches to assessing housing need before this examination. A composite table[7] helpfully sets out the assumptions and outcomes of most of these. The exception is that provided by CPRE, which was dismissed as being crude by ERM on behalf of the Council. It uses the actual household size figure of 2.2888, from 2011, to arrive at an estimate of 6,000 dwellings being required by 2031. Although CPRE provided a late addendum to this projection[8] that applied outcomes of the assumptions on household formation rates adopted by GL Hearn in the '*part return to trend*' projection, the dwelling requirement varies over the 20-year period. Whilst the purpose of that exercise appears to be to justify a request for the Council to do further work, the bottom line is that I do not regard the CPRE submissions to be a serious alternative to those which have been put forward by the other parties. I shall examine aspects of the alternative approaches to OAN below.

What is the most relevant Housing Market Area?

11. Section 3 of the SHMA gave reasons for concluding that Coventry and Warwickshire is the most relevant HMA for strategic planning purposes. There appears to be a high degree of consensus that whilst Stratford District straddles a number of HMAs, Coventry and Warwickshire is the most appropriate HMA. I acknowledge that my colleague has found that Stratford falls partly within the Birmingham HMA, which is consistent with DCLG research[9]. However the SHMA takes account of other indicators such as migration, travel to work flows and house prices in reaching the conclusion that it does. In the circumstances I have no sound basis to disagree with its conclusion.

[5] Document Ref. ED.4.3.2a, issued on 2 December 2014, but the final version of which, incorporating an errata of corrections, is dated 10 December 2014.
[6] The Council has continued to refer to a figure of 11,300, but I am clear from an answer given to me by Mr Gilder, for ERM, that the correct figure is 11,320, or 566 dwellings per annum, and there is no case to round it down to 11,300.
[7] Document Ref. HD.16.
[8] Document Ref. HD.62.
[9] '*The Geography of Housing Market Areas*' [2010] as referred to in paragraph 3.8 and illustrated in Figure 2 of the SHMA.

Demographic modelling

12. The Guidance advises that household projections published by DCLG should provide the starting point estimate of overall housing need and that, wherever possible, the latest available should be used[10]. The SHMA has the advantage of being a comprehensive piece of work that identifies a demographic housing need for Stratford of 10,758, or 538 dwellings per annum [dpa], but I have given a reason why it has been superseded. The SHMA Addendum only gives indicative figures for each District and there was a wide range of views as to the weight that should be given to them.

13. The focus on the HMA level in the SHMA Addendum appears to be because of the consistency between the SHMA and 2012-based figures at that level. Paragraph 2.8 offers 2 reasons for the quite marked differences at District level. The first is that the SHMA made an adjustment for Unattributable Population Change [UPC], which arises from a combination of errors in migration and population estimates, whereas the SHMA Addendum does not. The SHMA Addendum, at paragraph 2.19, finds '…*there is no clear, defensible basis for making a UPC adjustment to the new SNPP Projections*'. That might suggest that UPC was a distorting factor at the District level in the SHMA. The second is that the 2012-based SNPP draws on more up-to-date information about population change, but in the light of the Guidance I consider that is a positive.

14. Despite the reservations that are expressed in the SHMA Addendum I consider that the figures for each District are a good starting point for the assessment of objectively assessed need. Although it would appear that the data is less stable at the District level it is essential to identify a figure for each District. The indicative figures comprise the most up-to-date projections that are before the examination. On balance, despite the contradiction in the Council's stance, I attach the indicative figures in the SHMA Addendum substantial weight.

15. Assumptions are built into the demographic assessments of housing need and a key factor is Household Formation Rates [HFRs]. The SHMA Addendum assumes that HFRs will follow the trend assumed in the 2011-based household projections until 2021 and then revert to the rate of change projected in the 2008-based HFRs, rebased, from 2021 to 2031. This is known as the 'index' method. In contrast representatives of the development industry have taken a variety of approaches, described in the Composite Table of Assessments, which leads to a range of demographic need between 412 and 618 dpa[11].

16. The SHMA Addendum acknowledges, at paragraph 2.25, that as the 2011-based projections are trend based, there is a degree to which they project worsening HFRs amongst key age groups, particularly

[10] Paragraphs ID 2a-015-20140306 and 2a-016-20140306.
[11] See summary of methodology and outcomes in Document Ref. HD.16.

those in their 20s and 30s. Reflecting advice in the Guidance[12], the SHMA Addendum has run sensitivity analysis around HFRs, which has resulted in a '*Part return to trend*' scenario. This scenario attempts to address the suppression of HFRs arising from economic factors and is characterised by the report's authors as a '*sophisticated approach*'[13].

17. In my view this is a reasonable assumption and is more sophisticated than the index method. In any event Figure 13 of the SHMA Addendum shows that for the key age group of 25-34 that in Stratford District, by 2031, the '*Part return to trend*' projection largely returns to the 2008-based projection without a market signals uplift. The SHMA Addendum, in paragraph 4.13, gives reasons why there are a complex set of factors at play beyond supply side constraints. It concludes, at paragraph 5.25, that it is unlikely that there would be a full recovery in HFRs to the levels in the 2008 projections. In the circumstances I find no clear basis to assume a full return to trend when recent national figures show little sign of an improvement in average real incomes and thus housing affordability.

18. A second assumption is the vacancy rate of 3 %, which appears to be common to the SHMA, SHMA Addendum, Consolidated Review and representatives of the development industry, such as RPS. Others argue for a higher rate of up to 5.3 % based on Census or Council Tax data, taking account of second homes. ERM argue that second homes are within the 3 % figure. Noting the unchallenged claim, at paragraph 3.1.27 of the Consolidated Review, that 3 % is a widely used assumption which PBA used in the Greater Birmingham and Solihull Local Economic Partnership [GBSLEP] Stage 2 Report[14], I consider that a vacancy rate of 3 % is a reasonable assumption.

19. A third key assumption is migration. The SHMA projection is based on the 2011-based SNPP and assumed average net in-migration of 1,056 pa. The SHMA Addendum adopts the net in-migration assumption from the 2012-based SNPP, which rises from 600 in 2013 to around 1,000, with an average net in-migration figure of 847 pa. The ERM Consolidated Review says, at paragraph 3.1.18, that this is substantially lower than the 2010-based SNPP. ERM propose a figure of 956 pa, based on a 10-year average from 2004-2013[15]. The representatives of the development industry have made different assumptions for net migration within the range of 728 to 1,033.

20. In this respect the ERM analysis is attractive. An assumption based on 10-year net migration should even out the peaks and troughs of the economy and better reflects the migration levels associated with the District's employment growth. My reservation is that paragraph 47 of the Framework requires the full OAN for the HMA to be met, whereas the Consolidated Review only looks at the District. However

[12] Paragraph ID 2a-017-20140306.
[13] Paragraph 2.30, Document Ref. ED.4.3.1.
[14] Document Ref. RD.08.
[15] Table 3.2 and paragraph 3.1.17, Document Ref. ED.4.3.2a.

at some point it is necessary to focus on the District rather than the HMA and I note that recent case law[16] emphasises that the primary duty of the LPA is to assess the needs of the LPA's area. The SHMA Update, at paragraph 5.18, refers to the overall quantum of 4,000 dpa across the HMA '*as a minimum figure*' and, for the reasons outlined above, the assumptions underpinning that figure are justified. It appears to be a reasonable assessment of the OAN for the HMA. However the change in assumption with regard to migration at the District level points to the need to deliver more than 4,000 dpa and so I consider the additional 109 migrants, or around 58 dpa, should not count against the minimum figure in the HMA.

21. I have considered the argument that there is no support in the Framework for a plan to be based on figures for just a District. However the recent adoption of the North Warwickshire Core Strategy following my colleague's report[17], would suggest otherwise. As I understand the position in Hart, to which reference was made, the Council agreed that it was part of a wider HMA with 2 other authorities but proceeded in the absence of a joint SHMA. That can be distinguished from the position here. The Consolidated Review has to be read alongside the SHMA Addendum and the Joint SHMA, rather than as a replacement for it.

22. To translate the migration figure of 109 pa into a number of dwellings the ERM Consolidated Review, at paragraph 3.1.34, refers to a ratio of 0.53 dwellings per migrant. The basis for this figure was tested at the Hearing, following which ERM provided a paper[18] that claimed the correct ratio was 0.44. When added to the figure from the SHMA Addendum for Stratford of 508 dpa[19], this gives rise to a figure of 556 dpa. ERM says it is content to remain with the figure of 566 dpa because it '*effectively allows for a margin of error*'. Although the assessment might be simplistic there does appear to be headroom.

23. The position that I ultimately intend to take in this matter is coloured by the comparison of demographic housing need assessments that is set out the composite table[20]. The overall figure for demographic need of 11,320, or 566 dpa, compares favourably with the equivalent figures in the SHMA and the SHMA Addendum, and demographic figures put forward by representatives of the development industry.

24. The output from the modelling of demographic housing need would appear to be about right. It is likely to be above the arithmetic mean of the various estimates made by the development industry. The

[16] Paragraph 25 (i), *Satnam Millennium Limited v Warrington Borough Council* [2015] EWHC 370 (Admin).
[17] Document Ref. CD.04.
[18] Document Ref. HD.19.
[19] Figure 6, '*Part return to trend*' column for Stratford, Document ED.4.3.1.
[20] Document Ref. HD.16.

Statement of Common Ground[21] contains many criticisms but these do not relate to the calculation of the figure of demographic need. The Guidance says that the primary objective of identifying need is to identify the future quantity of housing need[22]. In terms of the demographic component the Council appears to have done that satisfactorily. This finding is not inconsistent with Table 426[23] of the 2012-based Household Projections for England, which projects an increase in the household population for Stratford from 119,183 in 2011 to 129,283 in 2031, i.e. an increase of just over 10,000. I return to the 2012 projections below [55].

Economic and employment growth: *Background*

25. Paragraph 158 of the Framework requires that the assessment of housing should take full account of relevant market and economic signals. As the Guidance makes clear[24], employment trends should be taken into account.

26. At the Hearing I drew attention to Planning Advisory Service [PAS] guidance[25] that says: '*If both a job-led projection and a trend-led demographic projection have been prepared, the higher of the two resulting housing numbers is the objectively assessed need*'. No such advice is contained in the Guidance but the PAS guidance is material. In respect of Stratford-on-Avon District the original SHMA concluded, at paragraph 11.23, that there was a case for considering an uplift to housing numbers in order to support economic growth. It is material to note that the economic-driven projections in the SHMA indicated a need for between 754-776 dpa but these are based on employment growth of approximately 10,000 over the period at issue[26].

27. Figures 11 and 12 of the SHMA Addendum set out economic-led projections for housing need linked to the Experian and Cambridge Econometrics jobs forecasts, respectively. At the HMA level Figure 11 suggests a modelled need for 3,636-3,747 dpa and Figure 12 gives rise to a range of 4,546-4,579 dpa, compared to the preferred estimate of circa 4,000 dpa. However, as paragraph 3.22 of the SHMA Addendum notes, the forecasts raise some geographical issues. For Stratford-on-Avon the economic-led projections are significantly higher than the figures derived from the demographic modelling, being in the range from 764-976 dpa compared to the indicative figure of 508 dpa arising from the demographic-led scenario. Taking account of the PAS guidance and the SHMA

[21] Submitted by Gladman on behalf of themselves, Barton Willmore [BW], Nathaniel Lichfield, Pegasus and RPS, listed as HS-10 on the website.
[22] Paragraph ID 2a-002-20140306.
[23] Published since the close of the examination; see: https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections
[24] Paragraph ID 2a-018-20140306.
[25] Paragraph 6.2 of publication '*Objectively Assessed Need and Housing Targets*', as referred to in the submission of Pegasus.
[26] See Tables 47 and 48 of the SHMA, Document Ref. ED.4.3.3.

conclusion this would appear to suggest that there remains a case for considering an uplift to housing numbers in order to support economic growth.

The level of employment

28. The Council agreed that at the point where the CS was submitted for examination that there was an imbalance between the housing and employment strategies. In short it was planning for housing on the basis of employment growth of 1,300 jobs, or 65 jobs pa[27], whereas ERM now say that employment growth will be 12,100[28] over the life of the CS, i.e. over 600 jobs pa. It is surprising that this entirely new jobs growth figure was provided at such a late stage in the examination, post submission.

29. The basis for the figure of 12,100 jobs is not as clear as it might be. It appears to be derived taking account of the Experian forecast for the period 2025-2031 and ultimately compares favourably with some of those that have been put forward by the development industry. It has not been challenged that it represents a rate of 0.85 % pa. This compares to an average annual compound rate of change of 1.0 % over the longest timeframe for which ERM give figures[29]. However related Figure 4.2 shows a wide variation in the historic level of change over the period at issue. Although Regeneris have suggested, based on Oxford Economics forecasting, that past trends might give rise to 21,000 new jobs in the District up to 2031, this appears to be significantly above comparable forecasts[30]. ERM's projection of 12,100 appears to sit in the middle of the forecasts in the SHMA Addendum made by Cambridge Economics and Experian[31]. Another source[32] refers to a more recent Experian figure of 9,640. On balance the figure of 12,100 appears to be a reasonable estimate.

30. This figure does not include an allowance for the 100 ha allocation for JLR, who made it clear that they have no firm plans for the new site such that any job figure would be largely aspirational. Subject to ensuring that such a development gave rise to a review of the CS, there is a sound case for excluding this allocation from the jobs figure for this purpose because it is an unknown at this stage.

31. The CWLEP Strategic Economic Plan [SEP] anticipates that by 2030 the County's economy will employ an additional 94,500 people[33]. This is based on the Cambridge Econometrics forecast, although ERM advised the Hearing that it was extended by applying a higher growth

[27] PROJ 1A rows in Tables 47 and 48, Document Ref. ED.4.3.3.
[28] Paragraph 4.1.125 of Document Ref. ED.4.3.2a.
[29] Source: Cambridge Econometrics/WIE, Table 4.1 of Document Ref. ED.4.3.2a.
[30] Summary in Document Ref. HD.16.
[31] Tables 7 and 8, respectively, in Document Ref. ED.4.3.1.
[32] See paragraph 4.4 of the '*Employment Land Demand Assessment*' at Appendix 1 to Turley's Matter D statement.
[33] See Executive Summary, page 9, Document Ref. ED.4.4.4.

rate[34]. The Council's unchallenged claim was that the CWLEP's figures were aspirational and might need to be reduced as the CWLEP was not successful in a recent bid for funding from Government. With the exception of Gaydon, the centres of Advanced Manufacturing and Engineering, which the CWLEP calls a key driver of economic growth, are located outside of the District[35]. Thus whilst there does not appear to be an agreed apportionment of the jobs by District the estimate of 12,100 jobs does not appear to be fundamentally at odds with what is inevitably an aspirational figure contained in the SEP.

Labour force adjustments

32. In an attempt to show that there would be an adequate labour force supply to meet the projected growth in jobs of 12,100 in the District, ERM have made a series of labour force adjustments. These include an increase in economic activity rates. As already noted [28] the SHMA anticipated growth in the resident labour force of 1,300 but the ERM Consolidated Review argues that the provision of 11,320 dwellings, being 520 dwellings more than the submission version of the CS, would house '…*around 4,300 additional working population*'. It also relies on unpublished data to suggest that what it calls the working population would increase by 2,188 between 2011-2031[36].

33. ERM's further paper[37] attempted to explain the derivation of these figures, which admitted that Table 5.1 in the ERM Consolidated Review was wrongly labelled. That Table is also said to be based on unpublished data, from GL Hearn. It is notable that agreement[38] has been reached that the 2012-based SNPP shows a decrease in the resident population aged 16-64 of 4,600 between 2012 and 2031; Regeneris say that would be 6,000 if the base year was 2011, which it needs to be. Given this significant contraction in what I shall call the conventional economically active population, those aged 16-64, it is difficult to understand the justification for the projected increase in the working population, or labour force supply.

34. It appears to rely on an ageing workforce and whilst I recognise the increase in the state pension age the employment yield from these age groups might be low due to lifestyle choices and other factors[39]. Of particular note is the claim that the state pension age for women would only increase from 62 to 65 by 2031 and, if correct, the ERM assumption of an increase of 1,400 working females in the 65-74 age groups does not appear to be credible. Moreover on its face the ERM

[34] See, amongst other things, paragraph 4.1.65, Document Ref. ED.4.3.2a.
[35] See pages 56 and 57 of Document Ref. ED.4.4.4.
[36] See pages 55 and 56 of Document Ref. ED.4.3.2a; 2,188 taken from Table 5.2.
[37] Document Ref. HD.20 which, I would record, was handed to me 5 minutes before the start of the afternoon session on the first day of the Matter C Hearing.
[38] Document Ref. HD.11, which was discussed at the resumed Hearing.
[39] Paragraph 7.23, Development Economics report '*Housing and the Economy: Stratford-on-Avon District*', appended to Gladman's statement for Matter D.

rebuttal only refers to an increase of 3,200 in the 65-74 age groups, including 1,800 working males, which appears to be materially less than the agreed reduction in those aged 16-64. The basis for these figures remains opaque and so I find that this particular adjustment has not been justified.

