

Warwick District Local Plan Examination

Warwick District Council

Response to Inspector's Initial Matters and Issues

Matter 1: Duty to Cooperate

April 2015



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Matter 1: Duty to Cooperate

Questions

General

1) What are the genuinely strategic matters as defined by S33A(4) of the Planning and Compulsory Purchase Act?

1.1 The Council considers that the genuinely strategic matters relating to the Local Plan are those set out in Section 5 of the Duty to Cooperate Statement (Doc LP22), namely:

- Homes needed in the area (the housing requirement)
- Jobs needed in the area
- Green Belt
- Retail and Leisure Provision
- Provision of Infrastructure
- Flood Risk
- Waste Management and Minerals
- Natural and Historic Environment

2) Who are the relevant local authorities and prescribed bodies in terms of cooperating on these strategic matters during the preparation of the Local Plan?

2.1 The Council considers that the relevant local authorities are those within the Coventry and Warwickshire Housing Market Area as set out in 3.3.1 of the Duty to Cooperate Statement (Doc LP22), namely:

- Warwickshire County Council
- North Warwickshire Borough Council
- Nuneaton and Bedworth Borough Council
- Rugby Borough Council
- Warwick District Council
- Stratford-on-Avon District Council
- Coventry City Council

2.2 In addition, the Council has an important direct relationship with Solihull Borough Council as an adjoining local authority. It also has indirect relationships with the local authorities within the Greater Birmingham and Solihull Local Enterprise Partnership Area.

2.3 Section 4.9 of the Duty to Cooperate Statement (Doc LP22) sets out the work the Council has done with relevant Prescribed Bodies including Natural England, Historic England, the Environment Agency, the Clinical Commissioning Group, NHS England and the Highway Authority.

Overall housing provision

3) Is the Council's assessment of the extent of the Housing Market Area (HMA) correct? What is the evidence that supports this view? Is there evidence to support an alternative view of the extent of the HMA?

3.1 Chapter 3 of the Joint SHMA November 2013 (Doc HO04) examines alternative geographies for defining Housing Market Areas. This is

summarised in section 3.2 of the Duty to Cooperate Statement (Doc LP22). Doc HO04 notes that a HMA is simply a geographic area in which the majority of people who move, will move within. Doc HO04:

- sets out how the requirements of the NPPF for assessing house-prices, migration, and travel to work/commuting patterns are met;
- explains the use of national level research (CLG 2010 The Geography of Housing Market Areas) that uses “best fit analysis” to identify a Coventry based HMA;
- analyses recent gross migration & commuting flows between districts for the HMA and adjoining districts (Tables 3 & 4) to refine area.

Further detail on this analysis is given in Doc HO04.

- 3.2 The biggest migration and commuting flows in the HMA are between Coventry and Nuneaton and Coventry and Warwick with further strong links between;
- Warwick and Stratford
 - Nuneaton and North Warwickshire Borough Council (HO04 para 3.29).
- 3.3 HO04 concludes that the strong functional links in migration and commuting between Coventry and different parts of Warwickshire point to the existence of a Coventry focused housing market area (para 3.34). Therefore the Coventry Strategic Housing Market Area covers;
- Coventry City Council
 - Nuneaton & Bedworth Borough Council
 - North Warwickshire Borough Council
 - Rugby Borough Council
 - Warwick District Council
 - Stratford Upon Avon District Council
- 3.4 This HMA provides a geographic area that reflects the functional relationships between key settlements and hinterlands. It includes the City of Coventry, and the towns of Atherstone, Nuneaton, Bedworth, Rugby, Leamington Spa, Warwick, Stratford, Kenilworth, Southam, and Alcester.
- 3.5 As with all housing market areas, the fringes of the defined area of the Coventry and Warwickshire HMA overlap significantly with adjoining housing market areas, particularly parts of North Warwickshire, Rugby and Stratford-on-Avon (see para 3.35 of the JSHMA for further details). Whilst it could be argued that parts of these Districts relate to other housing market areas, the balance of the evidence provided in the Joint SHMA (particularly migration and commuting patterns) strongly suggests the 6 Coventry and Warwickshire Local Planning Authorities together make a well justified Housing Market Area. This view has been supported through the recent Core Strategy Examinations in North Warwickshire and Stratford-on-Avon. The Stratford Inspector (Doc Exam 8) noted a high degree of consensus that Coventry and Warwickshire is the appropriate geography for the HMA and strategic planning purposes.

4) *What is the situation regarding commuting and migration patterns between authorities in the HMA? What are the interrelationships in terms of housing markets? In particular what are the relationships between Coventry and other authorities in terms of commuting, migration and housing markets?*

4.1 The Joint SHMA November 2013 (Doc HO04) looks at migration flows in paragraphs 3.19 to 3.27 and commuting flows in paragraphs 3.28 to 3.30. This shows that Warwick District has particularly strong links with Coventry and Stratford-on-Avon, and less strong links with Rugby and Solihull. Coventry also has strong links with Nuneaton and Bedworth and Rugby. HO04 supports these findings by looking at gross migration flows between districts 2008-11 (see Table 3 in HO04). The largest flows are between;

- Coventry and Warwick – 2640pa/581 per 1000
- Warwick and Stratford – 1430pa/553 per 1000
- Nuneaton and North Warwickshire – 810pa/432 per 1000
- Coventry and Nuneaton – 1190pa/269 per 1000
- Coventry and Rugby – 960pa/230 per 1000

4.2 Some of the strongest flows are between;

- Coventry and Warwick District
- Warwick and Stratford
- Nuneaton and both Coventry/North Warwickshire
- Rugby and both Coventry/Daventry

4.3 There are also flows between all the authorities in the HMA to Birmingham and Solihull, but these are weak compared to those in the Coventry HMA and the Birmingham HMA (para 3.24). There is net migration from Coventry to adjoining districts, to Birmingham, and from Warwick to Stratford. There is modest net movement from Birmingham & Solihull to North Warwick District and Solihull to Stratford. Net migration flows from cities to surrounding areas are common to most cities across the UK.

4.4 Commuting data (HO04 table 4) shows a similar pattern with the largest flows;

- Nuneaton to Coventry - 18543
- Coventry to Warwick - 15180
- Warwick to Stratford - 13027
- Rugby to Coventry - 10493

4.5 The strongest flows are between Coventry/Nuneaton/Warwick and then Warwick and Stratford. There are also flows into Coventry from Solihull.

4.6 HO08 looks at changes in commuting patterns comparing commuting ratio's (workforce/people working in area) for districts 2001- 2011 using census data (figure 9). These confirm the continuation of the above flow patterns with;

- Nuneaton the biggest exporter of labour in the HMA mostly to Coventry
- Stratford changing from exporter of labour to importer from Warwick

- Coventry and Warwick remaining importers of labour
 - Coventry exporting labour to Warwick
- 4.7 Warwick's commuting ratio remains unchanged 2001-11 with increases in those economically active balanced by more people working in the area. Most of the economically active who live in Warwick work within the district. The District also provides work for those in Coventry and supplies labour for the towns in Stratford District.
- 4.8 HO04 (Para 3.32) identifies the following overlapping local housing markets based on house prices within the HMA;
- Lower house prices in Coventry and the north of Warwickshire
 - Similar house prices in a number of south Warwickshire towns including those in Warwick District, as well as Southam, Banbury and Solihull
 - A notably higher priced market including Stratford
 - An intermediate area covering Rugby
- 4.9 The functional links beyond the HMA are identified (para 3.35) including links into;
- Solihull and Birmingham
 - the more expensive parts of Stratford into the Cotswolds.
- 4.10 Across the HMA housing market dynamics pre-recession (1998-2007) performed similarly with price increases around the West Midlands & England average (paragraph 5.25). From 2008-12 prices have either fallen (North Warwickshire Borough -2%), been static (Coventry +0.4%) or shown modest increases, all below the England average and falling in real terms for all districts (paragraph 5.26).
- 4.11 The above shows that key migration/commuting/house price areas focus on a Coventry-based HMA and the functionality of the HMA geography. HO04 concludes (para 3.38) that within the HMA four overlapping local housing markets can be identified based on house price differentials including low and higher costs areas.

5) How do these interrelationships affect Warwick District specifically?

- 5.1 The specific effect of interrelationships on Warwick with regards to migration, commuting, and housing market areas is as follows.
- 5.2 Warwick has a strong relationship with Coventry and Stratford. Coventry has net out-migration to the districts that affect housing growth levels in the shires including Warwick. There is evidence of net migration from Warwick to Stratford.
- 5.3 Warwick is a net importer of labour from Coventry and exporter to Stratford. However Warwick's commuting patterns show stability compared to rapid changes in Stratford and a good balance between job numbers and labour supply.

- 5.4 Migration and commuting flows from Warwick to Birmingham and Solihull are weaker compared to those in the Coventry HMA or the Birmingham HMA (para 3.24) with limited effect on Warwick.
- 5.5 Doc HO04 identifies the housing market areas that relate to Warwick (para 3.32). Average house prices in the district (£255,000-£290,000) are more expensive than Coventry (£190,000) but are cheaper than Stratford (£320,000 +). House prices vary to some degree within the district (Table 5).

6) When did co-operation with other authorities on overall housing provision within the HMA begin?

- 6.1 Cooperation on the overall housing provision between the Coventry and Warwickshire local authorities has been ongoing throughout the preparation of the Local Plan and it is not therefore possible to identify a specific date on which it began.
- 6.2 The process initially picked up from the work undertaken at a regional and sub-regional level in preparing, submitting and examining the review of the West Midlands Regional Spatial Strategy (RSS) in the years leading up to the general election in 2010. Whilst the RSS review was found to be sound, it was never adopted. However the District Council Core Strategy that was under preparation at that time and effective cooperation was taking place to deliver the RSS. The Core Strategy Preferred Options published in 2009 included potential land (for approx. 3500 dwellings) to meet Coventry's long term housing requirements.
- 6.3 Following the 2010 election, the Government indicated its intention to revoke Regional Strategies and to place a stronger emphasis on localism. It is fair to say that following this announcement, the local authorities in Coventry and Warwickshire took some months to adjust to the new framework and particularly the importance of Duty to Cooperate when enacted. Whilst cooperation continued (for example informal bilateral discussions; CSWAPO discussions on a range of strategic matters and discussion at the Warwickshire Lead Officers Board), the effectiveness of this cooperation for Plan preparation was questionable. Effectiveness was further hindered by the different stages of Plan development in each of the local authorities.
- 6.4 In 2012, the Coventry and Warwickshire authorities began a more focussed process to address housing provision for the sub-region and to explore issues of distribution and commuting. This work was based on individual housing market assessments undertaken at local authority level. The individual assessments were aggregated to consider overall need and the emerging distribution of this. This formed a report to Lead Officers Board in September 2012 and led to the preparation of Coventry, Solihull and Warwickshire (CSW) DtC Statement in 2012 (see appendix 1.1),

which Warwick District Council's Executive formally endorsed on 14th November 2012.