35. The second adjustment is for higher levels of in-commuting from outside of the District. Table 5.5 of the ERM Consolidated Review quantifies this as an increase of 4,800 to 7,435 by 2031 and it was conceded that the figure of 4,700 in paragraph 5.1.31 is incorrect. This flatly contradicts objective 12 of the CS, which says: '*There will have been a reduction in the level of net commuting through an improved balance between the number of homes and jobs in the District*'. The consequence of such an objective, given the change in the commuting ratio between 2001 and 2011, would logically be to increase the provision of housing.

36. Instead the Council has proposed to modify objective 12 so that it would read: '*A sustainable balance between employment growth and housing provision will be maintained…*'. However, given that the Council is assuming that net commuting will markedly increase[40] it is unclear how the new objective of maintenance could be achieved. It is planning for employment growth, but appears to be expressly relying on others to provide an adequate labour force supply, which cannot be construed as maintaining a sustainable balance.

37. ERM consider that the objective should not be tied to a level of commuting, but I consider the original objective reflects the advice in the Guidance to which I have referred [25]. The idea that it is appropriate to plan for more cross-boundary commuting seems inherently wrong and does not appear to be seeking to achieve sustainable development.

38. The ERM Consolidated Review, at paragraph 5.1.24, refers to the '…*excess of workers*' in Coventry, which it quantifies to be at least 20,000. This is within the HMA but it is questionable whether it represents short distance commuting as is being advocated by ERM. Moreover there are a number of factors that give rise to a risk to the Council's assertion that it would be able to draw on an expanding pool of labour within the HMA to meet its future employment needs. Amongst other things there is evidence[41] before the examination that there could be a shortage of 25,000 workers within the HMA by 2031.

39. The third adjustment is a reduction in out-commuting to take up local jobs. The ERM Consolidated Review, at paragraph 5.1.28, quantifies this to be '*…just over 2,000 by 2031'*. It says this represents a '*conservative estimate of only 0.05 %*' but that figure might not be

[40] It is planning for a 182 % increase in net commuting [4800/2635 x 100].
[41] Paragraph 7.24, Development Economics report '*Housing and the Economy: Stratford-on-Avon District*', appended to Gladman's statement for Matter D.

correct[42]. The bottom line is that some 9 % of commuters are assumed to be recalled over the lifetime of the CS. This is risky as the PAS guidance[43] says. Whilst ERM assert, at paragraph 5.1.29, that it is a '…*realistic 'policy off' assessment*', it is not evidence based and amounts to nothing more than aspiration. There is no evidence, such as a fit between the skills of the labour force and the needs of employers, to show that it is likely to happen.

40. Of the remainder paragraph 5.1.39 of the ERM Consolidated Review says that '*at least 3,000 are 'bounce back' jobs for which the labour force was already available in the district in 2011*'. However it would appear from paragraph xliii of the SHMA that this has already been taken into account and this assumption, at least in part, is conceded to be wrong on the basis that there is an element of double counting.

41. ERM concludes that if housing were provided above the demographic need level there is a '*strong likelihood*' that these would be taken by retired people or out-commuters[44], but that claim appears to be based on a pessimistic view that the new jobs created will be low paid and/or part time. The same view is evident in paragraph 5.2.3 of the CS, which suggests that any additional housing would lead to further unbalancing of the population. In contrast Figure 1 of the Chelmer submission[45] provides a striking illustration of how, if one increases the number of dwellings to allow for significant growth in the resident labour force, that it is the younger working age groups, aged 25-44, that show the most marked increases. In contrast the over-65 age group remains broadly static in all 3 scenarios. This supports a finding that the ERM/Council assumption is ill-founded as, given its strong economy, there is no reason to find that the younger working age groups, aged 25-44, would commute out of the District.

Economic and employment growth: Conclusions

42. For the above reasons I have concerns about all of the labour market adjustments that have been advanced in an attempt to show there would be an adequate labour force supply to meet the projected growth in jobs of 12,100 in the District over the lifetime of the CS. This aspect of the ERM Consolidated Review has not been justified. On ERM's own evidence[46] there appears to be a huge disparity between the projected growth in the working age population in the District, 2,188, and recognised job growth forecasts of need which vary between 9,452 and 15,684. The significant potential economic

[42] 0.05% x 23,000 [workers] x 20 [years] = 230; perhaps it should be 0.5 %?
[43] Paragraph 6.8, Ibid.
[44] Paragraph 5.1.40, Document Ref. ED.4.3.2a.
[45] Note the contrast between the scenarios in Figure 1 of 'Chelmer Demographic and Housing Review Paper', submitted with Pegasus Matter C statement.
[46] Table 5.4, Document Ref. ED.4.3.2a.

consequences of failing to provide an adequate labour force are documented[47].

43. For these reasons the demographic-led projection is inadequate to meet future changes in the District's labour market: in short, it would appear that job growth within the District, even without the JLR allocation, is likely to exceed the labour supply. In the circumstances the housing figure is not aligned to the employment growth forecast and there are grounds for concern that the Council appears to be planning for a situation in which a key part of its labour force cannot live in the District.

44. A key objective, as per paragraph 158 of the Framework, is to ensure that an LPA's housing and employment strategies are integrated. This is not a matter that can be addressed by location, as per the Guidance [25], alone but needs a more fundamental response in terms of an uplift from the demographically derived housing need figure. No sound reasons have been given to depart from the view expressed in the conclusion of the SHMA that there is a case for such an uplift. To the contrary the marked divergence between the demographic and economic-driven projections strongly supports such a finding.

Market signals and affordability

45. Paragraph 17 of the Framework requires that plans should take account of relevant market signals. The Guidance says[48] the housing need number suggested by household projections is the starting point and should be adjusted to reflect market signals and indicators. Prices or rents rising faster than the national/local average may well indicate particular market undersupply relative to demand. Relevant signals include: land prices; house prices; rents; affordability; rate of development; and overcrowding. I shall examine each in turn noting that no party made a case in terms of land prices at the Hearing. The RPS evidence on this point is acknowledged to be for the period up to 2010 and as it does not disaggregate to local authority level it is of no assistance. The Guidance says[49] a worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.

46. Dealing initially with house prices, this is considered in the SHMA: Figure 14 shows that average house prices are higher in Stratford than the rest of Warwickshire, the West Midlands and England. However the SHMA says that since 2007 in real terms, stripping out inflation, housing has fallen in value in all areas and this appears to be consistent with other evidence in the SHMA that suggests the

[47] See for example paragraphs 7.6-7.10, Development Economics report '*Housing and the Economy: Stratford-on-Avon District*', appended to Gladman's statement for Matter D.
[48] Paragraph ID 2a-019-20140306.
[49] Paragraph ID 2a-020-20140306.

District has mirrored trends across the country. Figure 16 suggests that property prices are now broadly similar to those in Warwick and the SHMA states: '*Prices in Warwick and Stratford-on-Avon are notably higher than for other areas for all sizes of accommodation*'[50].

47. However the increase over the pre-recession decade [1998-2007] at 156 %, albeit from a higher starting point, is below other areas of Warwickshire. Even over a longer timeframe, 1998-2013, median house prices have not increased at a faster rate at 151 %, compared to 155 % in Warwickshire and 182 % in England[51]. On balance whilst I accept there is a strong housing market in Stratford District I am not persuaded that there is clear evidence of longer term increases in prices relative to the national or local average that would give rise to a compelling case to adjust the housing need figure.

48. Turning to rents the SHMA finds that the variation in rents across the County largely follows the same pattern as seen for purchase prices. Figure 32 shows that entry level private rents are consistently below those in Warwick. The evidence is that median rents in Stratford have risen by 3 % over the period 2011-2013, as opposed to 11 % in Warwickshire and 3 % in England[52], albeit from a higher starting point. Other evidence before the examination shows that median rents in Stratford have risen by 7.4 % over the period 2011-2014, as opposed to 13.3 % in Warwickshire and 4.39 % in England[53]. On balance I find that there is no clear evidence of rents having risen faster in Stratford District than the national or local average.

49. In terms of affordability it is material that paragraph 11.23 of the SHMA said that there was a case for considering an uplift to housing numbers in Stratford in order to improve housing affordability. However ERM have highlighted the improvement in the lower quartile house price: earnings ratio between 2007 and 2012[54] and there is no clear evidence that this has worsened over a longer timeframe in relative terms. The affordability ratio change in Stratford District appears to have been less than for the Birmingham HMA, Coventry HMA and England over both a 10 and 15-year period[55].

50. RPS[56] refers to a ratio of 8.89 in 2013 but this would not appear to equate to a material worsening since 2007. I acknowledge that Table 23 of the SHMA shows it remains materially higher, at 8.79, than other Districts in the County and England, but there is no evidence of a worsening trend. I appreciate the SHMA found: '*This affordability analysis points to greater affordability pressures in Stratford-on-Avon*

[50] Paragraph 8.11 of document ED.4.3.3.
[51] See for example Table/Figure 4.1 in NLP 'Housing Technical Paper'.
[52] Paragraph 4.12 in NLP 'Housing Technical Paper'.
[53] Appendix 4 to RPS OAN Report, at Appendix 1 to RPS Matter C statement.
[54] Paragraph 6.1.12, Document Ref. ED.4.3.2a.
[55] Table 5.4, BW Addendum to Matter C Hearing Statement.
[56] Paragraph 8.4.1 of RPS OAN Report, at Appendix 1 to RPS Matter C statement.

District …relative to other parts of the HMA'[57]. However there is not a clear case to uplift housing numbers to improve housing affordability.

51. Turning to rate of development, the Guidance[58] identifies that supply indicators include the flow of new permissions expressed as a number of units per year relative to the planned number and the flow of actual completions per year relative to the planned number. The moratorium meant that planned supply was intended to be low and so the existence of the moratorium per se is not a reason to conclude that this indicator is met. Supply is taking time to recover but there is no evidence to demonstrate this is because planning permissions have not been implemented. Evidence in respect of Meon Vale[59] indicates that sales have been high with completions for the current financial year running ahead of the Council's estimate. Given the timeframe of the CS there is no basis to increase supply to reflect the likelihood of under-delivery of the planned housing numbers.

52. Finally Table 11 of the SHMA shows that overcrowding in Stratford was the lowest, at 1.7 %, of any District in the HMA, where there was an average of 3.7 %, which compared to 4.8 % in England. Whilst Table 12 shows an increase between the Census in 2001 and 2011, the figures for Stratford, on any measure, have remained the lowest in the HMA. A similar picture emerges from the Census in 2001 and 2011 in respect of concealed households for all ages[60]. In terms of homelessness, the incidence in Stratford was relatively modest [0.126 %] compared with Warwickshire [0.2 %] and England [0.237 %][61]. The Guidance[62] says the longer term increase in the number of such households may be a signal to increase housing numbers, but there is evidence to suggest there has been a reduction, albeit proportionally less than that for Warwickshire and England. In these circumstances I find this indicator does not suggest that an adjustment needs to be met.

53. Representatives of the development industry have argued that a further uplift for affordable housing need is justified. However the justification for this appears to be rather simplistic in relying on grossing up the annual affordable housing need to arrive at an estimate of OAN based on the policy requirement of 35 %. It is not a good basis upon which to justify such an uplift. I am satisfied that an objective assessment of affordable housing needs has been undertaken in the SHMA, but I see no basis on which that should be used to determine the overall OAN for the District. In any event my earlier findings might lead to an increase in the OAN, which would have the effect of increasing affordable provision. On balance I conclude, despite the SHMA's finding that there is a case for an uplift,

[57] Paragraph 5.49 of Document Ref. ED.4.3.3.
[58] Paragraph ID 2a-019-20140306.
[59] Oral evidence given to Matter F session on Wednesday 14 January.
[60] Table 5.5, BW Addendum to Matter C Hearing Statement.
[61] Table 4.2 in NLP 'Housing Technical Paper'.
[62] Paragraph ID 2a-019-20140306.

that an upward adjustment in housing numbers has not been justified in terms of market signals in the District.

Quantifying the scale of the required adjustment and the OAN

54. For the identified reasons there is no alternative but to refer the matter back to the Council to enable it to revisit its estimate of OAN, moving on from the ERM Consolidated Review, to ensure it can maintain an adequate labour force supply [42]. As this is central to the plan it is not appropriate to leave it to a review mechanism as has been suggested. The Council needs to plan to meet its own projection of the growth in job numbers within its boundaries. In the event that ERM are instructed to undertake this work it might be better for a number of scenarios to be put forward showing varying assumptions. There is no purpose in suspending the examination only to be faced with a renewed attempt to justify making no allowance to meet the anticipated growth in the labour force. Any assumptions need to be evidence based rather than mere aspiration.

55. Pending the completion of additional work, it is difficult to arrive at a firm conclusion about the level of OAN. The difference in the estimates of OAN is significant. However I have given reasons for accepting the Council's demographic projection of 11,320. Based on that figure the SHMA's original higher end assessment of 600 dpa, to allow for a proportionate uplift to support the expected growth in the workforce, might need to be surpassed. The additional work required might need to take account of the 2012-based Household Projections for England, although the updated Guidance says the publication of new projections does not automatically render housing assessments to be out of date[63].

56. Moreover the proposed change to objective 12 has not yet been agreed. The Council should aim to achieve a better balance between the number of homes and jobs in the District by broadly maintaining the commuting ratio at around 0.96: 1, which I understand to have been recorded in the 2011 census. Only with this approach would I consider endorsing the modified objective that has been put forward during the examination to replace objective 12.

[63] Paragraph ID 2a-016-20140306, which was updated at the end of February.

Assessment of the Duty to Co-operate [DtC]

57. Section 20(5)(c) of the Planning and Compulsory Purchase Act 2004 (as amended) [the Act] requires me to examine whether the Council has complied with the DtC imposed on them by section 33A of the Act in relation to the preparation of the CS. Section 33A requires an LPA to co-operate with other Councils and the bodies prescribed in Regulation 4 of the Town & Country Planning (Local Planning) (England) Regulations 2012 [the 2012 Regulations]. In particular it requires engagement on a constructive, active and on-going basis. The reference to preparation means that any failure to meet the DtC cannot be rectified after the CS has been submitted for examination.

58. The Council's '*Statement of Compliance with the Duty to Co-operate*' [64] describes the process of co-operation and identifies the strategic issues in which cross boundary issues arise. The statement contains a formal record of the DtC outcomes in the form of letters, position statements and Memoranda of Understandings. It has become clear that submissions to the effect that the DtC has not been met were exclusively concerned with housing, including OAN, rather than employment or other strategic matters.

59. It is significant that no Council or prescribed body has made any claim during this examination that the Council has failed to meet the DtC. To the contrary, a representative of Warwick District Council attended the Hearing session to support Stratford's approach and confirmed that the mechanism that has been established for joint working across Warwickshire can deal with any issues as they arise. Although there is no Memorandum of Understanding with Coventry City Council this appears to be precisely because of the joint working arrangements that are now in place within the County. Evidence of the scope of joint working can be seen from the Minutes of the Economic Prosperity Board [EPB][65], which includes representatives from the CWLEP.

60. Notwithstanding the above Coventry City Council did express a note of '*disappointment*' in its letter[66], dated 17 July 2014, in response to the consultation on the submission CS. However the Council has responded positively to that concern by putting forward a new policy, 'CSxx', which commits the Council to review the CS in the event that the City Council is unable to meet its OAN within its own boundaries. This would appear to address the concern raised by the City Council.

61. The Council was not a commissioning authority for the Joint SHMA[67] across Coventry and Warwickshire. There were a number of factors that led to this decision but the Council has acknowledged that, with '…*hindsight and the passage of time the rationale behind this decision*

[64] Document Ref. ED.3.3.
[65] Document Ref. CD.06.
[66] Consultation response Ref. 0848-1.
[67] Document Ref. ED.4.3.3.

may certainly be questioned"[68]. However the Council did embrace the finding of the SHMA that Coventry and Warwickshire was the best fit in terms of the HMA. In the circumstances I find no basis to support the claim that the Council did not wish to be held accountable for the SHMA's findings. It was active in commissioning the SHMA Update[69] as well as a subsequent commission to review the Green Belt. Taken together this indicates that Coventry and the Warwickshire authorities are now working together much more closely and effectively than was the case in early 2013. Not only is there evidence that the DtC has been met within Warwickshire during plan preparation, but the joint working arrangements that have been put in place are now most unlikely to be undone in future.

62. A further issue that arose during the examination was the approach taken in the ERM Consolidated Review[70] which, amongst other things, includes a strategy of recalling commuters. Warwick District Council has indicated that any minor concerns arising from this work should be capable of resolution. This tends to support the Council's claim that it contains nothing of substance that would come as a surprise to the other Councils within Warwickshire. In the circumstances there is no clear basis to identify a failure to meet the DtC in the County. In any event, for the reasons already discussed, I have asked the Council to revisit this piece of work and review the assumptions at issue to ensure that the housing strategy complies with the Framework [39].