6.5 This set out an agreement that:

- CSW would pursue a strategy to strike a balance between employment generation and housing needs
- There needed to be a strong approach to infrastructure planning
- The current interpretation of evidence shows that all CSW member authorities are capable of meeting their housing requirements within their borders. This means that there is no requirement from any local authority to seek to meet any part of their housing requirements within another area.
- The CSW member authorities will, as a matter of course, continue to plan to accommodate their own needs.
- However in the event of:
 - a) any Council needing to increase its housing requirement, and
 - b) there is strong evidence that the constraints set out in footnote 9 of paragraph 14 of the NPPF make it impractical to provide for the required level of housing growth within its borders then (and only then), the shortfall in the requirement should be addressed through discussion with the other sub regional authorities and/or with neighbouring sub regions.
- the distribution of housing is a matter for each Council to address to best suit local circumstances

6.6 The effectiveness of this Statement was brought in to question in 2013 by the Inspector Examining Coventry's Core Strategy. The Inspector's findings were instrumental in triggering a renewed focus and fresh approach to Duty to Cooperate between the authorities. This marked the commencement of the current arrangements which are now delivering mature and effective cooperation.

7) What form has co-operation taken? Has it been ongoing during the preparation of the Local Plan?

7.1 As can be seen from the answer to question 6, cooperation has been ongoing and it is not possible to put a specific start date on the process. However, the findings of the Inspector examining Coventry's Core Strategy in 2013 indicated that the cooperation prior to 2013 had not been effective. In particular, the Inspector suggested that a Joint Strategic Housing Market Assessment needed to be prepared. This provided the impetus for significantly more effective cooperation on housing issues and since this date, the cooperation mechanisms and outcomes across the sub-region have become increasingly mature, and have led to work on a range of technical matters as well as closer working arrangements as follows:

- Preparation of Joint SHMA (2013)
- Preparation of Sub-Regional Strategic Employment Land Study (2014)
- Preparation of a Joint SHMA Addendum (2014)
- Commissioning and preparation of a Joint Green Belt Study

- Preparation of a joint SHLAA methodology
- Introduction of a sub-regional monitoring group

7.2 Section 5.2 of the Duty to Cooperate sets out in further detail the cooperation activities and processes that have taken place in preparing the Draft Local Plan. In particular, it is worth noting that the evidence provided by the Joint SHMA and Joint SHMA Addendum provided the basis for a report to the Economic Prosperity Board (EPB) on 21st November 2014 (Doc LP20) which in turn provided a clear basis for the Draft Local Plan. This report continues to be used to drive ongoing cooperation activities.

8) To what extent is there agreement between the authorities in the HMA regarding the level of objectively assessed need for housing (OAN) for the HMA and individual authorities? Is this as set out in the 2014 SHMA Addendum?

8.1 There is agreement regarding the OAN for the HMA being 4004 dwellings per annum. This is based on the Joint SHMA Addendum 2014. This provides the most up to date evidence base for the HMA, setting out a range of need following sensitivity analysis in relation to household formation, market signals and economic forecasts. The addendum recommends that the 2012 Sub National population Projections (SNPP) (part return to trend) should be treated as a minimum level of provision. This level of provision has been formally endorsed at the Shadow EPB meeting on 21st November 2014 (Doc LP20) and subsequently by each local authority according to the timetable set out in in Doc EXAM2A.

8.2 There is no formal agreement regarding the OAN for each District within the HMA. However, the report to Shadow EPB meeting in November 2014 (Doc LP20) sets out the Joint SHMA conclusions (see Table 1.1 below) and it has been the working practice of the Duty to Cooperate group that this indicates the OAN for each District as follows:

Table 1.1

Authority	Joint SHMA Addendum Conclusion
Coventry	1811
North Warwickshire	204
Nuneaton and Bedworth	422
Rugby	453
Stratford-on-Avon	508
Warwick	606
HMA Total	4004

8.3 This is based on a "policy off" assessment. LP20 sets out a proposed distribution of the HMA requirement by district.

8.4 It is worth noting that the Inspector currently examining Stratford-on-Avon's Core Strategy has asked Stratford-on-Avon District Council to undertake some further work on its OAN to ensure a strong alignment

between jobs forecasts in the District and housing provision. The outcomes of this work are currently unknown but there is of course a possibility that this will lead to a different conclusion for Stratford District.

9) *What is the evidence that the level of need in individual authorities and the HMA as a whole will be met i.e. in terms of capacity assessments/SHLAAs/Green Belt studies etc?*

- 9.1 There are two key elements which underpin the ability of individual authorities to meet the housing needs identified in the Joint SHMA:
- a) Evidence relating to capacity as set out in the SHLAA and other studies regarding constraints, such as the Green Belt study
 - b) Local authority commitment
- 9.2 **Capacity:** Each authority is at a different stage in the plan preparation process. This means that some key aspects of the evidence base across the HMA are still being worked on. Table 1.2 below summarises the work that is in progress to establish the capacity of the HMA to meet housing need and specifically the District’s within the HMA.

Table 1.2

Capacity Studies – Progress within the HMA													
Area	Progress to date												
HMA	<p>SHLAA: To date SHLAA’s have been undertaken and updated on a District by District basis. Whilst this will continue, a joint SHLAA methodology has been developed and is initially being used in Rugby and Coventry. However, the total capacity and the distribution of available land is unknown until all the studies set out below are complete.</p> <p>Based on the latest SHLAA information for each District, the HMA had following capacity</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Coventry</td> <td style="width: 50%;">23,300 (under review)</td> </tr> <tr> <td>Rugby</td> <td>Under review</td> </tr> <tr> <td>North Warwickshire</td> <td>4,966</td> </tr> <tr> <td>Nuneaton and Bedworth</td> <td>11,745 (under review)</td> </tr> <tr> <td>Stratford-on-Avon</td> <td>2,644 + capacity at major sites outside the main settlements</td> </tr> <tr> <td>Warwick</td> <td>15,197 (including windfalls and Green Belt sites)</td> </tr> </table> <p>Green Belt: A Joint Green Belt Study is currently being undertaken to help update the 2009 Green Belt study (which was restricted to edge of urban sites).</p>	Coventry	23,300 (under review)	Rugby	Under review	North Warwickshire	4,966	Nuneaton and Bedworth	11,745 (under review)	Stratford-on-Avon	2,644 + capacity at major sites outside the main settlements	Warwick	15,197 (including windfalls and Green Belt sites)
Coventry	23,300 (under review)												
Rugby	Under review												
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Stratford-on-Avon	2,644 + capacity at major sites outside the main settlements												
Warwick	15,197 (including windfalls and Green Belt sites)												

Warwick District	SHLAA: SHLAA updated in 2014. Subject to release of Green Belt sites, in addition to windfalls and rural sites, this shows capacity for 11,646 dwellings (plus windfalls) between 2014 and 2029
	Green Belt: Warwick District's Local Plan has relied in the 2009 Green Belt Study for assessing edge of urban sites. For rural sites a Partial Green Belt Review was undertaken in 2013.
Coventry City	SHLAA: SHLAA updated in 2014. Subject to release of Green Belt sites, in addition to windfalls from small sites, this shows capacity for approx. 23,300 dwellings. However, following consultation, the City Council are in the process of reviewing their SHLAA to provide a more accurate picture of capacity within the City
	Green Belt: Area covered by 2009 study, but will be using 2015 study to inform Core Strategy review
Rugby Borough	SHLAA: Updated SHLAA being prepared. Expecting work to be completed in May/June 2015
	Green Belt: Edge of urban areas covered by 2009 study, but will be using 2015 study to inform Core Strategy review
North Warwickshire	SHLAA: 2013 SHLAA prepared to inform adopted Core Strategy and emerging site allocations DPD. This did not include Green Belt sites, as the SHLAA showed sufficient capacity outside the Green Belt.
	Green Belt: Have not undertaken a Green Belt study to date, but are not seeking to allocate within the Green Belt. Will be taking part in the second phase of the current Joint Green Belt Study in 2015/2016
Nuneaton and Bedworth	SHLAA: SHLAA prepared in 2013. Updated SHLAA being prepared.
	Green Belt: Edge of urban areas covered by 2009 study, but will be using 2015 study to inform Core Strategy review
Stratford-on-Avon	SHLAA: SHLAA undertaken in 2012 covered main settlements only. Separately, a further 2013 report looked at major sites outside the main settlements. This has informed the Core Strategy currently being examined
	Green Belt: Have not undertaken a Green Belt study to date, but are not seeking to allocate within the Green Belt. Will be taking part in the second phase of the current Joint Green Belt Study in 2015/2016

9.3 There is consensus amongst the authorities within the HMA that in overall terms there is capacity to meet the HMA's OAN. However, the most appropriate distribution of this across the HMA is still not known and is subject to the capacity studies currently being undertaken and/or planned.

9.4 It is likely that Coventry's SHLAA will demonstrate that it cannot meet its OAN in full given that its OAN is 36,220 dwelling over 20 years and that the 2014 SHLAA indicated a maximum capacity for around 23,300 dwellings. The capacity of all the Districts to address this shortfall is still being determined.

9.5 **Local Authority Commitment:** Each of the local authorities within the HMA has formally endorsed the recommendations of the November 2014 report to the EPB (Doc LP20). The dates of these agreements are set out

in paragraph 5 of the Council's letter to the Inspector dated 27th February (Doc Exam 2A)

9.6 This demonstrates that there is commitment across all the 6 authorities (amongst both members and officers) to deliver the HMA's OAN and to work together effectively to do this by implementing the timetable set out within the report. This is further underlined by the tangible progress that has been made towards the delivery of this timetable. The timetable has been and continues to be discussed on a regular basis at the Duty to Cooperate group meetings and has also been featured in discussions at the EPB and the LEP Housing and Property Business Group.

10) Will there be unmet needs within the HMA? In particular will there be unmet needs in Coventry? If so, what is the scale of this unmet need?

10.1 As set out in the response to 9) above, it is expected that Coventry City will not be able to meet their OAN within the City boundaries. This is likely to result in a shortfall of at least 13,000 dwellings over the 2011 to 2031 period. The authorities within the HMA have agreed to address this anticipated shortfall in two stages.

10.2 Stage 1 has already been agreed through the report to the EPB in November 2014 (Doc LP20). This is set out in Table 1.3 below.

Table 1.3

Authority	OAN (annual 2011 to 2031)	Agreed Housing Requirement (EPB Nov 2014) (annual 2011 to 2031)	Net difference
Coventry	1811	1180**	-631
North Warwickshire	204	175*	-29
Nuneaton and Bedworth	422	495	+73
Rugby	453	660**	+207
Stratford-on-Avon	508	540***	+57
Warwick	606	720	+114
Total (annual)	4004	3770	-234
Total (2011-2031)	80,080	75,400	-4,680

*this figure is the minimum within North Warwickshire's adopted Core Strategy, the site allocation DPD may seek to provide in excess of this.

**Subject to SHLAA Reviews

***565 proposed by SDC at Core Strategy Examination and this is subject to further review as requested by Inspector

10.3 Stage 2 will address the remaining shortfall and any additional shortfall that may result from the SHLAA capacity studies currently being undertaken. The Stage 2 process for addressing this further housing requirement is set out in Table 2 of the Report to the EPB on 21st November 2014 (Doc LP20).