63. Co-operation has taken place with other LPAs and prescribed bodies as described in more detail in the Council's DtC statement. The submitted Memorandum of Understanding between the Council, Redditch Borough Council and Bromsgrove District Council, demonstrates that joint working arrangements are well established between the respective Councils. The CS makes specific provision to meet the employment needs of Redditch, as part of the Redditch Eastern Gateway, the northern part of which is proposed to come forward in association with an adjacent employment allocation within Bromsgrove District. This is clear evidence of a concrete action and outcome from the DtC as required by the Guidance[71].

64. Some specific concerns with regard to Wychavon and Cherwell have been raised. In respect of the former, Wychavon has confirmed[72] that it considers the Council to have complied with the DtC. Turning to the latter the Council's DtC statement appends a Statement of Common Ground which confirms that communications between the respective Councils are well established and that the outcome of such discussions has informed the approach taken in the respective emerging plans.

[68] Paragraph 2.7 of the Council's statement on Matter A.
[69] Document Ref. ED.4.3.1.
[70] Document Ref. ED.4.3.2a.
[71] Paragraph ID 9-011-20140306.
[72] Consultation response Ref. 2577-1.

65. A number of representors, particularly from the development sector, consider that the DtC has not been met in respect of the Birmingham Development Plan [BDP], because explicit provision for the unmet housing need from the City has not been made in the CS. My colleague who examined the North Warwickshire Core Strategy said that an early review of that plan would '…*be a sensible and pragmatic approach*'. Whilst the Inspector's Interim Findings[73] on the BDP were issued in the week that the matter was discussed at the Hearing, it remains true to say that Birmingham cannot confirm the scale of its OAN that it is unable to meet within its own administrative boundary.

66. The submitted Memorandum of Understanding between the Council and Birmingham City Council records agreement across all relevant areas, including the level and distribution of housing. The City Council has welcomed the commitment to a review of the CS should the housing shortfall that has been identified in the Birmingham HMA lead to an increase in housing provision within Stratford District. In my view the review mechanism represents an effective policy on this strategic cross boundary matter, again as required by the Guidance.

67. In any event, prior to closing the Hearing sessions, the Council put forward a reserve sites policy in order to address the reservations that were expressed at the Hearing that a review would not be capable of meeting the need at the point at which it was identified. Although various parties from the development sector argue that the unmet need arises now I cannot accept this claim when the respective Councils have yet to determine or agree the quantum of the shortfall to be met within Stratford. Nevertheless at the point where the scale of the need crystallizes the reserve sites policy would enable the Council to meet that need much earlier than a review. It would also be less resource intensive. Noting that the BDP is at a similar stage of preparation it would appear to be counterproductive to proceed to adopt this CS only to have to move straight on to a review once the BDP has been adopted. A reserve sites policy would better reflect paragraph 14 of the Framework, which says a plan should meet OAN with sufficient flexibility to adapt to rapid change.

68. Although the Council has said that the review process can be delivered by 2019 a reserve sites policy would be even more flexible. Whilst there can be no certainty as to what scale of reserve might be required I intend to consider this matter in my final report once the OAN has been agreed. However I note that the main modification proposes 10 % and that the Council's reservation in going further seems to be that, above this scale, a review would be appropriate[74]. I accept that there is a level above which a review would be sensible. For all of the reasons set out above, and taking all other matters into account, I am satisfied that the DtC has been met.

[73] Document Ref. HD.07.
[74] Document Ref. HD.70.

Legal compliance including the adequacy of the SA: *Background to the SA*

69. The statutory requirements concerning SA of Local Plans are set out in European Directive 2001/42/EC [the Strategic Environmental Assessment Directive or '*the Directive*'], which was transposed into English law by the Act and the Environmental Assessment of Plans and Programmes Regulations 2004 [the 2004 Regulations]. Section 19(5) of the Act requires an appraisal of the sustainability of the proposals in a development plan document, such as this CS, to be carried out and for a report to be prepared. SA covered by this provision incorporate the corresponding requirements of the Directive and the 2004 Regulations. Regulation 12 of the 2004 Regulations provides that an SA report must identify, describe and evaluate the likely significant effects on the environment of: a) implementing the plan; and b) the reasonable alternatives taking into account the objectives and the geographical scope of the plan. The SA report has to include such of the information set out in Schedule 2 as is reasonably required.

70. Paragraph 165 of the Framework says SA should be an integral part of plan preparation. The Guidance explains that the role of SA is to promote sustainable development by assessing the extent to which the emerging plan, when judged against reasonable alternatives, will help to achieve relevant environmental, economic and social objectives[75]. The SA needs to compare all reasonable alternatives including the preferred approach. It should predict and evaluate the effects of the preferred approach and reasonable alternatives, and clearly identify the positive and negative effects of each alternative. All reasonable alternatives should be assessed at the same level of detail as the preferred approach. The SA should outline the reasons why the alternatives were selected, the reasons why the rejected alternatives were not taken forward and the reasons for selecting the preferred approach in the light of the alternatives[76].

71. The CS has had a long gestation period and this is reflected in the numerous SA that form part of the evidence base, which goes back to the original scoping report in 2007 that was updated in 2011. The more recent SA of note includes the Potential Development Options Report[77], which examined the potential development options in the main settlements. There followed 2 reports on Potential Strategic Allocations and Alternative Strategic Options, the first of which looked at 14 strategic sites and the second at 5 strategic options, A-E[78]. The main SA Report[79] that brought the earlier work together to support the consultation on the Proposed Submission Version of

[75] Paragraph 11-001-20140306.
[76] Paragraph 11-018-20140306.
[77] Document Ref. ED.3.8.
[78] Document Refs. ED.3.7a and ED3.7, dated June 2013 and January 2014, respectively.
[79] Document Ref. ED.3.6.

the CS is dated May 2014. Following criticism of the SA during the consultation process an SA Addendum was produced in September 2014[80], which has not yet been the subject of consultation. I have taken all of the submissions[81] and evidence into account.

Review of the criticisms of the SA:
(i) No SA undertaken at HMA level

72. By reference to my colleague's report for Derby/South Derbyshire/ Amber Valley it is submitted that where one part of the HMA is capacity-capped, all reasonable alternatives for the distribution and apportionment of OAN must be tested through SA. It is claimed that the position in Derbyshire is analogous to Warwickshire where the capacity of Coventry is capped. It is said this is an important failing because there are previously-developed sites that are not just reasonable but preferable alternatives to the release of Green Belt.

73. The Council does not accept that it can be held not to have tested the reasonable alternatives in failing to commission an SA for the HMA, especially when the 6 constituent authorities are at different stages of plan preparation. It points out that the SHMA Addendum changed the OAN for Coventry markedly at the point where the CS was due to be submitted for examination. To the extent that Coventry might not be able to meet its own needs this is a DtC issue, which is capable of being addressed via a review policy, such as Policy CSxx. A similar approach has recently been endorsed by the Inspector in Lichfield[82].

74. I have not been provided with my colleague's report for Derbyshire, but it would appear that was a joint plan or joint submission, which contrasts with the divergent status of plans in Warwickshire. I find no basis to conclude that there is a requirement for a joint plan at an HMA level, which is illustrated by my colleague's finding of soundness for North Warwickshire[83]. Accordingly I consider that the answer to this claim lies in Regulation 12 of the 2004 Regulations, which refers to reasonable alternatives in terms of the geographical scope of the plan. It must follow that there was no requirement on this Council to identify reasonable alternatives beyond the geographical sphere of the CS which was restricted to the Council's administrative boundary.

(ii) Errors with regard to Long Marston Airfield

75. ED.3.7, at paragraph 5.2.6, found that options B, C and D, namely Gaydon Lighthorne Heath [GLH], Long Marston Airfield and South East Stratford, performed at a similar level of sustainability and this is reiterated in ED.3.6, at paragraph 3.7.16. However Table 3.5 of ED.3.6 found in respect of Option C, Long Marston Airfield, that the

[80] Document Ref. ED.3.6a.
[81] Document Refs. HD.02, HD.03, HD.04, HD.05, HD.06, HD.08, HD.38, HD.39, HD.40 and HD.52.
[82] Document Ref. HD.41.
[83] Document Ref. CD.04.

proposed route of the relief road would bisect Racecourse Meadow SSSI, a local wildlife site and a proposed local wildlife site and would therefore have significant adverse impacts on biodiversity. Paragraph 3.7.17 is even more emphatic in saying '*…incorporating the position of the relief road would ensure a strong adverse effect against biodiversity. This additional information may mean that options B and D are now the most sustainable options'.* It is now common ground that the relief road would not bisect the SSSI. Although the error was pointed out in representations made at consultation stage, in July 2014, it was repeated in Table A7 of the SA Addendum, ED.3.6a, in September 2014. It is submitted that, at the very least, the error was a determining factor that was material. It is said that this is the only explanation the Council has given as to why Option B was taken forward in favour of Long Marston Airfield.

76. The Council acknowledges the error but says it was not material. It says the map being assessed[84] did not give confidence that no part of the SSSI could be affected and so a precautionary approach was taken. It says an ecological consideration would include air quality in terms of proximity to a road[85] and that it was reasonable to conclude that there would be an adverse effect on biodiversity, flora and fauna because the road would cross a local wildlife site and a proposed local wildlife site and might potentially be within 200 m of the SSSI. As such the Council says the double negative score remains appropriate where there is '*potential harm to nationally designated habitats and/or leads to fragmentation of existing corridors and spaces'*.

77. In my view the admitted error was a material determining factor. It does comprise a major flaw because there can be nothing of greater significance than reasoning that distinguishes between 2 reasonable alternative strategic options. I find it impossible to conclude that Option C would have been rejected if that error had not existed because it is the sole reason given in ED.3.6 for discounting it. I cannot rule out the possibility that the original score would have been retained if the issue was merely one of air quality, albeit potentially on an SSSI, and/or impact on a local wildlife site and a potential local wildlife site. Because it is the only reason in the SA for discounting Option C it is fundamental. In the circumstances the admitted error needs to be corrected before a conclusion is drawn as to the preferred alternative. In order to maintain the integrity of the SA process, it is essential that those who undertake this additional SA work approach it with an open mind rather than seeking to justify the decision previously reached.

78. Dealing briefly with other points raised under this head, the first is the question as to whether the whole of the Long Marston Airfield is

[84] Footnote 5 to HD.08 refers me to Figure 3 of the *Technical Statement: Ecology* "March 2014", but the document being referred to, at 1151-4, is Revision A, is dated July 2014 and cannot have been taken into account in ED.3.6, in May 2014.
[85] By reference to the '*Design Manual for Roads and Bridges*', in terms of nitrogen deposition within 200 m of a new road, Document CD.08.

previously-developed land. What constitutes curtilage is a judgment and based on my inspection, whilst the site is extensively developed with very considerable amounts of hardstanding present, there are peripheral fields that are not obviously within the definition of previously-developed land because they do not necessarily form one enclosure with it. This should not be taken to be a definitive judgment in the matter as ultimately it might come before the Secretary of State in another way[86]. In the circumstances the Council was not in legal error in asserting that the site was part greenfield and part brownfield. This sort of judgment is fact sensitive and so the reference to RAF Quedgeley, which would not appear to have been tested in the courts in any event, is of limited assistance.

79. The second is that the Council failed to take account of the *Technical Statement: Ecology*, dated July 2014, which appears to have been submitted during the consultation at that time. It stands to reason that the author of the SA, ED.3.6, could not have taken into account a document that was provided 2 months later. Thus whilst I have noted the case law referred to by both parties[87] I consider the claim falls at the first hurdle. As I have noted an earlier draft of that report would appear to have been taken into account in the SA. Moreover this is not equivalent to a section 78 appeal, which was the context for *Price Brothers*. The ecological issue was given consideration and this would appear to have been on an equal footing with other sites as part of the high level SA, which is broadly in line with the comments of Lord Malcolm in *Hallam Land*, albeit recognising that the point did not fall to be determined in that case. For these reasons I find no substance in the submission made on this point.

(iii) Has the SA identified, described and evaluated proposals SUA1, SUA2 and SUA3 in combination?

80. It is submitted that the SA of allocation SUA1 should include the 2 related greenfield sites, SUA2 and SUA3. It is asserted that it is the combined effect of these 3 interrelated allocations which need to be compared with reasonable alternatives but that this exercise has not been undertaken at any stage, even in the SA Addendum. It is pointed out that the Detailed Assessment Matrix [DAM] for SUA3 scores 4 negatives and so it cannot be said to show a null result. On this basis it is said the SA and SA Addendum do not adopt a lawful approach which complies with the Guidance.

81. The Council maintains that the Bishopton Lane site was considered within Option A which is a choice '...*enmeshed with issues of planning judgment*'[88]. Indeed in the alternative reference is also made to Option D. It says that the DAMs for SUA2 and SUA3 only show an

[86] For example via an application for a Lawful Development Certificate [LDC].
[87] *Price Brothers (Rode Heath) Ltd v DoE* [1979] 38 P&CR 579 and *Hallam Land Management v City of Edinburgh Council* [2011] JPL 1470.
[88] As per Sales J in *Ashdown Forest Economic Development LLP v SSCLG and others* [2014] EWHC 406 (Admin) at ED.3.22.

adverse residual effect under one heading after mitigation and so the only adverse in combination effect relates to the loss of agricultural land. It points to section 5.8 and Table 5.1 of the SA, which it says undertakes the in combination assessment of policies including SUA3.

82. I consider that the substantive complaint that allocations SUA1, SUA2 and SUA3 were not considered in combination has been made out. SUA3 does not appear in Table 5.1, but I note that SUA2 is cited as having a negative effect in respect of SA Objective 7 even though the DAM shows the effect can be mitigated. It follows that it is the overall effect that is significant, which in SUA2's case includes a negative for Objective 7. As the DAM for SUA3 includes 4 negatives this would suggest there would be an adverse effect in combination with SUA2.

83. The SA Addendum, at paragraph 1.1.1.12, unambiguously says that: '*Given the character and nature of the Canal Regeneration Zone proposal, it was considered that there were no comparable sites that could be included a* [sic] *reasonable alternative within or on the edge of Stratford-upon-Avon*'. If allocations SUA1, SUA2 and SUA3 had been considered in combination such a conclusion would have been difficult to conceive as a greenfield housing site might be comparable to the effect of SUA3 and the 'replacement' allocation for SUA2. On its face it is clear that no reasonable alternatives were considered to SUA1 and I consider the reason given is unjustified.

84. The Council refers to the findings of my colleague in respect of the Lichfield Plan and, in particular, paragraph 75 where he found no obligation on a Council to assess every site in detail, especially where they are within the scope of a more general option. That must be right, but it does not excuse the situation here where no reasonable alternatives were considered. It is no answer to say in generic terms the Bishopton Lane site might be said to have been considered under Options A or D. Rather, in line with *Heard v Broadland DC* [2012] EWHC 344[89], there is a need for an equal examination of the alternatives which it is reasonable to select. That has not occurred here because, in the case of allocations SUA1, SUA2 and SUA3, no alternatives were even identified. Nevertheless the Council submits, and I agree, the flaw is capable of being cured in accordance with *Cogent Land LLP v Rochford District Council and Bellway Homes Ltd* [2012] EWHC 2542 (Admin)[90].

(iv) Treatment of strategic sites that have emerged at a late stage

85. Two strategic sites have emerged at a relatively late stage in the process and have been promoted via the examination: (i) the Dallas Burton Polo Club [Stoneythorpe Site]; and (ii) Wellesbourne Airfield. Both appear to have emerged at a similar time in early 2014 and so the analysis that follows would appear to apply to both of these sites.

[89] Document Ref. HD.02c.
[90] Document Ref. ED.3.23.

A third, in the Green Belt at Lower Clopton, is referred to in the SA Addendum but that does not appear to have been seriously pursued.

86. The so-called omission sites are dealt with in paragraphs 29-34 of the SA Addendum, ED.3.6a. The test applied, in paragraph 33, is whether either site is '*so demonstrably better than anything else previously considered that it would be unreasonable to ignore it*'. It is submitted that in this respect the report has asked the wrong question and applied the wrong test. Rather the correct test is that formulated by Ouseley J in *Heard*, which is the phrase '*obvious non-starters*'. This was quoted with approval by Beatson LJ when giving the leading judgment in *Chalfont St Peter Parish Council v Chiltern District Council* [2014] EWCA Civ 1393[91].

87. The Council has belatedly conceded that the test it applied in the SA Addendum finds no place in the case law. However it asserts that this does not demonstrate an error of law for a number of reasons, including those set out in paragraphs 31 and 32 of the SA Addendum, which relate to timeframe. The SA work that gave rise to the report in May 2014 was undertaken in furtherance of earlier work and the SA Addendum, as set out in paragraph 3, drew on information from previous documentation rather than introducing new arguments.

88. Nevertheless by the last session of the Hearing the Council confirmed its view, pursuant to the suggestion made on behalf of Dallas Burton, that the main modifications that were otherwise being advanced as a result of the examination require further SA work. It is submitted that this presents a clear procedural opportunity to address the flaw in the SA Addendum. The Council confirmed that it regarded it to be prudent to address Stoneythorpe within such a window of opportunity and I agree. However I do not regard that concession to be limited to that site as there is no basis in logic to proceed in such a manner.