11) What are the issues as far as Warwick District is concerned in addressing unmet needs from other authorities i.e. Coventry?

- 11.1 Within the Draft Local Plan Warwick District Council has already committed to a housing requirement of 714 dwellings per annum between 2011 and 2029. Over the Plan period Warwick District will therefore provide 108 dwellings per annum (1,944 dwellings in total) which will contribute to Coventry's housing need. The District Council contends that this is a significant contribution which at this point in time is entirely appropriate. This offers a pragmatic and positive approach to the 2012 Population Projections, by building on the work regarding the spatial strategy, site allocations, sustainability and infrastructure that had already been done in preparing the Publication Draft Local Plan. Alternatives would have led to a substantial delay as the Plan could not reasonably progress ahead of Coventry's Plan. The approach taken by the Council is supported by the other authorities within the HMA.
- 11.2 It is recognised that there is very likely to be a further unmet housing need arising in Coventry as set out in the table in question 10) above. Bearing in mind the context that 80% of the District's undeveloped area is Green Belt, the Council contends that it would not be appropriate to commit to all or any of this further need being provided for in Warwick District until further work demonstrates that this is required and is the most sustainable option. The reasons for this are:
- Until the SHLAA updates in Coventry, Rugby and Nuneaton and Bedworth have been completed and can demonstrate the housing capacity of each, the scale of the unmet need is not known
 - The Joint Green Belt Study has not yet been completed and it is not therefore possible to objectively compare Green Belt parcels, particularly in areas that were not covered by the 2009 Study. This means there is insufficient evidence to confidently allocate Green Belt sites within Warwick District to meet the needs of Coventry
 - The Strategic Economic Plan is due to be reviewed in 2015. This will provide important context for LEP ambitions regarding the distribution of jobs growth, which in turn should inform the distribution of housing across the sub-region
 - Before Green Belt sites are released to meet the unmet housing need, broader options need to be appraised (such as new settlements outside the Green Belt). Without this exceptional circumstances cannot be justified.
- 11.3 The process set out in table 2 of Doc LP20 provides the framework for ensuring a process is put in place to resolve these issues. In the event that this process demonstrates that some or all of Coventry's unmet housing need should be met within Warwick District, the Council will review the Local Plan (or will participate in a Joint Core Strategy) to identify appropriate sites as set out in Policy DS20.

12) *What is the situation regarding housing needs beyond the HMA i.e. Greater Birmingham affecting the HMA? What form has co-operation with other relevant authorities taken? What has been the outcome?*

- 12.1 Paragraph 8, 9 and 10 of the District Council's letter to the Inspector dated 27th February 2015 (Doc EXAM2A) set out the latest position regarding housing needs arising within the Greater Birmingham and Solihull LEP (GBSLEP) Area. Stage 3 of the GBSLEP housing requirements and capacity assessment (as summarised in the Inspector's interim report in to the Birmingham Development Plan (Doc EXAM7)) is currently being undertaken. Until such time that this work is complete, it is not possible to give detailed consideration to the extent of the unmet need that may be required within the Coventry and Warwickshire HMA nor is it possible to robustly assess an appropriate distribution for the shortfall. The Inspector's interim report (Doc EXAM7) makes no direct reference to Warwick District in relation to unmet need arising from Birmingham.
- 12.2 The approach to cooperation with the GBSLEP authorities has predominantly been at HMA level rather than at District level. In March 2014, the Coventry and Warwickshire Joint Committee (which later became the Economic Prosperity Board) recognised that there is a need for ongoing constructive dialogue between the two housing market areas (see report 20th March 2014 – Appendix 1.1) the report recognised that it is important that the spatial implications are *"fully understood, so that the needs of the GBSLEP Housing Market Area and the potential impacts on the Coventry and Warwickshire HMA are managed in the most sustainable way"*. The report goes on to say *"Where neighbouring HMA's make an approach to a Coventry and Warwickshire authority with a view to meeting a proportion of their evidenced housing need, the same approach set out in Para 4.3-4.5 of this paper will be undertaken."* In effect this means that an unmet housing need arising outside the Coventry and Warwickshire HMA, that may need to be met within the HMA, should be addressed through a process that involves the whole HMA. This process has now been set out in Table 2 of document LP20.
- 12.3 This means that it is not possible or appropriate at present for Warwick District to plan to meet unmet need arising outside the HMA. This is further underlined by both Solihull Borough and Birmingham City indicating that they do not currently envisage that Warwick District will be required to meet any of their unmet housing. Specifically Solihull Borough Council have not raised any objections to the Publication Draft Local Plan and have indicated support, stating in their representation *"Warwick District has not had a direct approach seeking to accommodate housing shortfall from the Birmingham Housing Market Area, but policy DS20 and the Duty to Cooperate and Strategic Planning section explain how this would be handled in the event of an approach..."*

12.4 If the studies currently being undertaken within the GBSLEP area indicate otherwise, Warwick District Council will engage constructively in Duty to Cooperate discussions in conjunction with the rest of the HMA. Should the evidence and subsequent discussions demonstrate that unmet need arising in the GBSLEP area should be provided within Warwick District, then the Council will review the Local Plan (or will participate in a Joint Core Strategy) to identify appropriate sites as set out in Policy DS20.

13) Has the issue of unmet need within the HMA or beyond been addressed and resolved?

13.1 With regard to unmet need arising within the HMA the answers set out in questions 10) and 11) explain how this is being addressed and resolved.

13.2 With regard to any unmet need arising beyond the HMA, it has not yet been necessary to address such issues for the reasons set out in answer to question 12 above. However, the process for addressing this is clearly set out in the agreements of the Joint Committee in March 2014 (see Appendix 1.2) and the EPB in November 2014 (see LP20) and is further supported by Policy DS20.

14) How does the Local Plan deal with the issue? Is this an appropriate approach?

14.1 Policy DS20 sets out the Council's policy commitment to review the Plan in the event that there is significant unmet housing needs within the HMA or beyond. This approach has been endorsed by the Inspector of Dacorum Borough Council's Core Strategy (see Appendix 1.3) where in para 25 of the Inspector's report it is accepted that *"the adoption of the CS (incorporating the partial review) is timetabled for September 2017, so any potential shortfalls could be addressed in a timely fashion"*. In paragraph 27, the Inspector goes on to say *"In order that the concerns identified above will be fully addressed it is recommended that a section be included in the CS entitled 'Future Partial Review' [MM28]. This confirms that the Council is committed to a partial review of the CS, to be adopted by 2017/18. This will identify the full objectively assessed needs for market and affordable housing, assess whether or not those needs can be met (including in neighbouring local planning authority areas) and if not draw robust conclusions as to where the balance between meeting full needs and the other NPPF sustainability considerations should lie."*

14.2 The approach has been further endorsed by the Inspector for North Somerset Council's Core Strategy (see Appendix 1.4) who has concluded (see Non-Technical Summary) that *"the North Somerset Core Strategy provides an appropriate basis for the planning of the District provided that a number of Main Modifications are made to the policy and to the supporting text"*. One of the key modifications is *"the inclusion in the*

policy and text of clear and firm commitments to a review of the policy by the end of 2018”.

- 14.3 Whilst it is recognised that the circumstances for applying the approach in both Dacorum and North Somerset are significantly different to the circumstances in Warwick District, these examples provide a clear precedent for the use of policies which commit to an early Plan review to deal with unmet housing need, if required.
- 14.4 As an alternative to an early Plan review, the Council has given thought to a reserve sites policy to provide the potential to address unmet need arising outside the District. However, as the vast majority of the District lies within the Green Belt and the supply of suitable and available sites outside the Green Belt is extremely limited, it is difficult to see how such a policy could comply with the NPPF. It is likely that any sites that could come forward under such a policy would fall within the Green Belt and without clear identified need, it is not possible to justify the exceptional circumstances to amend Green Belt boundaries for this purpose. For this reason the Council has not included a reserve site policy within the Draft Local Plan.

15) What are the implications for compliance with the duty to co-operate of not addressing this issue at this stage?

- 15.1 The Council contends that the issue has been addressed at this stage in that:
- a) The Local Plan’s Housing requirement includes 108 dwellings per annum to accommodate unmet housing need likely to arise in Coventry
 - b) There is an agreed and robust process in place for addressing further unmet need as this comes in to clearer focus. With regard to this agreed process, significant progress has already been made, demonstrating genuine commitment to ensure this issue is properly addressed.
- 15.2 The Council therefore argues that the Duty to Cooperate in respect of housing requirements has been fulfilled and is delivering effective outcomes to meet the HMA’s Objectively Assessed Need.
- 15.3 In recognition that Duty to Cooperate will be an ongoing process in the context of a potential early plan review (in line with Policy DS20), Warwick District Council has committed itself to the HMA process to address any future shortfall (see report to Council 28th January 2015 – Doc LP16). The Council strongly contends that this issue is not currently sufficiently crystallised to address now. To wait until such time that there is clarity before progressing the Plan, would delay necessary housing development coming forward within the District.

15.4 This approach is consistent with the approach taken by the Inspector of the Birmingham Development Plan (BDP). In paragraph 73 of his Interim Report (Doc EXAM7) he suggests it would not be appropriate (in the context of the NPPF's emphasis on the need to have up to date plans in place) to delay the adoption of the BDP until every other Council in the HMA had reviewed their plan to provide for Birmingham's unmet need.

16) What additional work is required to address and resolve the issue of fully meeting OAN for the HMA? What progress has been made? What agreements are in place?

16.1 The Report to the Economic Prosperity Board 21st November 2014 (Doc LP20) sets out the process and timeline to address and resolve the issue of fully meeting the OAN for the HMA. In particular, table 2 itemises the stages that are necessary to address this, including the joint approach to evidence, including SHLAA and Green Belt reviews; identifying broad spatial options and establishing governance arrangements.

16.2 In WDC's letter of 27th February 2015 (EXAM2A), an update to stages 1 to 6 was provided. A further update of progress in the intervening time is now set out in Table 1.4 below.

Table 1.4

	DATE	TASK	UPDATE 17/4/15
1	November to December 2014	Set up a joint Monitoring Group to establish consistent development monitoring processes (as a minimum this should cover housing and employment)	The group was established in November and has been active in understanding the differences in 5 year supply methodology across the HMA and in working with the LEP to provide improved housing and employment monitoring information, building on the information already provided at regional level. The group is continuing to meet on a regular basis.
2	November to December 2014	Compare SHLAA methodologies and agree a shared methodology to be used for all SHLAA's undertaken within the HMA (SHLAA Workshop)	The SHLAA methodology is currently being finalised. A stakeholder engagement event took place in Rugby on 12 th March and the CSWAPO SHLAA sub group have since met to discuss outcomes and the way forward.
3	December 2014 to January 2015	Each Local Authority to formally commit to the process and timetable	All Local Authorities have formally committed to the process and timetable.