89. With reference to Wellesbourne Airfield the proposed modification to the vision for Wellesbourne, together with associated changes to CS Policy CS25, should not be used as a bar to its consideration in the further SA work that is required. The Council agrees that the first sentence of paragraph 6.9.19 of the CS should be deleted. It also conceded that the note of meeting[92] had not been circulated and was not therefore an agreed note. Although the legal opinion[93] suggests the site is an '*obvious non-starter*' as I have already noted that is not what the SA Addendum said. Given that this legal opinion appears to be made on the basis of an incorrect assumption regarding the status of the note it would be wise to revisit it in the further SA work, particularly in view of the claim made on behalf of Gladman regarding the imminent termination of the head lease in 2016 and 2017[94].

[91] Document Ref. HD.02e.
[92] Document Ref. CD.09.
[93] Document Ref. HD.08, at paragraph 47.
[94] Mr Barrett told the Hearing on 27 January 2015 that the tenants only had a right to occupy the airfield until 2016 with the exception of the market until 2017.

(v) Reasoning for selection of Option B, GLH

90. By way of introduction the sequence of events is that as part of representations made during the consultation period in July 2014, FORSE provided a legal opinion[95], which commented on the SA. Among other things it drew upon a review of the SA[96]. This appears to have prompted the Council to seek legal advice[97], which was only produced during the Hearings. This legal advice anticipated the SA Addendum, including Table A7 that identifies the reasons behind the progression of GLH as the preferred option. That is then the focus of the submission made on behalf of FORSE in relation to Matter B[98].

91. I deal initially with some of the complaints made by Mr Dove. First it is asserted that the scoring system is neither impartial, complete nor even handed, but I disagree. It is clear that the assessment of options was carried out by an independent and impartial consultancy. I am satisfied that the SA assesses a range of alternative sites in an equal manner and on a like for like basis against a clear set of SA Objectives. There is no reference to the 1995 Local Plan Inspector's Report in the SA. However having been provided with the relevant excerpt it was established at the Hearing that the housing is now focussed on a different area of land. Although one parcel to the south-west of the B4100 is proposed it would not encroach into the Local Wildlife Site[99]. As such it appears to be a different proposition from that previously rejected[100] and so I fail to see why the absence of reference to it in the SA is significant.

92. The further submission on behalf of FORSE[101] is labelled '*Summary of Expert Witness submission 06/01/2015*'. It does not appear to be a skeleton legal argument and my records confirm that FORSE made no prior request to make such a submission. It contains a rebuttal to the reasons given by the Council in Table A7 of ED.3.6a but, as the Council's legal advice confirms[102], it is for the Council to discount, or in this case progress, the alternatives rather than the SA itself, given that it found that options performed at similar levels of sustainability.

93. This is confirmed by advice[103], which says: '*It is not the purpose of the SEA to decide the alternative to be chosen for the plan or programme. This is the role of the decision-makers who have to make choices on the plan or programme to be adopted. The SEA simply provides information on the relative environmental*

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[95] From Ian Dove QC, as he then was; see representation No 5965-1.
[96] See representation No 5965-3.
[97] From David Manley QC at ED.3.25.
[98] Document Ref. HD.06.
[99] Compare maps at HD.22b-c with the map on page 48 of the draft SPD and the Phase 1 Habitat Plan, Document Refs. ED.4.1.8 and RD.06, respectively.
[100] Document Ref. HD.22.
[101] Document Ref. HD.06.
[102] Document Ref. HD.08, at paragraph 28.
[103] Paragraph 5.B.7 of the extant ODPM advice '*A Practical Guide to the Strategic Environmental Assessment Directive*', September 2005.

performance of alternatives, and can make the decision-making process more transparent'. In my view the points raised in this submission go to the soundness of the proposal rather than the SA. The evidence that it draws upon is disputed and was the subject of discussion on the 'GLH' day of the Hearing. At this stage I do not propose to examine the allocation's soundness.

94. Nevertheless it seems that the thrust of the submission is that the explanation given in Table A7 is inadequate to justify the rationale for selecting the preferred option in sufficient detail. Thus FORSE say the fourth bullet-point makes no sense and rhetorically asks what the '*various influences*' are? Another party[104] has made this point and suggested that a clear and full statement of the reasoning for rejection of the alternative options should be set out within a single document. The ODPM advice affirms that: '*Justifications for these choices will need to be robust, as they can affect decisions on major developments*' [105]. In view of my conclusions elsewhere it would be wise to revisit the reasons given to ensure they are robust.

(vi) Alleged errors in scoring

95. Submissions have been made[106] to the effect that the scores against SA Objectives for individual sites represent a factual error. However, as I made clear at the start of the Matter B session, I cannot agree. In my view the scoring represents a judgment that has been reached rather than a factual error and in framing the matters and issues for the Hearing session I was concerned with factual errors that underpin the scoring, which might suggest the score was not fairly attributed because it was based on wrong information. Put simply, as external examiner, I am not best placed to review the individual scores.

(vii) Consideration of alternatives and the legality of the SA Addendum

96. Submissions have been made[107] that the SA, ED.3.6, has failed to give reasons for discounting sustainable sites, such as Meon Vale. That much is common ground and that is why the SA Addendum, ED.3.6a, was produced. It must also be common ground that the SA Addendum has not yet been the subject of consultation, but that appears to be capable of being remedied during this examination.

97. I have been referred to Regulation 13 of the 2004 Regulations but that does not, in terms, refer to '*early and effective*' public consultation as has been claimed, although I acknowledge the terms of the Directive. Neither does Regulation 8 refer to '*submission*', but rather to adoption. It is clear that there is a need for a further period of consultation. I accept the point did not fall to be determined by

[104] Frampton's statement for Matter B; see in particular paragraphs 6 and 7.
[105] Paragraph 5.B.6, Ibid.
[106] Including, but not restricted to, Document Ref. HD.03.
[107] Document Ref. HD.03.

Sales J in *Ashdown Forest Economic Development LLP v SSCLG and others* [2014] EWHC 406 (Admin)[108]. However *Cogent Land* is authority for curing an earlier defect during the examination process and, in line with the factual matrix in that case, the main purpose of the SA Addendum, ED.3.6a, was to: '*…outline the rationale for selecting the preferred options*…[and]…*the reasons why rejected options were not taken forward*'[109]. For these reasons I reject the claim that the Council has not complied with the requisite statutory procedure and that the CS, which relies on it, is unlawful.

98. Finally I deal with my colleague's interim conclusions in respect of East Staffordshire, which have been referred to in these submissions. At the Hearing I put the 6 bases[110] on which the SA was found to be deficient in that case to the Council who discounted their applicability and no party took issue with that answer during or subsequent to the Hearing. As such I reject the view that it is directly comparable here.

(viii) Miscellaneous points

99. It is claimed[111] that Table A3 of the SA Addendum, ED.3.6a, is '*factually inaccurate and a misrepresentation*' of correspondence with the Council. I accept that the letter does indeed refer to a second option for 1,350 dwellings, which is not dealt with in the SA. However it is now conceded that there was a subsequent email[112] that said '*…please only consider Option 1 (the additional 550 dwellings) as part of your assessment work*'. I acknowledge that there might be reasons that underpin that decision[113], but the statement in Table A3 is not untrue.

100. The same representation claims, in short, that the rationale in Table A6 is inadequate and that there is no conclusion or recommendation. I express no view on this claim but it might be said to reinforce my earlier indication that the reasoning for rejection of the alternative options should be revisited in order to ensure that it is more robust.

101. It is asserted[114] that the defects in the SA are not capable of being addressed during the examination process. The Council's submission might have this point in mind when it says robust oral submissions were made in the Hearing but no legal submissions in writing were provided[115]. A number of leading Counsel addressed the Hearing and have submitted legal opinions but I do not understand any other party to suggest that any problems with the SA cannot be addressed during the examination process. The reasoning given, in paragraphs

[108] Document Ref. HD.03a.
[109] Taken from the '*Summary*' at the start of the SA Addendum, ED.3.6a.
[110] Paragraph 8 of the interim report appended to BW statement for Matter B.
[111] Paragraph 2.10 of its matter B statement.
[112] Document Ref. HD.53.
[113] As set out in the covering email to Document Ref. HD.53.
[114] Paragraph 2.1.24 of Gladman's Matter B statement
[115] Document Ref. HD.08, paragraph 46.

2.1.25 and 2.1.26 of Gladman's statement, refers to the Directive, the Guidance and the lack of consultation, rather than case law. In the absence of more I am not persuaded that the problems that I have identified with the SA cannot be cured during the examination.

Rectifying the defects in the SA and the way forward

102. Following the judgment in the *Cogent Land* case, it is clear that, in principle, the identified defects in the SA process may be cured by a later document. Since closing the Hearing sessions I have been provided with a copy of the judgment in *No Adastral New Town Limited v Suffolk Coastal DC and SSCLG* [2015] EWCA Civ 88[116], in which the Court of Appeal has confirmed the approach in *Cogent Land*. I have identified 2 crucial defects in the SA process:

    i. The admitted error as to the route of the road associated with Long Marston Airfield was a material determining factor that appears to have been instrumental in that strategic site being discounted as a sustainable option [77]; and,

    ii. Allocations SUA1, SUA2 and SUA3 were not considered in combination and no reasonable alternatives were even identified, let alone considered [82].

103. In order to rectify these defects further SA work will need to be undertaken. As part of that exercise I have given reasons why other strategic sites that have emerged at a late stage need to be considered [88]. I have also found that it would be wise for the Council to revisit the reasons given for selecting the preferred option and rejecting the alternative options to ensure that there is a robust justification [94].

104. Once the further SA work is complete it should form the basis of an SA report that meets all the relevant requirements of the Directive and the 2004 Regulations. The SA report will need to be published for public consultation and, depending on its outcome, further SA work may indicate the need for modifications to the CS. Any such modifications would need to be the subject of public consultation. The Council will need to agree the timetable with me for carrying out the necessary work, including any necessary consultation.

[116] Document Ref. RD.14.

Other aspects of legal compliance

105. Contrary to the '*Statement of Consultation*'[117], Chesterton & Kingston Parish Meeting claims that it has not been communicated with, has not received newsletters from the Council and has not been involved in any discussions. At the Hearing it was said that it had retained the same email address, ending '*gmail.com*', since 2006. This address is as stated on the Warwickshire Association of Local Councils [WALC] website, which the Council subsequently referred to[118]. I notice the WALC website invites its members to report any changes or errors and so whilst I have noted the response of the Parish Meeting, which suggests use of '…*personal email addresses until further notice*'[119], I am unclear why any known problem was not addressed at source. In any event, based on the Parish Meeting's own evidence to the Hearing, the email address that the Council has used throughout the prolonged gestation period of the CS appears to have been correct.

106. The Council has provided a copy of its email to Chesterton & Kingston Parish Meeting dated 30 July 2013, to which a copy of Issue 6 of the Council newsletter was attached. Among other things this highlights the period of public consultation on the proposed new settlement at GLH. A further email dated 1 August 2013 was sent to the same email address regarding the formal consultation. The Council has confirmed that subsequent consultations were sent to the same email address. In these circumstances I am not persuaded that the mere assertion that these were not received is made out. They might not have been received at personal email addresses but that is not the relevant test. I am satisfied the Parish Meeting has been consulted.

107. Other concerns have been addressed in the Council's statement as well as in its '*Assessment of Representations*' made at consultation stage[120]. Viewed in that light the consultation appears to have been in line with the '*Statement of Consultation*' and its Statement of Community Involvement[121]. For these reasons, having regard to all other matters raised, I find no basis to conclude that there has been a failure to meet Regulations 17, 18 and 35 of the Town & Country Planning (Local Planning) (England) Regulations 2012 [the 2012 Regulations].

[117] Document Ref. ED.3.4.
[118] Document Ref. HD.45.
[119] Document Ref. HD.45a.
[120] Document Ref. ED2.7.
[121] Document Ref. ED3.2.

Employment: *Introduction*

108. Relevant paragraph 158 of the Framework is under a title '*Using a proportionate evidence base*'. It requires LPAs to ensure that their Plan is based on adequate, up-to-date and relevant evidence about the economic characteristics and prospects of the area. Paragraph 160 of the Framework says LPAs should have a clear understanding of business needs in their area and work with, amongst others, LEPs to prepare and maintain a robust evidence base. Paragraph 161 of the Framework states that LPAs should use this evidence base to assess the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period. Further guidance on assessing economic development needs is set out in the Guidance[122].

109. The District's Employment Land Study [ELS][123] was undertaken in August 2011, approximately 3 years before submission of the CS for examination and prior to the publication of the Framework in March 2012. However the CWLEP Strategic Employment Land Study [SELS][124] was added to the evidence base post submission although I understand that the Council had sight of a draft at an earlier stage. The *Introduction* to the SELS confirms that the purpose of the study was to provide a robust evidence base to, amongst other things, inform the preparation of each constituent Council's Local Plan.

110. The CS contains a clear vision for the future economy of the District, albeit one that is inextricably linked with the quantitative analysis that I review below. No substantive modifications have been put forward during the examination in relation to the economic vision. As already noted [36] a change has been put forward in relation to Strategic Objective 12, which concerns the economy. However both the original and proposed wording refers to 35 hectares and it is the basis for that figure that I shall examine in this part of my report. A proposed modification to the CS would identify a projected figure for jobs growth and so I consider it does not need to be in this Objective.

Employment land supply: *Quantitative analysis*

111. The ELS, at paragraph 11.23, found that '*it would be appropriate to plan for provision of 25-30 hectares (net) of employment land provision over the plan period*'. The CWLEP SELS does not provide a breakdown of employment land required in each local authority area under the recommended higher growth scenario[125]. The Council's Matter D statement, at paragraph 2.3, therefore explains that the same percentage for the base scenario, which does include a figure for the District, has been applied to the higher growth scenario,

[122] See section 2a, starting at paragraph ID 2a-030-20140306.
[123] Document Ref. ED.4.4.2.
[124] Document Ref. ED.4.4.1.
[125] Scenario 2 (baseline+) is recommended as the minimum estimation of quantitative need at paragraph 7.5 of Document Ref. ED.4.4.1.

which gives a figure of 31 hectares. The Council confirmed at the Hearing that this approach has been taken to the EPB and LEP.

112. As the SELS recommends this as a minimum the figure has been rounded up to 35 hectares, which a proposed modification says will be expressed as a minimum and which, based on the up to date employment land position, is calculated to be 37.4 hectares[126]. Although the ELS range is expressed as net figures[127] I am told that the SELS figures are gross[128]. The effect of rounding up would address any concerns that I have on this point noting, for reasons that I examine in due course, that the main allocations are relatively unconstrained and so the net developable area is likely to be high.

113. In these circumstances I reject the claim that the evidence base is out of date and I regard the assumption underpinning the derivation of the figure of 31 hectares from the SELS to be reasonable. In reaching this view I have noted the submitted evidence that shows the available premises in Stratford-upon-Avon has changed markedly between 2011, the date of the ELS, and 2014[129]. However we are now 3 years into the timespan of the CS and there appear to have been no significant releases in the town during that time[130]. In the circumstances, post-recession, it is inevitable that there has been a tightening of employment land supply. That does not persuade me that the forecast led projections are out of date or inadequate.

114. I have been referred to Table 4-18 of the SELS, which says that, based on past completions, 63 hectares of employment land would be required over the period 2011-2031. However that was not the basis on which the report recommended that future employment land requirements be calculated. The view that land take-up will be more moderate than indicated by the past completions scenario is evident in the ELS and it is acknowledged that past development rates are subject to volatility and '…*cannot be relied upon in isolation…*'[131]. Nevertheless past completion rates were a factor in the SELS finding that the higher growth scenario be expressed as a minimum and in that sense I am satisfied this factor has been taken into account.

115. The only alternative analysis before me is Turley's '*Employment Land Demand Assessment*', which estimates a need for 56 hectares over the lifetime of the CS[132]. Table 7.1 identifies an available supply of 39.5 hectares but at the Hearing it was agreed that this excludes the

[126] Set out in the Council's Matter D statement, which was agreed at the Hearing.
[127] See quote at [111], although I note paragraph 11.21 of the ELS says standard plot ratios are used to calculate the final employment land requirements in Figure 11.2 and so there appears to be a tension between this and the final range.
[128] Document Ref. HD.31a.
[129] See, in particular, enclosure No 2 to JLL's Matter D statement.
[130] Schedule of employment land at Appendix 1 to Council's Matter D statement.
[131] Paragraph 6.14 of the '*Employment Land Demand Assessment*' at Appendix 1 to Turley's Matter D statement.
[132] Table 6.4, Ibid, based on the Experian Baseline Scenario.

2 hectares on land to the west of Banbury Road, Southam[133]. This analysis would therefore suggest a deficit of 14.5 hectares. However it was acknowledged at the Hearing that the calculation includes growth in the automobile sector. Figure 4.1 of the study found that the manufacture of transport equipment was the main source of forecast change in the period 2011-2031. Although I record that my estimate of roughly a third of jobs[134] coming from this sector was described at the Hearing as very crude, which I accept, since there is no disaggregation I am not persuaded that this is a sound basis on which to increase the requirement. Among other things the proposed modification in respect of AML alone is 4.5 hectares even without JLR.