	DATE	TASK	UPDATE 17/4/15
4	December 2014 to May 2015	First Local Plan examination window	Stratford DC's Core Strategy was subject to examination hearings in January. The inspector's initial findings from this were published on 19 March. In summary, SDC is required to undertake further work on OAN, SA, SUAs, and the housing trajectory.
5	February 2015	Completion of Joint Green Belt Study (stage 1)	Work on the Joint Green Belt Study (stage 1) is progressing. However, it is expected that the stage 1 report will not be published until May or June 2015.
6	January to April 2015	Rugby, Coventry undertake SHLAA reviews in line with agreed methodology	These two authorities have trialled the methodology as part of the preparation of their Core Strategies. Work to update the SHLAAs in these areas has commenced.

17) In overall terms has the Council engaged constructively, actively and on an ongoing basis in maximising the effectiveness of the preparation of the Local Plan? What has been the outcome of co-operation and how has this addressed the issue of housing provision?

17.1 The Council contends that the response to questions 3 – 16 above, along with the DtC Statement (Doc LP22) demonstrate that the Council has engaged constructively, actively and on an ongoing basis in preparing the Local Plan. This process has delivered effective outcomes to ensure that the HMA's OAN will be met in full and that Warwick District will pay a full part in this. In summary the outcomes of the process are:

- A strong sub-regional evidence base to underpin work on housing requirements
- A clear governance framework to ensure ongoing cooperation
- An agreement, based on evidence, about the OAN for the HMA
- An agreement about the distribution of housing requirements between the 6 local planning authorities, which has been carried forward in the Draft Local Plan
- An agreement about the process for dealing with potential unmet housing need and evidence that this process is being implemented
- A policy in the Draft Local Plan to carry out an early review to address unmet need if this is required

Other matters requiring co-operation

For each of the other strategic matters

18) What are the particular issues?

19) Who has the Council engaged with? When did this engagement begin, has it been active and ongoing and what form has it taken?

20) In overall terms has the Council engaged constructively? What has been the outcome of co-operation and how has this addressed the issue?

21) Are there cross boundary issues in relation to any of the proposed site allocations such as transport or other infrastructure requirements?

- 18.1 Cooperation on other strategic matters (including who the Council engaged with, when and in what form) is set out in section 5 of the Duty to Cooperate Paper (LP22). Briefly, these are Jobs, Green Belt, Provision of Infrastructure, Retail & Leisure, Flood Risk and Conservation of the Historic and Natural Environment. Overall, the Council has engaged constructively with all statutory and prescribed bodies over relevant matters.
- 18.2 The issues for **Jobs**, are around identifying employment needs and planning for this growth. Section 5.3 LP22 describes in particular the Strategic Economic Plan (SEP) and City Deal, Strategic Employment Land Study and the sub regional employment site.
- 18.3 The issue for **Green Belt**, is to ensure that it continue to serves its purpose whilst understanding its capacity for alteration to address development needs. Section 5.4 of LP22 describes the process of the Joint Green Belt Study 2009 (LA05) and the work currently ongoing to prepare a new Joint Green Belt Study.
- 18.4 The issue for **Retail and Leisure** is to ensure the ongoing presence of Royal Leamington Spa as a sub-regional centre for retail and leisure. Section 5.5 of LP22 describes this process in further detail including the co-operation with Warwickshire County Council.
- 18.5 The issues for the **Provision of Infrastructure**, are concerned with ensuring that in broad terms a strategically led approach to significant infrastructure is taken and specifically WDC has worked closely with prescribed bodies to address infrastructure implications of the sub regional employment site; allocations in SDC at Gaydon/Lighthorne Heath. Section 5.6 of LP22 sets this out in detail
- 18.6 The issues for **Flood Risk** are around preparing a joint evidence base on a sub-regional basis in relation to flood risk and the water cycle, and addressing specific cross boundary issues such as those identified at Gaydon/Lighthorne Heath, section 5.7 of LP22 describes this process in detail.

18.7 The issues for **Conservation of the historic and natural environment** are around WDC's liaison with Historic England and Warwickshire County Council regarding the allocations and policies in the Submission Local Plan, and advice regarding Heritage Assessments; and WDC's involvement in a shared habitat biodiversity evidence base, approach to biodiversity offsetting and a sub-regional Green Infrastructure Strategy. This is described in section 5.9 of document LP22.

Appendix 1

**Statement of Common Ground and Cooperation
for the Coventry, Solihull & Warwickshire (CSW) Sub-Region****September 2012**

This agreement is between:

Coventry City Council
Solihull Metropolitan Borough Council
Warwick District Council
Stratford District Council
Rugby Borough Council
Nuneaton & Bedworth Borough Council
North Warwickshire Borough Council
Warwickshire County Council

1. Context

- 1.1 The Localism Act 2011 (the Act), accompanying regulations, and National Planning Policy Framework 2012 (NPPF) have introduced and described the 'Duty to Cooperate' (DtC). This ostensibly replaces the Regional (Spatial) Strategy (RS), which at the time of writing remains legally in force as part of the development plan.
- 1.2 This statement sets out:
- a) how the Councils within the sub-region have been and intend to cooperate on common issues
 - b) our joint position with regard to the key common issues facing the sub-region
- 1.3 We have discussed the possibility of preparing a joint Core Strategy (CS) / Local Plan (LP) and have concluded that this is not practical because we are at different stages of plan preparation and with Rugby Borough Council having an adopted Core Strategy (June 2011).
- 1.4 Notwithstanding the impracticalities of preparing a joint plan, this statement comprises agreement that has been reached between the parties listed above, for the purposes of guiding strategic decisions and to set out clearly any issues that may require further work towards individual (bilateral) agreements.

2 How will we discharge the Duty to Cooperate

- 2.1 The Coventry, Solihull & Warwickshire Sub-Region (CSW) has a proven track record of working constructively together to set out and deliver a shared vision for the area. In the past, this has resulted in the strategy promoted by CSW being used to deliver a brief period of substantial housing growth in Coventry, by holding a moratorium on windfall housing developments in the south of the county (Warwick and Stratford Districts), thereby directing delivery of new housing to the city of Coventry.