116. It is also material to note from Turley's study that the higher growth scenario in the SELS was found to provide a margin of choice which, with the Southam allocation and AML, would be considerably greater than the 2.5 hectares recorded in Table 7.2. The study says this flexibility factor is an allowance equivalent to 20 % of the total requirement and '…*that this additional 'buffer' would ensure a reasonable choice of sites for businesses and developers and to allow for delays in sites coming forward or premises being developed*'[135]. This confirms my view that the evidence base is robust and that the provision of at least 35 hectares, as proposed, has been justified.

117. At the Hearing it was suggested by one party that given that the District is already a net-importer of labour that the CS should be looking to reign in the number of jobs rather than create potentially more imbalance between the labour force supply and more demand for housing. However such an approach would be the antithesis of that set out in the Framework. Paragraph 14 says for plan-making LPAs should positively seek opportunities to meet the development needs of their area. The third core planning principle at paragraph 17 of the Framework says planning should proactively drive and support sustainable economic development to deliver the business and industrial units the country needs. In this context the negative approach that was advocated would be at odds with the Framework.

Breakdown in terms of use class

118. The ELS makes clear that the need for employment land is focussed on B1a and B1b floor space[136] rather than B1c, B2 and B8, where the ELS identified a potential surplus[137]. The Council says the breakdown by use class reflects Figure 8.12 of the ELS, which consistently finds a negative requirement for industrial floor space in all scenarios. The

[133] See paragraph 7.7, Ibid. The 2 hectare figure derives from the Council's response to *Inspector's Further Comments and Queries*, 7 November 2014, but this would need to be changed in the vision for Southam, on page 18 of the CS.
[134] 3,080/9,640 = 32 % although I readily acknowledge that the latter figure is a net figure after reductions in some sectors; all taken from Figure 4.1, Ibid.
[135] Paragraph 7.18, Ibid.
[136] See, in particular, paragraphs 10.20 and 11.24 of Document Ref. ED.4.4.2.
[137] See, in particular, paragraphs 10.22 and 11.27 of Document Ref. ED.4.4.2.

SELS is consistent with the ELS in that Table 4-10, for Stratford, identifies no need for B2 floor space over the lifetime of the CS. It does however identify a land requirement for B8 floor space, which is not inconsistent with Figure 8.12 of the ELS. Nevertheless the ELS recommends some provision for B2 and B8 at Alcester and that has been carried through into the CS in the proposed allocation at ALC3.

119. In the face of this consistent evidence base Turley's study identifies the majority of the expected change in B-class floor space over the lifetime of the CS to be in B1c/B2 and B8. The former might well be a reflection of the anticipated growth in the car industry and, given the objections under this heading are focussed on Stratford-upon-Avon, I note that proposal SUA2 says there might be scope for B1c. Whilst I note the claim that the ELS, specifically paragraph 0.58 ix, is rooted in the past I cannot accept this given its consistency with the SELS. There appear to be significant planning permissions for around 15 hectares of land at Loxley Road, Wellesbourne, which includes both B2 and B8[138]. Taken with the ALC3 allocation adjacent to Arden Forest Industrial Estate, which the ELS confirms to be '*…the largest employment site in the north-west of the District*'[139], there appears to be significant provision for B2. On balance I find no basis to include B2 uses within other allocations, specifically that for Proposal SUA2.

120. The position in respect of B8 is less clear because of the identified need for B8 in the ELS and SELS. I note the ELS says of land at Loxley Road, Wellesbourne that it could be '*rationalised down*'[140] but this might not be realistic. Amongst other things the Hearing was told that AML is currently building a storage facility at Wellesbourne. Taken with the ALC3 allocation there also appears to be significant provision for B8 both to the east and west of Stratford. Both appear to be reasonably well related to the strategic road network[141] that is best placed to serve such storage and distribution facilities within use class B8. Although I have reviewed the BNP Paribas evidence[142] the warehouse and distribution enquiries appear to be across a wide area rather than specific to Stratford. On balance I am not persuaded that there is a clear rationale to include B8 uses within Proposal SUA2.

Spatial distribution: *Introduction*

121. I propose to deal, in turn, with each of the specific employment allocations in the CS. However I would record that the allocation at Southam was unopposed at the Hearing, which was told the relevant planning permission has been issued. In a similar vein the 3 hectare employment component of SUA1 is uncontroversial because the land is already in employment use. Indeed during the course of the examination the Council has revised its position and is now seeking

[138] Schedule of employment land at Appendix 1 to Council's Matter D statement.
[139] Paragraph 11.30, Document Ref. ED.4.4.2.
[140] Paragraph 11.48, Document Ref. ED.4.4.2.
[141] Alcester via A435/A46 and Wellesbourne via A429 to Junction 15 of the M40.
[142] Enclosure No 3 to JLL's Matter D statement.

to reduce the area of SUA1, retain 2 identified areas in their current form and envisages the provision of 9,000 m² of Class B1 throughout the proposed Canal Quarter. In the circumstances I do not propose to address these proposals further at this stage of the examination.

122. By way of introduction I would also observe that whilst I propose to examine the proposed allocations, at SUA2 and SUA3, for relocation from the Canal Quarter, this is without prejudice to my eventual view on whether the housing allocation, as part of SUA1, is acceptable.

(i) JLR

123. The 100 hectare allocation between the existing JLR site at Gaydon Proving Ground and Junction 12 of the M40 has now been identified on a plan as the southern end of the GLH allocation[143]. As the Council observed in its statement specific objections to the JLR component of the allocation are not obvious. Although I accept that the allocation is locally controversial, considerations such as the loss of countryside and agricultural land yield to the national significance of what is being proposed. To underline the point, JLR told the Hearing that the allocation being sought in the CS is '…*about keeping JLR in the UK*'.

124. I have no reason to doubt that the firm's existing facility at Gaydon is the largest facility of its type in the UK, where the firm's cars are designed and tested at a unique research and development facility. Strategic Policy AS11, for the existing site, is essentially agreed and I shall comment on the detail in my final report, but the proposed allocation is envisaged to replicate that facility. Gaydon is said to have a pivotal role in JLR's business and it is claimed to be the only facility where product development and innovation can take place. In that context there are limited options for where such a large scale facility could be accommodated. Although Gaydon Proving Ground comprises an extensive area of land its form and function would rule it out as a practical option for a plant of the scale being proposed. In view of the new link road to Junction 12 of the M40, which is already under construction, the proposed site is the only realistic option.

125. Although, given that the CS looks ahead to 2031, precise details of what is proposed are inevitably not available, I consider that the allocation is fully in line with the Government's emphasis on building a strong, competitive economy. Paragraph 18 of the Framework says the Government is committed to securing economic growth in order to create jobs and prosperity. Paragraph 19 continues by stressing that the planning system should do everything it can to support and encourage sustainable economic growth, rather than to act as an impediment. It requires significant weight to be placed on the need to support economic growth through the planning system. Paragraph 20 says LPAs should plan proactively to meet the development needs of business. That is precisely what the Council has done here.

[143] See hatched area on plan appended to the Council's Matter D statement.

126. For various reasons Warwickshire Wildlife Trust was unable to attend the Hearing sessions and, in view of their previous representations, I sought clarification of the position that it took with regard to the JLR allocation. Its position has now been clarified[144]. In claiming there is a lack of ecological evidence it is unclear whether Warwickshire Wildlife Trust has taken account of the '*Ecological Appraisal*' that has been submitted[145]. This records large parts of the prospective JLR allocation to be arable, species poor semi-improved grassland and improved grassland. Whilst there are features of interest, including an area of broadleaved woodland adjacent to the site and a species-rich hedgerow within it, I consider that a detailed scheme would be able to respect such features. As JLR and the Council indicated that a scheme would need to provide necessary mitigation, Warwickshire Wildlife Trust's concerns appear to be capable of resolution.

127. It is clear from the Statement of Common Ground and the Joint Statement of Intent[146], to which the Highway Authority and the Highways Agency are signatories, that the transport consequences of the JLR allocation are capable of being addressed. It is agreed the Strategic Transport Assessment[147] examined a worst case scenario based on trip assumptions provided on behalf of JLR. The transport interventions are set out in Table 2 of the proposed modifications[148]. On this basis I am satisfied that this is not a fundamental constraint.

128. For these reasons I am happy to give the clear indication requested by JLR, to enable future investment decisions to be made, that the 100 hectare allocation is appropriate. I do not, at this stage, propose to express a view on whether it might be necessary for the allocation to be identified separately from any housing allocation. I merely record that it is conceivable that it could come forward on that basis.

(ii) AML

129. AML and the Council have agreed a Statement of Common Ground[149] that invites me to recommend a main modification to the CS to identify an area of approximately 4.5 hectares to meet the company's operational requirements. The area, identified on a plan appended to the Statement of Common Ground, lies to the west of the main car park on the AML site and is less than half the area that was originally sought by AML. At present it comprises a field that runs down to a small stream that demarcates the field's northern boundary. There is a public footpath that runs broadly east-west along the northern boundary of a field on the opposite side of the small valley, which facilitates views towards the area proposed to be allocated.

[144] Document Ref. HD.67.
[145] Document Ref. RD.07.
[146] Document Refs. HD.43 and HD.43a, respectively.
[147] Document Ref. ED.4.7.1.
[148] Document Ref. ED.1.1d.
[149] Document Ref. HD.33.

130. The Statement of Common Ground records that the existing AML site comprises the business's global headquarters and in that context my earlier analysis of the Framework equally applies [125]. At the time of my inspection the recently permitted extension to the main factory had just been completed although it was yet to be fully kitted out and utilised. With this extension it was evident to me, given the extent of the current ownership[150], that the AML site is very constrained. To the north-east is the village of Lighthorne Heath, to the south and east are the JLR premises and to the west is Heath Farm. AML have given reasons why areas of the existing site are unsuitable and I find no reason to disagree with that analysis[151]. Thus the identified area to the north-west of the site appears to be the only real option.

131. The Statement of Common Ground records that the proposed site would only be acceptable with the provision within that land parcel of strategic landscaping to protect the setting of the village of Lighthorne and the wider area of open countryside to the north; I agree. Despite the topography, the bunds around the existing car park give an indication of the sort of structural landscaping that would be necessary to effectively screen the proposed site in views from the public footpath. Whilst it is possible that a built form might project above such a bund and soft landscaping would take some time to mature to become effective, there would appear to be a number of development options available within the enlarged site. Amongst other things the existing car park has existing built development on 3 sides, which could mitigate any new building; alternatively it could be sited away from the northern boundary. Although it is not necessary for me to express a view on these detailed considerations at this stage it is evident that the allocation provides a number of options to extend the company's operation.

132. I recognise that because of the late emergence of this particular proposal, during the course of the examination Hearings, that there has been no consultation exercise with regard to this proposal. My initial findings must therefore come with the clear caveat that local residents and other interested parties have not had an opportunity to express views in writing and it is conceivable that something might arise during that process which might lead to an alternative view. However, based on the information currently before the examination, including the submitted '*Ecological Appraisal*'[152], I am able to give an initial indication, as requested by AML, that the proposed allocation is likely to be acceptable.

(iii) ALC3

133. This is one of only 2 specific sites that the ELS recommended should be allocated and whilst it suggested a 5 hectare extension it went on, at paragraph 11.31, to say: '*A larger allocation might be justifiable*

[150] See plan appended to Stansgate's Matter D statement, on behalf of AML.
[151] See paragraph 20 of Stansgate's Matter D statement, on behalf of AML.
[152] Document Ref. RD.07.

depending on the scale of housing development in the town'. The town is one of only 3 existing settlements where the CS has identified housing allocations. Amongst Main Rural Centres it is second, only to Southam, in terms of the number of dwellings in the most up-to-date Housing Trajectory[153]. Moreover I note the ELS says, at paragraph 9.37, it is one of the larger employment sites in the District with limited vacancy and no identifiable development sites. It continues, at paragraph 9.38, by recommending that the Council: '*...takes a longer-term view regarding the possibility of further employment development of the remaining 6.9 hectares of land to the north of the existing estate*'. It is clear this is the additional area now proposed.

134. Inset Map 2.1 to the adopted Local Plan identifies an area to the north of Arden Forest Industrial Estate that is not within the Green Belt. This is effectively '*safeguarded land*' as referred to in paragraph 85 of the Framework, in the context of Green Belts. However my site inspection confirmed that this area is effectively landlocked and could not be accessed without demolition of existing industrial buildings or encroachment into an area designated as Green Belt. Demolition is not a practical option and might only increase the need for an even larger release. The most obvious access would be the primary access proposed off Arden Road, which appears to have been designed for this purpose as the existing cul-de-sac is over-engineered for the few units it presently serves. Without a larger Green Belt release what one might conceivably end up with is an isolated access through a field, which is clearly not a sensible proposition on any level.

135. Evidence from a local Commercial Property Agent[154] strongly supports the allocation. It cites the example of Arc International Tableware, who makes brands such as Pyrex, which has been forced to move to Pershore because of the absence of suitable premises in the town. The unchallenged evidence is that 2 other major employers, Dawcom and Calgavin, will have to relocate outside of Alcester if more land is not brought forward to meet their needs. In respect of the former, a high tech communication company, this would have a knock-on effect because 85 % of their component parts are said to be manufactured on the estate. Calgavin Ltd made their own representations, which stress the need for the land to be brought forward immediately[155], which underlines the need to address this allocation now. Together with other examples cited in that report, including the proposed Innovation Centre, I find this evidence to be convincing. I regard it to be significant that it says the estate is geared to warehousing, manufacturing and design rather than offices, which have never been particularly successful. This supports the proposed mix, including B2, which allows for relocation from existing premises within the town.

[153] See Figure 2c, Document Ref. HD.09.
[154] The report from Westbridge & Co is appended to Stansgate's Matter D statement, on behalf of Alcester Estates Ltd.
[155] Representation No 0116-1.

136. Evidence before the Examination[156] deals with a range of topic areas of which the following are of note. The National Trust has confirmed that the setting of Coughton Court would be protected if a 20 m wide landscape buffer outside, but adjacent to, the northern boundary of the allocation was delivered. It says that suitable controls over tree retention, building heights and materials would ensure the impact on the setting of the listed building would be no greater than that arising from the existing estate. I have been given no reason to doubt this assessment and so I am satisfied that the proposal would preserve its setting. The Council confirmed at the Hearing that it envisaged the landscape buffer being outside the allocation and so whilst there is a need for an 8 m wide corridor adjacent to the stream, along the southern boundary of the allocation, it is in prospect that the net developable area would be a high proportion of the 11 hectare site[157].

137. The Council has set out[158] the exceptional circumstances that it says justifies the release of 7 hectares from the Green Belt in this location. No party has taken issue with this rationale. Inset Map 2.1 to the adopted Local Plan shows Alcester is surrounded by Green Belt and whilst there is some land outside the Green Belt, between the town and the A435, most of this is now allocated for housing or is constrained by flooding. Taking account of my earlier reasoning, including the urgent need for land releases and the access issue, I am satisfied that there are exceptional circumstances that justify a revision to the Green Belt boundary in the manner being proposed. In reaching this view I consider that there is no obligation to carry out a general review of the Green Belt in order to demonstrate that exceptional circumstances exist. This is underlined here because the circumstances include site specific considerations such that the need can only be met in this location, adjacent to the industrial estate.

138. Representations have been made that seek to justify an even larger release[159], but they are not persuasive. It would be better for the landscaped buffer to be within the Green Belt as the existing hedgerow is a recognisable physical feature and planting beyond it would ensure that it would become a long-term defensible boundary, which is likely to be permanent[160]. The area to the west appears to encompass the line of the footpath as well as low lying land near the River Arrow. It is appropriate for ALC3 to seek extensive landscaping along the western boundary. No good case has been made for an extension to the allocated area in this direction, which is required to provide a buffer to users of the right of way as well as to maintain a wildlife corridor along the river. My earlier rationale applies as to why it too should be in the Green Belt.

[156] Stansgate's Matter D statement, on behalf of Alcester Estates Ltd.
[157] The safeguarded land plus the 7 hectare Green Belt release being sought.
[158] Point 2 at paragraph 4.1.6, on page 67, of the CS.
[159] Drawing No 6895-100 Rev A, appended to Stansgate's Matter D statement.
[160] As required by the last-bullet point of paragraph 85 of the Framework.

139. The extension to the east is based on the provision of a secondary access via the route of Tything Road which, in turn, is based on paragraph 5.18.1 of the Warwickshire Guide. I am far from convinced that this rationale gives rise to exceptional circumstances. On its face[161] the Warwickshire Guide says it was adopted in 2001 as Supplementary Guidance to the Warwickshire Local Transport Plan 2000. However that is no longer the extant version of the Local Transport Plan[162]. Since the '*parent*' policy document is no longer extant the weight, if any, to be attached to the Warwickshire Guide is very limited. Whilst there has been reference to national publications, such as Manual for Streets, there appears to be no equivalent advice. In those circumstances the case for a secondary access, still less a case for taking that land out of the Green Belt, is not compelling. At best a second access would be preferable rather than essential. Despite this I note that the Council has put forward a modification that envisages the possibility of a case being made but stops short of taking the land out of the Green Belt. That appears to be fair.

140. In summary, for the reasons set out above, I consider that allocation ALC3 is appropriate because there are exceptional circumstances that justify a revision to the Green Belt boundary in this location.

(iv) SUA2

141. This is the second allocation that the ELS recommended should be made, albeit not specific to the allocated site. At paragraph 11.40 it merely said: '*We would recommend that an additional 5-10 ha of land is allocated at Stratford-on-Avon for B1 uses…*'. Paragraph 11.43 continued: '*The best location for new employment development would be close to the A46 and the proposed Stratford Parkway Station. If a site with prominence from the A46 could be achieved or depending on the scale of housing provision, an allocation of over 5 ha might be justified*'. Leaving aside, for this purpose, the area proposed for relocation from the Canal Quarter, it is evident the allocation is at the top of the recommended range.

142. In these circumstances the ELS provides credible evidence Stratford town needs a new business park and grounds to reject the claim that a more significant allocation would be justified. I acknowledge the 10 hectare allocation is less than the 11 hectares that is proposed for Alcester, but I have given reasons why the respective figures derive from the evidence base. I accept Stratford-upon-Avon is identified as a Key Urban Centre in the SEP[163], but the quantum of the allocations are broadly similar and Stratford remains the focus for other forms of economic activity and jobs in the District, such as tourism and retail.

143. The Proposals Map, together with Inset Map 1.1, of the adopted Local Plan confirms that the A46 demarcates the boundary of the Green

[161] See page 4 of the Warwickshire Guide, Document HD.17a.
[162] It has now been replaced by the 2011 version; see Document Ref. ED.4.7.9.
[163] Page 25, Document Ref. ED.4.4.4.

Belt to the north-west of Stratford-upon-Avon. The proposed site appears to be one of the only non-Green Belt sites that meet the identified criteria. Although a site in Bishopton Lane has been put forward by one objector as a possible alternative I am satisfied that it is not available for employment purposes[164]. There was a reference to a site at Ryon Hill but this appears to be poorly related to the A46 and the town and in any event the site appeared to be put forward on the basis that it was evidence that Stratford did not need another business park. First the Council's unchallenged claim was that Ryon Hill is fully occupied. Second any such claim flies in the face of the evidence, including the views expressed at the Hearing. To this extent the allocation at Proposal SUA2 is justified.

144. A Landscape and Visual Impact Assessment [LVIA] has been submitted on behalf of the landowners of SUA2[165]. It found a visual connection between the site and the urban edge of Stratford and that the connection would be increased following the implementation of the extant planning permission[166]. It also found that the visibility of the site is limited to short and medium distance views due to intervening vegetation, existing built forms and the topography. It considered that appropriate mitigation planting along the site boundaries could reduce these views and any long distance glimpsed views, which could be mitigated further through internal planting and sensitive roof design. The 2012 planning permission is a significant and material change in circumstances that post-dates the Council's landscape study[167] and enables me to make a distinction with its findings. The perimeter landscaping, taken with other existing characteristics of the allocated site[168], would ensure that the net developable area would represent a high proportion of the site.

145. It has also been submitted that SUA2 would be unsustainable but I cannot agree. The proposed allocation would be well located in relation to Stratford-upon-Avon, which the ELS describes as the main employment centre in the District, providing around 17,500 jobs[169], although I recognise that many of these jobs are in the tourism and retail sectors. In my view the proposed allocation is well located in relation to existing and proposed housing, with some scope for travel to work by public transport, bicycle or on foot. It is close to Stratford Parkway Station, which might be an option for some workers. Taking account of my finding on landscape impact I regard the claim that SUA2 would be unsustainable to be unsupported by the evidence.

[164] See review of alternative sites at Appendix 2 to Document Ref. ED.2.7.
[165] Appended to Turley's Matter D statement, on behalf of The Philip Baker Trust.
[166] The west of Shottery scheme for up to 800 dwellings, including a local centre and primary school, was permitted by the Secretary of State in a decision letter dated 24 October 2012 [Appeal Ref. APP/J3720/A/11/2163206].
[167] Document Ref. ED.4.11.3, which is dated July 2011, specifically page B325.
[168] As described in HD.31a.
[169] Paragraph 0.14 of the Executive Summary, Document Ref. ED.4.4.2.

146. Focussing specifically on the 10 hectare allocation for relocation from the Canal Quarter, my starting point is that paragraph 8.1.8 of the PBA study[170] found that SUA2 '*is sufficient to accommodate relocating businesses*'. The Study found that SUA2 was preferable to a Green Belt release and no argument has been made to the contrary. Whilst it was claimed that imposing the restriction on relocating businesses would be contrary to the Framework no specific reasons are given.

147. Reference has been made to my colleague's report on the West Northamptonshire Joint Core Strategy which, it is said, took issue with a restriction in terms of locally based companies. However I have few details to understand whether the situation is comparable. It is one thing to seek to restrict a fresh employment allocation in that way, but that is not what is proposed here. The bottom line is the additional 10 hectares is not justified by the ELS and so without a link back to the Canal Quarter there would be no basis for its release.

148. Concerns have been expressed that in the event that a company did relocate from the Canal Quarter but went into administration within a short period that the land might be sterilised. In response to this concern the Council has put forward a proposed modification that, in short, requires a 3-month period of marketing that would be applied for a period of 2-years from when the plot was implemented. In my view this might be an acceptable compromise that would allow for focussed marketing to companies still to relocate from the Canal Quarter, but only for a relatively short period after first relocation.

149. In summary I consider that the core allocation of 10 hectares at SUA2 is fully justified on the basis of the ELS. In the event that the Canal Quarter comes forward for redevelopment, I further accept that the additional 10 hectares for relocation of existing businesses is justified on the basis of the evidence base, including the PBA report. However my initial finding on this second component of SUA2 comes with the clear caveat that I express no view at this stage on whether the housing component of SUA1 would be acceptable because that is related to a matter on which the Council need to do further work.

(v) REDD1 and REDD2

150. Allocations REDD1 and REDD2 have been agreed via the DtC in order to meet the needs of Redditch due to capacity constraints within the Borough. They form part of a larger strategic employment site, which includes land in Bromsgrove District, called the Redditch Eastern Gateway. It is evident that the release of employment land in this area was endorsed in the West Midlands Regional Spatial Strategy Phase 2 Review Panel Report in September 2009. It is said that the Redditch Eastern Gateway is a '*Game Changer*' site, which is being promoted by Worcestershire LEP, Worcestershire County Council and GBSLEP, and is included in the Worcestershire SEP.

[170] Document Ref. ED.4.2.2.

151. In quantum terms the only document that I have been referred to is the Redditch Employment Land Review [ELR] update 2013[171]. It found, at paragraph 5.3, that '*…land capable of meeting Redditch's employment needs beyond the Borough boundary in neighbouring districts must be identified to meet the shortfall of around 26 Ha*'. The table on page 36 confirms the deficit to be 26.5 hectares. The CS, at paragraph 6.13.5, refers to a figure of 27.5 hectares, which is referenced elsewhere to an earlier version of the ELR[172]. However, on the limited information before me, the shortfall is 26.5 not 27.5 hectares and the figure in the supporting text should be reviewed[173].

152. Proposal REDD1 extends to approximately 12 hectares and Proposal REDD2 extends to approximately 7 hectares, which together total approximately 19 hectares, gross. With the proposed release of a site known as Ravensbank ADR, in Bromsgrove District, the Redditch Eastern Gateway would extend to approximately 29 hectares, which is in excess of the 26.5 hectare shortfall that is identified. However, at least in respect of the identified sites REDD1 and REDD2 that are within Stratford District, the allocations follow physical boundaries and/or the District boundary, and so there is no obvious way to reduce their size. Indeed, the Council has proposed to increase the size of the Green Belt release in response to a representation received[174], which would take the Green Belt boundary back to the A435. I shall consider the case for this modification in due course.

153. An Economic Impact Study of the Redditch Eastern Gateway[175] found it was the best employment site in an assessment of 33 sites. It said that the site has the greatest potential to attract significant inward investment providing a major employment site opportunity, which is both highly accessible and in an attractive environment. In my view it is the site's access to the strategic road network, via the A435 to Junction 3 of the M42, which distinguishes it as a game changer for the town. A high level assessment of comparator sites has identified Redditch Eastern Gateway as the best option to meet the shortfall in employment land within Redditch. Redditch Borough Council has also undertaken SA, which found Redditch Eastern Gateway performed well[176]. Although there was some speculation as to alternative sites at the Hearing, notably land south of Feckenham that is unrelated to the strategic highway network and physically separate from the urban area, there has been no serious challenge to this evidence.

154. The Economic Impact Study found a new roundabout junction on the A4023 would be required to enable the comprehensive development

[171] Document Ref. HD.24.
[172] Document Ref. ED.4.1.6 says the ELR 2012 Update identifies a shortfall of 27.5 hectares, but I have not been provided with that document and in any event it would be appropriate to work to the most recent version which is before me.
[173] Including at paragraphs 4.1.6 and 6.13.5.
[174] Representation No 2612-1.
[175] Document Ref. ED.4.1.6.
[176] Document Ref. HD.27.

of the Redditch Eastern Gateway. Amongst other things it said area REDD1 could not be developed for commercial uses without the new roundabout due to highway capacity and environmental reasons. However, as paragraph 6.13.8 of the CS records, the cost of constructing such a roundabout would not be viable unless both parcels, REDD1 and REDD2, are made available for development.

155. In this broad context I focus initially on Proposal REDD1, which is also known as Winyates Green Triangle. This site is bounded on 2 sides by dual-carriageways, the A435 running north-south and the A4023 into Redditch. The third side comprises the District boundary, which follows a small stream, but is characterised by a residential neighbourhood along Far Moor Lane, within Redditch. On this basis it has been claimed that the site would be better suited to housing in order to meet the housing requirement within Stratford. As such there appears to be no dispute that it would be appropriate for the site to be released for development in the CS; I agree. The only issue is whether it should be allocated for housing or employment uses. In view of all that I have outlined above I consider there is a clear case that employment represents the site's optimum use.

156. Turning to REDD2, which is also known as Gorcott, the Council has set out[177] the exceptional circumstances that it says justifies the release of 7 hectares from the Green Belt in this location. The key factor is the need for the Redditch Eastern Gateway to be delivered as a package in order to meet the employment needs of Redditch. The Economic Impact Study outlines the site's economic importance to the town, which is underlined by its high level promoters [150]. Another significant material consideration is that the roundabout is only viable with the release of the whole 29 hectares. The latest draft plan[178] shows the point of access from the adopted highway entering land within Stratford, which is allocated within REDD2, with the indicative highway running parallel to the District boundary to serve Ravensbank ADR as well as Gorcott. Taking account of all of the above I am satisfied that there are exceptional circumstances that justify a revision to the Green Belt boundary to release REDD2. These include site specific considerations which mean the need could only be met by release of this particular site on the edge of Redditch.

157. Gorcott Hall, which lies within a parcel of approximately 2 hectares to the north-east of allocation REDD2, is a Grade II* listed building. The submitted '*Built Heritage Assessment*'[179] concludes that development of the site would give rise to less than substantial harm to the wider setting and significance of the listed building. The report identifies, at paragraph 7.2, that the site does not form part of the immediate setting of Gorcott Hall. Paragraph 4.3.9 says the mature planting surrounding the Hall forms a visual boundary between it and the site, which is emphasised by the topography, with land falling away from

[177] Point 3 at paragraph 4.1.6, on page 67, of the CS.
[178] Document Ref. HD.14.
[179] Document Ref. ED.4.1.7.

the Hall providing separation ensuring the Hall and its curtilage are seen as distinct elements away from the site; I agree. Although the Hall is experienced from the public footpath views of it are limited.

158. Paragraph 7.5 of the report concludes that the '*very minimal extent*' of the harm '*…is balanced, if not out-weighed by the provision of much-needed industrial infrastructure*'. The public benefits, which the Economic Impact Study says could include up to 1,336 net additional jobs and £74.3 million net additional GVA [Gross Value Added] per annum, would outweigh the less than substantial harm to the setting of the listed building. In any event the policy framework would ensure any proposals would protect the character and setting of Gorcott Hall. As the Heritage Assessment anticipates, this might include factors such as design, planting, noise attenuation and street lighting. In these circumstances I am satisfied that the allocation would preserve the setting of the listed building.

159. Under this heading I turn finally to the proposition that Gorcott Hall and its associated land, totalling around 2 hectares, should be taken out of the Green Belt. The Council's position in this matter appears to be confused. In Document ED.1.1b it has provided a plan that shows a proposed amendment to the boundary that would take this whole 2 hectare area out of the Green Belt. The rationale appears to be by reference to the sixth bullet-point of paragraph 85 of the Framework, which says that boundaries should be clearly defined using physical features that are readily recognisable and likely to be permanent. I accept that the A435 would fall into this category.

160. However paragraph 10.15 of the Council's Matter D statement says: '*The boundary that has been proposed for REDD2 does not fully utilise physical features. Therefore, the attached plan suggests an amended boundary, <u>following the existing, well established tree/hedge planting which defines the curtilage of Gorcott Hall</u>…*' [*<u>my emphasis</u>*]. The plan thereby appended contains a very minor change to the REDD2 allocation but, crucially, excludes the whole of Gorcott Hall and its associated landholding. Having regard to the photographs in the '*Built Heritage Assessment*'[180], the boundary does appear to be a readily recognisable feature. In these circumstances, having taken account of the relevant representation, I am unable to conclude that exceptional circumstances exist. On the Council's own evidence there is a clear boundary on the ground that can form the basis of the Green Belt boundary and the rationale that underpins the wider release cannot be held to apply to the additional 2 hectares.

161. I am satisfied that the tree/hedgerow boundary is a permanent feature that would not need to be altered at the end of the plan period, in line with the penultimate bullet-point of paragraph 85 of the Framework. The existing hedgerow marks the boundary of the listed curtilage and planting around the employment release, which is

[180] Including Plate Nos 10, 11, 12, 39, 51, 53, 54, 55, 56 and 57, Document Ref. ED.4.1.7, which I have used in the absence of public access to Gorcott Hall.

required for a number of reasons, including having regard to the site's elevation[181], would reinforce this boundary. The topography might suggest the net area might be rather less than the gross and this supports an allocation in excess of the identified shortfall.

162. Amongst other things, on the limited information before me, I am unclear whether the land on the other side of the District boundary, within Bromsgrove, is within the Green Belt or not. If it is then the District boundary which, along with the A435, would be the other Green Belt boundary if the further release was endorsed, might not comply with the advice in paragraph 85. This is not an issue along the remainder of the north-west REDD2 boundary because it adjoins the proposed Ravensbank ADR allocation. This factor tends to support my finding that no exceptional circumstances exist.

163. In summary I consider that allocations REDD1 and REDD2 have been justified and are therefore appropriate. Both are required to meet the employment needs of Redditch. I have also given reasons as to why there are exceptional circumstances that justify a revision to the Green Belt boundary in this location, but only to release REDD2.

(vi) SUA 3

164. The Council has set out[182] the exceptional circumstances that it says justifies the release of 15 hectares from the Green Belt to the north of Stratford. Proposal SUA3 says that employment and commercial uses relocating from the Canal Quarter are to be delivered on a minimum of 9 hectares, together with uses that will help to facilitate the relocation process. In this context my earlier caveats apply.

165. Paragraph 8.1.9 of the PBA study[183], which in this respect forms the key element of the Council's evidence base, found that as SUA3 '*…is within greenbelt it is considered that this is the site that should be dropped and not be identified in the Core Strategy as there* [is] *insufficient evidence to support a greenbelt release*'.

166. The only document in the evidence base that sought to justify the allocation in the face of this external study is a brief supplementary report[184]. As I suggested at the Hearing this document is really not up to the task. On the basis of a desktop exercise it asserts, without showing any working, that the best available estimate of the land requirement for relocation is about 20 hectares, including Western Road, or about 16 hectares, without it. Given that the PBA study recommends a 10 hectare site at SUA2, this might suggest between 6 and 10 hectares need to be identified elsewhere. The Council says this does not include DCS, which could need up to 10 hectares, but it is clear this figure does not solely arise from the Canal Quarter.

[181] See, amongst other things, Figure 6 of Document Ref. ED.4.1.7.
[182] Point 2 at paragraph 4.1.6, on page 67, of the CS.
[183] Document Ref. ED.4.2.2.
[184] Document Ref. ED.4.2.3.

167. In sharp contrast to this crude analysis one party[185] has provided an analysis of all of the buildings and occupiers in the Canal Quarter based on the Valuation Office Agency [VOA] Database. In respect of the land to the west of the railway line, which is the only area on which the PBA study anticipates housing to be delivered within the lifetime of the plan[186], it identifies a floor space of 62,908 m². Listers confirmed at the Hearing that their unit, No 13, does not need to be replaced '*within Stratford upon Avon or the District* [because Listers] …*can be flexible in its approach to finding an alternative site*'[187]. This unit is 10,004 m², which means the revised floor space is 52,904 m².

168. The SELS[188] and Turley's study[189] provide a sound basis to assume the plot ratio would vary between 40 %, for B1c and B2, and 50 %, for B1a/b and B8. So whilst it is difficult to be precise because some of the data is expressed, by way of example, as B2/B8 uses, I said at the Hearing that this might provide a basis for a land requirement of between 10.6 and 13.2 hectares[190]. Although I acknowledge the Council has subsequently revisited the employment allocation in SUA1, at the date of the Matter D Hearing 3 hectares was proposed in SUA1, plus the 10 hectares in SUA2, which led me to suggest there was effectively no need to make any provision for employment land beyond these sites for the relocation of any existing businesses. Whilst I recognise that DCS wish to combine its operation on a single site, this suggests to me that it could be viewed as a hybrid case, i.e. it could legitimately take part of the fresh allocation on SUA2 because its other site would be recycled for employment uses.

169. Following my criticism the Council revisited its supplementary report and produced a revised report with table[191]. At face value this does not progress matters very far. Excluding Listers, as per my earlier reasoning, this identifies that the current occupiers of Areas 1 and 2, to the west of the railway, occupy 10.63 hectares, which is just 0.63 hectares more than the SUA2 allocation for this purpose. Indeed even if Areas 3 and 4 are included, the current area is approximately 18 hectares, less the 3 hectares[192] within SUA1 and 10 hectares within SUA2, gives rise to a figure of 5 hectares. However that includes areas which the PBA study does not anticipate coming

[185] Appended to the Matter D statement of JLL.
[186] For a summary see Table 6.8, Document ED.4.2.2.
[187] Quotes taken from Matter I statement on behalf of Listers.
[188] Table 4-1, Document Ref. ED.4.4.1, said to be based on ODPM guidance.
[189] Table 6.1, Ibid, which is also said to draw on industry proxies.
[190] 52,904 m² x 50 % plot ratio = 10.6 ha and 52,904 m² x 40 % plot ratio = 13.2 ha. This assumes the quoted floor space figures comprise its footprint, which might not be true in the case of some of the properties that are listed, such as the 5-storey office block at 20 Timothy's Bridge Road.
[191] Document Ref. HD.30.
[192] For this purpose the 3 hectares are relevant because the alternative is that some of the identified sites within areas 3 and 4, which the Council have otherwise listed, would not be redeveloped.

forward for housing within the lifetime of the CS. This exercise does not therefore justify a 15 hectare release in the Green Belt either.

170. The Council has, albeit at a very late stage[193], undertaken an analysis of alternative sites around Stratford in an attempt to show there are none available. The sites can reasonably be described as essentially contiguous with the urban area. I have no reason to criticise the reasons given for rejection of the sites that have been considered. However I regard the omission of Atherstone Airfield as significant. As I suggested at the Hearing Atherstone Airfield is a similar distance from the town centre as SUA3, indeed in travel time it might be less. It is in one ownership and it is available. It is not in the Green Belt. At the very least it merits proper consideration as an alternative site.

171. In what is in effect a footnote to the alternative sites analysis the Council says: '*Businesses generally find locations south of the river unattractive due to poorer accessibility to the strategic road network. This is evident from the lack of take-up of plots on the Stratford Business and Technology Park on Banbury Road. It should be noted that this argument was made by the owner in support of developing the remainder of the site for housing, which was accepted by the District Planning Authority*'. However this is inconsistent with the submission on behalf of Atherstone Airfield, which refers to a choice of routes to the strategic highways network. It also refers, amongst other things, to a recent approach for a new 25,000 sq ft [2,323 m²] unit from a company based between Stratford and Shipston.

172. Crucially my site inspection revealed a unit under construction and this shows up on Appendix 1 to the Council's statement as a B2/B8 unit of 2,810 m². On this basis it is clear the Council also regard it to be an acceptable location for a new industrial unit. My inspection broadly confirmed the submissions made on behalf of the landowner that the site is, in many ways, well suited to such uses. The runways have been planted as woodland and provide an effective screen. The mass of the existing buildings strongly suggests that a further large unit, or units, could be accommodated within the identified site[194] without detracting from the character and appearance of the area.

173. The key issue that does not work in its favour is that the site is within the Vale of Evesham Control Zone, as proposed under Policy CS14. However the plan of this area[195] reveals this site to be an anomaly because it is outside the network of main roads that otherwise form its boundary. This view is consistent with the comments attributed to the Highway Authority on a recent planning application[196], which says that the A3400 and A429 are designated lorry routes. I regard it to be inevitable that lorries going to and from Atherstone Airfield would use the A3400 to link to other main roads when travelling to and

[193] See Appendix 2 to Document Ref. ED.2.7, undertaken after consultation.
[194] Edged red on the plan within enclosure 1 to the JLL Matter D statement.
[195] Figure X to the SPG, Document Ref. ED.5.11.
[196] See quote at paragraph 54 of the JLL statement in respect of Matter D.

from the site; it is most unlikely they would enter the control zone. In these circumstances it is difficult to understand why Atherstone Airfield is within the Vale of Evesham Control Zone as it serves no purpose.

174. The Highway Authority did not provide a statement to explain the rationale for the site being in the control zone and whilst it did attend the Hearing I am not persuaded that a sound reason was given for its inclusion. I appreciate that at the Transport Assessment stage the airfield would need to be in the zone to apply the policy, but if the main roads are designated lorry routes then there is most unlikely to be any impact on settlements in the zone because HGVs will traverse around it. That simple and inescapable logic undermines the rationale for Policy CS14 to be applied to the site and leads me to find that a revision to the boundary, so that it would run along the A3400, would be appropriate. For these reasons I am in no doubt that Atherstone Airfield is a viable alternative to SUA3 for the relocation of B2 and B8 uses. In any event the Highway Authority did not see the policy as a fundamental constraint to further development at Atherstone Airfield.

175. Listers said in its statement that Area 4 in the Canal Quarter is '...*not deliverable within this plan period or viable*' so that '...*it may not be appropriate or necessary for allocation SUA3*'[197]. I accept that view informed the approach taken in the PBA study[198]. However at the Stratford-upon-Avon Matter I session Listers indicated that if a good relocation opportunity arose that redevelopment plans could move forward before 2031. It was said Western Road is an unconventional place to sell cars and that as the company is actively engaged in site assembly in that area this would be a benefit as there would be less people to deal with. Investment decisions in new car showrooms could be put back if more suitable larger sites could be identified.

176. I accept that SUA3 has a main road frontage, co-location near the existing Mini dealer would have advantages and that there is expert evidence[199] to support the preference of car dealerships for SUA3. Bearing in mind that the PBA study does not anticipate the Western Road area coming forward within the lifetime of the CS, this does not, even in combination with the revised position taken by Listers at the Hearing, amount to exceptional circumstances in my view. Although the Council has suggested that the northern part of SUA2 is reserved for new companies[200], this is not reflected in the policy. In these circumstances I am far from persuaded that SUA2 would be an unacceptable location for the relocation of car dealerships. It remains in prospect that they could enjoy a prominent frontage, potentially visible from the trunk road, and there might be a synergistic effect.

[197] Quotes taken from Matter I statement on behalf of Listers.
[198] See for example Table 4.1, Document Ref. ED.4.2.2.
[199] Appendix 1 to Matter I statement of Framptons.
[200] Document Ref. HD.31a.

177. Amongst other things I note that the Hearing was told that the JLR franchise had agreed that if SUA3 became available that it would move straight away and would look for a site of 2.3 hectares. The Council appeared to regard this as something that would fall within the second limb of the policy, namely uses that will help to facilitate the relocation process. However as the JLR franchise occupies a main road frontage on the Birmingham Road that is wholly unrelated to the Canal Quarter I fail to understand its eligibility. The proposition appears to be that it would free up its site to a car dealership within Western Road, but the link is tenuous and the site could equally go for an alternative end use, such as housing. It reinforces my view that exceptional circumstances do not exist for this scale of release.

178. The Hearing was further advised that discussions were underway with Jewsons and Buildbase with a view to reaching agreement with them to move from Area 3 within the Canal Quarter to SUA3. I note from the PBA study[201] that Jewsons had previously indicated that it might '…*consider relocation to an appropriate site south of the river*'. Whilst it is unclear whether it had a specific site in mind the evidence given at the Hearing does not justify the release of SUA3 for this purpose.

179. Exceptional circumstances need to be shown on the basis of robust evidence and that is conspicuous by its absence in respect of SUA3. As was observed at the Hearing the evidence seemed to change over the course of just over a week. Accordingly I reject the claim that without SUA3 there will be no regeneration of the Canal Quarter. The PBA study does not anticipate the area that Jewsons occupy coming forward for redevelopment within the lifetime of the CS.

180. The PBA study, at paragraph 6.3.2, says it was understood that the '…*Council has a preference not to use compulsory purchase powers*'. At the Stratford-upon-Avon Matter I session, again for the first time, the Council said that PBA had been wrong in that assumption and that it was not opposed to using CPO powers. I accept that it was qualified to be a last resort but I still find it surprising that the Council's own consultants would have got such a basic assumption wrong. However this too does not alter my view regarding SUA3.

181. For the above reasons, and taking all other matters into account, I find no exceptional circumstances exist that would justify a revision to the Green Belt boundary to release SUA3. My reasoning is further reinforced by the somewhat arbitrary extent of the land shown on the relevant plan in Document ED.1.1b. I ask rhetorically why one would exclude the Mini dealership but include the open field behind those commercial premises? A significant part of the eastern boundary of the proposed allocation does not even appear to follow an existing field boundary on the ground. In this respect the proposed allocation appears to be the antithesis of paragraph 85 of the Framework.

[201] Table 4.1, Document Ref. ED.4.2.2.

182. Without prejudice to any future finding in terms of the housing component of SUA1, what the Council might wish to investigate is whether there might be scope to make an alternative allocation at Atherstone Airfield. In particular there might be merit in considering whether DCS could relocate to the airfield in order to maximise the effectiveness of the SUA2 allocation. I have given reasons why the Council's report gives a basis to identify a need for 5 hectares [169] and I note DCS currently occupies a site of 4.87 hectares within the Canal Quarter. In terms of traffic generation and the relationship with Stratford it is material that the Hearing was told that the second DCS factory is at Long Marston, which is within the Vale of Evesham Control Zone. If it were acceptable for DCS to move to Atherstone Airfield on a 10 hectare site this has the potential to free up the remaining SUA2 site to accommodate, on a like for like basis, the current floor space of all other occupiers within the Canal Quarter.

183. Alternatively there might be scope for other B2/B8 uses within the Canal Quarter to relocate to Atherstone Airfield and so a generic allocation could be considered. To this limited extent I invite the Council to undertake further work, which would need to be subject to SA, including in combination with Proposals SUA1 and SUA2. However I do so against a clear finding that the PBA study[202], being the Council's main evidence in this respect, saw no need for release of a second site in addition to SUA2 [146, 165]. For this reason I can be certain that deletion of SUA3 would not in itself prejudice delivery of the Canal Quarter regeneration scheme within the life of the CS.

Employment: *Conclusions*

184. I consider the CS is based on a clear economic vision and strategy, at least in terms of quantum [110].

185. I have given reasons for finding that the CS is based on adequate, up-to-date and relevant evidence that has properly assessed the quantitative needs of economic activity in the District [112, 116] and which justifies the mix of proposed employment releases [118-120].

186. I have given reasons for finding that the employment allocations in the CS are, in the main, justified by the evidence [128, 132, 140, 149 and 163]. However I have found that there are no exceptional circumstances to justify the release of 15 hectares of Green Belt land at SUA3 [181] or 2 hectares at Gorcott Hall and its associated curtilage [160] from the Green Belt. In total, out of the 31 hectares of Green Belt land that are proposed for release in the CS, I have found exceptional circumstances exist to release just 14 hectares.

187. Finally I have found there is no justification for Atherstone Airfield to be included within the Vale of Evesham Control Zone [173] and that the Council might wish to explore the opportunity that the site offers for the relocation of B2 and B8 uses from the Canal Quarter [182].

[202] Document Ref. ED.4.2.2.

Housing Strategy and Housing Supply: *Background*

188. The Council's '*Topic Paper 1: Development Strategy*' summarises the long gestation of the CS and the different scenarios and options that have been considered at each stage. The Council state that from an early stage, in 2009, there was '*…a strong body of support for a new settlement*'[203]. The consultation in 2010 gave rise to concerns about the impact of large-scale development in Stratford-upon-Avon. The consultation in 2012 gave rise to what is said to be a '*…significant level of support…for the principle of a wider dispersal approach*'[204].

189. The Topic Paper records the population of the District to be 120,500 with around 27,000 residents in Stratford-upon-Avon[205] the largest town, which represents around 22 % of the population of the District. Below this are 8 smaller towns, which the adopted Local Plan calls Main Rural Centres [MRCs], namely: Alcester, Bidford-on-Avon, Kineton, Henley-in-Arden, Shipston-on-Stour, Southam, Studley and Wellesbourne. The combined population[206] of these towns is around 40,000 residents, which represents over 33 % of the population of the District. The remaining 45 % of the District's residents live in the rural area, which covers approximately half of Warwickshire. It is notable that the Hearing was told the District is one of the top ten largest Districts in England. It is self-evidently a large rural District.

190. The figures discussed in this section of the report are taken from the latest version of the main modifications, but I regard it as inevitable that they are going to have to be revisited in the light of my earlier analysis, specifically with regard to OAN [54]. This does not detract from the sentiments that are expressed below which, in the main, should be read as generic proportions rather than specific figures.

CS housing strategy

191. The latest version of the housing trajectory is included in the main modifications that formed the basis of the discussion on the final afternoon of the Hearing. Essentially it is that found at Figure 2c of the *Housing Implementation Strategy*[207], except the figure for Local Service Villages [LSVs] has increased to 2,000 and, hence, the total for the CS has increased to 11,405. When the breakdown of this revised distribution is analysed it gives rise to the following[208]:
    - Stratford: 2,684 dwellings or 23.5 % of what is proposed;

[203] Paragraph 6.4.3, Document Ref. ED.5.5, but it is evident from the associated tables, which show over half of respondents consistently supported this option.
[204] Paragraph 6.6.4, Document Ref. ED.5.5.
[205] Paragraph 6.1.2 of the CS says 26,000 residents, but this is still around 22 %.
[206] Source: paragraph 1.17, Council's statement for Matter E, but adding together the figures in paragraphs 6.2.2, 6.3.2, 6.4.3, 6.5.4, 6.6.3, 6.7.2, 6.8.2 and 6.9.4 of the CS suggests the figure is approximately 41,000 residents, or 34 %. The difference might be due to Parish boundaries and hence it is not significant.
[207] Document Ref. HD.09.
[208] Note: these figures update those that formed the basis of the discussion at the Hearing, which were calculated against the original housing figure of 10,800.

- MRCs: 2,910 dwellings or 25.5 % of what is proposed;
- LSVs: 2,000 dwellings or 17.5 % of what is proposed;
- New town: 2,500 dwellings or 22 % of what is proposed; and,
- Rural locations: 1,311 dwellings or 11.5% of what is proposed.

I accept that there is little justification for attaching significant weight to these percentages, but I consider that they are a useful guide for the assessment of what is proposed in the context of what exists.

Stratford and the main towns

192. There appears to be a broad measure of support for a distribution that identifies Stratford-upon-Avon and the 8 MRCs as sustainable locations. This terminology, sustainable locations, is now put forward as a main modification in preference to 'hierarchy' and since I think it is fair to say that at no stage did the Council propose a 'town first' ranking system or, as the case may be, to prioritise LSVs over Large Rural Brownfield Sites [LRBS], the revised wording would be more appropriate. Whilst the proposed distribution would see around 49 % of new dwellings directed to these 9 towns, which is slightly below the 55 % of the District's existing population that they accommodate, the housing strategy essentially perpetuates the existing balance. There is no obvious reason why the existing pattern should be called into question and so I consider that it is appropriate to focus at least 49 % of the housing requirement into these 9 existing settlements.

193. Stratford-upon-Avon supports an extensive range of shops and services and is the focus for public transport serving both the District and various towns and cities beyond. As I have already noted it is the focus for economic activity and jobs in the District [142]. I find no clear basis on which to disagree with the Council's claim that the sum of the 8 MRCs, in terms of the level and range of services and facilities, does not match that of Stratford-upon-Avon. This might be said to support a case for focussing additional housing into the town.

194. However, in percentage terms, Stratford-upon-Avon is scheduled to take slightly above its share of new housing when compared to its population relative to that of the District [189, 191]. Given the preference that has been expressed during consultation [188] I find no reason to criticise the apportionment currently proposed in the CS. It would still be the largest urban centre in the District and so I reject the claim that this approach contradicts the priorities of the SEP[209]. Nevertheless there might be scope to increase the allocation because there can be no doubt that the town is a highly sustainable location for further housing. Although a matter for the Council to consider in the first instance the town might be able to accommodate a higher level of growth without harming its character or causing traffic problems. The Strategic Housing Land Availability Assessment [SHLAA][210] confirms that there are a number of unconstrained sites, many of which were promoted at the Hearing.

[209] Reference has been made to page 25 of the SEP, Document Ref. ED.4.4.4.
[210] See in particular the summary maps in Document Ref. ED.4.1.2.

195. I consider that it would be an unnecessary complication to formally distinguish between different types of MRCs, such as primary and secondary. In practice the housing trajectory shows that the distribution between the MRCs is uneven in any event. Around 45 % of those dwellings that have been allocated and/or granted planning permission within MRCs since 2011 have been directed to Alcester and Southam[211]. This appears to be consistent with the employment allocations that are proposed for these towns, particularly the former. The distribution to MRCs might be said to be about right, but there remains scope to increase the amount. In my view it is material that they presently house more than 33 % of the resident population and generically the 8 MRCs appear to be a highly sustainable location. The SHLAA[212] confirms there are a number of potential sites, many of which are not subject to footnote 9 [of the Framework] constraints.

196. The latest housing trajectory identifies 537 dwellings in what is effectively a 'to be' allocated column within the '*MRC Unspecified*' row, net of windfalls. Given that planning permissions that are continuing to come forward[213] would be set against the total in this row, I reject the claim it is necessary to allocate these in the CS. It is fair to anticipate that the residual figure will come forward via the Site Allocations Plan or Neighbourhood Plans. I acknowledge that the Hearing was told that 7 out of the 8 MRCs are proposing to bring forward Neighbourhood Plans, but a proposed main modification says the figure in the supporting text for each MRC would be modified to reflect the latest situation. There remains scope for this figure to give a clear steer to those preparing Neighbourhood Plans so there would be no ambiguity about the scale of provision needed in each MRC. Alternatively the Council suggested the Site Allocations Plan could effectively override a Neighbourhood Plan that failed to make the required level of provision. The first option might be preferable.

Local Service Villages

197. There has been some criticism of the level of housing proposed for LSVs, but in the context of a large rural District some level of housing in villages would be appropriate. The housing strategy in the adopted Local Plan, and its predecessors, appears to have been successful in directing new housing to the main towns[214]. There is evidence before the examination that this pattern has continued to be quite marked since 2001[215]. Amongst other things the growth in the number of

[211] 482 [Alcester] plus 528 [Southam] expressed as a percentage of 2223 [which is the total allocation to MRCs of 2,910 less the 687 'MRC Unspecified', which are proposed to be allocated at a later stage].
[212] See in particular the summary maps in Document Ref. ED.4.1.2.
[213] One of the most recent of which is Appeal Ref: APP/J3720/A/13/2194850 on land north of Campden Road, Shipston-on-Stour for up to 54 dwellings, as well as a retail store, community use and a large 'extra care' retirement development.
[214] See for example paragraph 1.2.12 of the CS.
[215] See for example research by Rural Solutions for Gladman referred to as part of its statement for Matter I, LSV, session.

households in the urban part of the District is said to be nearly ten times higher in percentage terms than in the rural area and this is said to have given rise to a disproportionate ageing demographic within the rural area. In the context of a District in which 45 % of the existing population lives outside the main towns, the level of housing that is proposed to be directed to the main villages would help to address these problems and sustain their long-term future. I have no reason to doubt the Council's claim that there are another 100 villages below category 4, which underlines that the housing is being directed to the largest, most sustainable, rural settlements.

198. Inevitably such an approach is subject to the complaint that this would lead to a less sustainable pattern of development, in terms of, among other things, transport patterns and access to retail facilities. However the LSV methodology has expressly taken account of the existence of public transport and village shops, as well as settlement size and whether there is a primary school, in categorising villages. It might have been better if the methodology had taken account of employment, but I am not convinced that the end result is unfit for purpose. In my view the list of villages, as proposed to be modified, is a reasonable basis on which to direct the 2,000 dwellings currently proposed, in order to achieve a sustainable outcome. This level of housing would help to sustain the existing services and facilities in these villages, including public transport, primary schools and shops. At a minimum it would maintain the vitality of rural communities and therefore comply with the policy in paragraph 55 of the Framework, which seeks to promote sustainable development in rural areas.

199. I acknowledge that the rationale for the current figure of 2,000 dwellings appears to be rather arbitrary. The Council's explanation is that the overall quantum has been derived using a bottom-up approach taking the approximate mid-point of the ranges deemed appropriate for each category of LSV. However the chosen ranges necessarily involve a value judgment and so it is hard to escape the view they were established in order to achieve the residual number of dwellings specified in the CS. Nevertheless, for the reasons discussed, I am not convinced that the end result is inappropriate.

200. As I suggested at the Hearing there is a problem with the approach to LSVs in the CS insofar as the methodology fails to take account of Green Belt. In my view the original range of dwelling numbers for each category was unsatisfactory when viewed in this light because, without any evidence of the capacity for each village to accommodate a minimum number of dwellings, this could have required Green Belt releases. With no attempt to demonstrate exceptional circumstances I am unclear how I could have found such an approach to be sound. However the Council has recognised the shortcomings of this aspect of its approach and has put forward a revised form of words as a main modification, which in my view gives rise to greater flexibility. It would ensure there would be no conflict with Green Belt policy.

201. Noting that the number of dwellings allocated to LSVs has increased from 1,950, in the CS, to 1,970, e.g. in the *Housing Implementation Strategy*, and now to 2,000, as proposed to be modified, I consider that the Council would need to robustly justify any further increase. I note that the SA process[216] looked at increasing the LSV allocation from 1,800 to 2,150 and gave reasons for discounting this option, but the CS is already over half way towards the higher figure. In this respect Topic Paper 1 says[217]: '…*an over-reliance on dispersing development to smaller villages would not be appropriate due to the impact this would have on their character and the need to travel longer distances, most likely by car, to shops, services, jobs, schools, etc*'. Although it is unclear whether the Council subscribes to this view, it might suggest that there are limits to the dispersal option.

202. Evidence before the examination suggests there are a number of footnote 9 [of the Framework] constraints that might restrict a number of the identified LSVs from delivering[218]. I have reviewed this evidence by going back to the quoted source documents[219] and the points appear to be well founded. Given that roughly half the number of houses in LSVs already have planning permission[220] I have no reason to find that the existing allocation is undeliverable. However it would need to be shown why any further increase in the numbers allocated to LSVs would be a sustainable option when, taking account of Green Belt, other villages in some categories might already need to take, in relative terms, a large number of dwellings.

Other components of the housing strategy

203. The other components of the rural housing strategy are LRBS and Other Rural Locations. During the examination the Council has put forward various changes to its vision and a new strategic objective that provides a renewed emphasis on previously-developed land. Despite this the Council does not find it to be appropriate to allocate further housing beyond the 700 units, or 6 %, that already have planning permission on LRBS. The Council does not appear to be short of options within this category and in the event that the OAN is increased there would appear to be scope to revisit this conclusion. However, in the context of the required SA work, that is a matter for the Council to consider in the first instance.

204. Within the Other Rural Locations category are dwellings elsewhere in the rural area. Within the 611 units, or 5.5 %, that are allocated to this category the vast majority already have planning permission. The balance comprises a windfall allowance which, together with a similar allowance for Stratford-upon-Avon and the MRCs, works out at 27 dpa over the last 15 years of the plan period. The basis for this

[216] Table A6, Document Ref. ED.3.6a.
[217] Paragraph 6.8.8, Document Ref. ED.5.5.
[218] See BW analysis in the table in its statement for Matter I, LSV, session.
[219] The summary maps, Document Ref. ED.4.1.2.
[220] LSV row in Figure 2c, Housing Trajectory, Document Ref. HD.09.

figure is data over the last 3 years because the moratorium skewed the position before that, although historic data[221] would still appear to support a figure of 27 dpa. I hope it is fair to say that there was a consensus at the relevant, Matter F, Hearing session that this was a realistic figure. I consider there is compelling evidence[222] to support this windfall allowance, including within the Other Rural Locations. In the context of a continuation of the restrictive approach to dwellings in the countryside, however, there appears to be no scope to meet any increase in the housing requirement in the Other Rural Locations.

205. The other major component within the housing strategy is the new town and I have already noted some support for this approach, albeit unrelated to the spatial outcome [188]. In view of the scope of the required SA work I do not intend to say a great deal under this head. In the event that this additional work confirms GLH, the proposed trajectory, which has been the subject of sustained criticism from a number of parties, appears to be tight. Taken with the acknowledged lack of 'headroom' in the housing trajectory, which has not materially changed despite the increase in the OAN from 10,800 to 11,320, this factor strongly suggests that greater flexibility needs to be built into the CS to give a margin of appreciation above the eventual housing requirement agreed. This is irrespective of the reserve sites policy.

206. If GLH is retained as the new settlement option it would not appear to have any scope to deliver more than 2,500 houses within the plan period to 2031. Accordingly it appears that, for the reasons I have identified, any increase in the OAN would need to be directed to, in no particular order, Stratford-upon-Avon, the 8 MRCs or LRBS. There appears to be limited scope within the LSVs [201, 202] and no scope elsewhere in the Other Rural Locations [204]. This broad observation might assist the Council in the further SA work it needs to undertake. However, depending on the scale of the housing requirement, there might be other options, possibly including a second new settlement. This analysis is equally applicable to any future consideration of reserve sites.

More detailed aspects of housing land supply

207. Paragraph 47 of the Framework says: '*To boost significantly the supply of housing, local planning authorities should: … • identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of housing against their housing requirements with an additional buffer to 5 % (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20 % (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to*

[221] See Figure 1, Document Ref. ED.4.1.2.
[222] Figure H5, Authority Monitoring Report 2012-2014, Document Ref. ED.5.3.a; even if the focus is restricted to small windfalls the average is more than 27.

ensure choice and competition in the market for land [and] • *identify a supply of specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15*'.

208. Allied to this the Guidance says[223]: '*The approach to identifying a record of persistent under delivery of housing involves questions of judgment for the decision maker in order to determine whether or not a particular degree of under delivery of housing triggers the requirement to bring forward an additional supply of housing…. The assessment of a local delivery record is likely to be more robust if a longer term view is taken, since this is likely to take account of the peaks and troughs of the housing market cycle*'.

209. The Council conceded at the relevant, Matter F, Hearing that it would be appropriate to apply a 20 % buffer at the moment. There have been a number of recent appeals that have confirmed this approach and I find no reason to disagree. I consider the most relevant table for this purpose is Figure H1a[224], which shows completions against the Local Plan target, albeit this should be adjusted post 2011 for the current OAN, 566, which will itself need to be reviewed. It is clear that the housing target has only been met twice in the last 10-years and that over the 13-years for which figures are given the average[225] is materially below the adopted Local Plan target. On any measure I consider this is a record of persistent under delivery of housing.

210. The most recent housing trajectory[226] shows front loaded provision in the early years of the plan period going forward from 2015. This is graphically illustrated on the Housing Trajectory Graph[227], which shows well over 1,200 dpa are anticipated to be delivered in the 3 financial years 2016/17, 2017/18 and 2018/19. This appears to be a consequence of the release of sites following the moratorium, although there has clearly been a time-lag between the grant of planning permissions for larger strategic sites and implementation. It is a necessary and required correction to persistent under delivery.

211. At the relevant, Matter F, Hearing the Council ran through the assumptions that underpin its calculation of the 5-year housing land supply and, in particular, the figure for commitments within 5-years. I note a 10 % deduction has been applied for non-implementation. It would be fair to say that there was little substantive criticism of the Council's assumptions in terms of build-out rates on major sites. In my view the presentation of this material could be better in order to facilitate a more open interrogation of those assumptions. However, on the information before the examination[228], the Council was able

[223] Paragraph reference 3-035-20140306.
[224] Document Ref. ED.5.3a.
[225] An average of 391 dpa as opposed to a Local Plan target of 475 dpa for the first 10-years of that period and 566 dpa during the last 3-years.
[226] For the purpose of this section I intend to focus on Document Ref. HD.09.
[227] Figure 2a, Document Ref. HD.09.
[228] Figure 5, Document Ref. HD.09.

to show a 5-year supply even with the required 20 % buffer, albeit against a housing requirement that does need to be re-evaluated.

212. I have given reasons [204] why the evidence underpinning the level of windfalls is compelling, but it should be noted that in this respect the latest trajectory contrasts sharply with that in the submission version of the CS, which referred to a total of 1,390 windfalls. The Council has reallocated the majority of these to an allocated column within the '*MRC Unspecified*' row on which I have commented. The balance of the LSV figure is identified to come forward as 500 units in each of the last 5-year phases of the CS. These broad locations for growth appear to have a reasonable prospect, as per footnote 12 of the Framework, of coming forward within this anticipated timescale.

213. Notwithstanding the above the housing land supply situation is fluid. I have given reasons elsewhere [54] as to why the OAN needs to be revisited. This is plainly fundamental to the calculation of housing land supply. For this reason it is likely to be necessary to return to this issue at a later stage in the examination, noting that I have deliberately not focussed on the realism of the trajectory at GLH pending the further SA work required [103]. That, in itself, could have a bearing on the anticipated trajectory. However, in respect of the Canal Quarter the trajectory[229] for the purpose of the 5-year land supply appears to be realistic because Warwick House is a discrete site and Listers have confirmed the availability of its Masons Road site within Area 1a. To this extent the modest amount of housing, 20 units, which are projected to come forward in 2018/19 would appear to be realistic. I make no further observations at this stage, beyond recording that the trajectory anticipates the delivery of 300 units at GLH within the 5-year period up to and including 2018-19.

214. Noting that there will inevitably come a point where it will only be necessary to apply a 5 % buffer, the Council purports to show that a 5-year supply of specific deliverable sites can be maintained until the final, 5-year, phase of the CS[230]. However as this is intimately tied in with delivery of the key allocations in the Canal Quarter and GLH I do not propose to reach a view on this at this stage of the examination. Even if I were to express a without prejudice view on the allocations up to 2031, I would not be able to comment on the bigger picture in the absence of clarity in respect of the housing requirement.

215. That said the overall supply position over the whole plan period is tight [205] and does not appear to be a robust position on which to take the plan forward. There is no realistic flexibility in the housing supply to respond to changing circumstances. It is important to ensure that any delay in assumed delivery from sites contributing to the supply does not result in a deficiency in the 5-year assessment. Although I recognise the reserve sites policy provides some comfort I consider that greater headroom should be built into the trajectory.

[229] Figure 2b, Document Ref. HD.09.
[230] Figure 6, Document Ref. HD.09.

Housing Strategy and Housing Supply:
Conclusion

216. For the above reasons [192, 198, 203, 204], and having regard to all other matters raised, I find that the overall strategy in the CS, to direct roughly half of the growth to the main towns, with 17.5 % directed to sustainable villages and smaller proportions to LRBS and Other Rural Locations, to be justified. However there is still a clear need for a further strategic allocation in addition to these categories and a new town has been identified through the consultation process as the preferred option. For the reasons given [206], if GLH is confirmed as the strategic option, there would appear to be a need to focus any increase in the housing requirement towards the LRBS and/or the main towns of Stratford-upon-Avon and/or the 8 MRCs.

217. There is compelling evidence to underpin the level of windfalls [204]. The housing land supply situation is fluid, but as at January 2015, being the date of the *Housing Implementation Strategy*, which underpinned the discussions at the Hearing, the Council was able to show a 5-year supply even with the required 20 % buffer [211]. However this is based on a requirement of 11,320, which needs to be reviewed, and on assumptions regarding delivery, in particular at GLH, which cannot be confirmed in these interim conclusions. Unfortunately this means I am unable to give the assurance I would have wished to provide in respect of the housing land supply situation in the interim. Moreover I have given reasons why the housing supply position over the whole plan period is tight and why there is a need to provide more headroom in the trajectory over the lifetime of the plan [215].

Interim Conclusions

218. It is apparent that, for the reasons set out above, further work is required in order to demonstrate a robust and objective assessment of housing needs and ensure that the SA process is carried out in full accordance with statutory requirements and relevant guidance. Unfortunately, it would not be appropriate to proceed with the examination until this work has been carried out. This work should include the appropriate involvement of relevant stakeholders and public consultation in respect of any material changes that may be proposed to the CS as a result. I suggest that the Council considers the contents of these interim conclusions and prepares a timetable that sets out how it intends to progress matters. As I remain anxious to ensure that the examination progresses quickly I shall proceed to look at other, less controversial, areas of the CS in the interim including, for example, individual policies where a measure of agreement has been reached as to the appropriate way forward.

219. I recognise that these interim conclusions will be a disappointment for both the Council and a number of parties but, for the reasons I have given, I consider that the CS is not sound as it stands. In the circumstances it would not be appropriate to let the CS progress to adoption at the present time. So whilst I recognise the benefit of a plan-led system it needs to be based on a sound plan. In any event I have tried to give some certainty for investment decisions by giving a clear indication of my views on the proposed employment allocations and, without prejudicing the Council's position, commenting on housing strategy and supply, to the extent that I feel able to do so.

Pete Drew
Inspector

18 March 2015