- 2.2 Notwithstanding the Duty to Cooperate as described by the Localism Act 2011, CSW will continue to work together to find new ways of delivering our shared ambitions, wherever possible in accordance with the principles set out in paragraph 4.3 of this statement.
- 2.3 In the event that there is broad agreement that a strategic issue affects some but not all of the CSW member authorities, specific discussions will be held to reach consensus. These meetings will be scheduled in a timely manner. In the event that agreement cannot be reached, a common statement will be published to identify the precise area/s of dispute, and each party's position with respect to each outstanding issue.
- 2.4 It is acknowledged that a situation with each party finding themselves in an entrenched position is likely to result in formal objections being made. This is the last resort. To avoid this as far as possible, we each commit to discuss concerns openly, at the earliest opportunity, in an effort to reach formal agreement. This can take the form of a specific bilateral or multilateral agreement, a statement of common ground, or any other appropriate format.

3 Overall development strategy

- 3.1 The general CSW approach is to pursue a jobs-led growth strategy . This means striking a balance between employment-generating development and its associated housing needs. This remains a key corner stone for the sub-region.
- 3.2 A key element of this will be to ensure that each Core Strategy/Local Plan contains an infrastructure delivery plan, which can inform strategic infrastructure planning and funding at the same time as ensuring development across all parts of the sub region remains viable.

4 Level of housing provision

- 4.1 Although there is no sub-regional Strategic Housing Market Assessment (SHMA), there is broad consistency between methodologies and assumptions used by individual SHMA's. They however do not all consider the same timescales which means that specific housing targets cannot be set out in a consistent way across the area.
- 4.2 There is agreement between CSW member authorities that the current interpretation of evidence shows that all CSW member authorities are capable of meeting their housing requirements within their borders. This means that there is no requirement from any local authority to seek to meet any part of their housing requirements within another area.
- 4.3 The CSW member authorities will, as a matter of course, continue to plan to accommodate their own needs. However in the event of:
- a) any Council needing to increase its housing requirement and
 - b) there is strong evidence that the constraints set out in footnote 9 of paragraph 14 of the NPPF make it impractical to provide for the required level of housing growth within its borders
- then (and only then), the shortfall in the requirement should be addressed through discussion with the other sub regional authorities and/or with neighbouring sub regions.

5 Distribution of housing provision

- 5.1 In the spirit of Localism, the distribution of housing is a matter for each Council to address to best suit local circumstances. Where the distribution of housing has potential cross-border impacts then bi-lateral discussions will take place between the Councils concerned.

6 Employment Land Provision

- 6.1 Local targets for the amount of employment land (B-class) to be available will be set with the intention that local needs will be met, by providing an appropriate range and choice of sites that are attractive to the market.
- 6.2 As part of the jobs led strategy we will seek to support large scale inward investment in to the sub region by ensuring, through our Core Strategies/Local Plans, there is good provision of a variety of inward investment sites.
- 6.3 We recognise the proposals for the Coventry and Warwickshire Gateway are of particular significance and will have a sub-regional impact. We will work together across the sub region to identify how best to address that impact.

7 Other Sub-regional issues

- 7.1 In addition to the issues identified above, there are a number of other issues that need to be addressed at a sub-regional level. The mechanisms described in section 2 above will be used to address these issues.
- 7.2 Other issues include:
- a) The amount and distribution of new office and retail space
 - b) Housing mix and types, including gypsies and travellers and accommodating an ageing population
 - c) Transport strategy
 - d) Sub-regional health inequalities
 - e) Strategic Infrastructure Planning – including Community Infrastructure Levy schemes
 - f) Climate change mitigation and adaptation, conservation and enhancement of the natural and historic environment, including landscape
 - g) Minerals safeguarding, winning, working and reinstatement of land; and
 - h) Strategic waste management

8 Cross-boundary planning

- 8.1 The Coventry, Solihull and Warwickshire sub-region will seek to work across the boundary of the sub-region to work with neighbouring sub-regions on a range of planning and environmental matters.
- 8.2 Where individual local authorities border neighbours who are outside this sub-region, it will be important to ensure that cooperation is undertaken with those neighbours. Examples include Rugby working with Daventry, Stratford-on-Avon working with Redditch and Bromsgrove, Solihull and Coventry working with the other metropolitan authorities in the West Midlands and North Warwickshire working with Tamworth and Lichfield. A Strategic agreement is has been prepared for the West Midlands Metropolitan Councils and an agreement is in place between North Warwickshire, Tamworth and Lichfield, relating to Tamworth's housing need being

partly provided for in North Warwickshire and Lichfield. These agreements will impact on our sub-region and need to be taken in to account in the work we do.

- 8.3 On transport matters Warwickshire County Council will continue to work beyond the sub-regional boundaries with Coventry City Council Northamptonshire CC, Gloucestershire CC, Leicestershire CC and a Staffordshire on Highway and Solihull, Centro, Network Rail and the Highways Agency on transport matters.
- 8.4 Warwickshire County Council, as the Waste Planning Authority, is working collaboratively with the other Waste Planning Authorities across the West Midlands through the Resources Technical Advisory Body (RTAB).
- 8.5 Warwickshire County Council, as the Minerals Planning Authority, has a duty to ensure that there is sufficient supply of aggregates to meet the demands of the construction industry, therefore, to meet the demands for growth. The County Council is working with other Mineral Planning Authorities and industry to collect data on supply and demand for aggregates (Aggregates Working Party). The information indicates land-banks for aggregates, supply in the sub-region and flows in and out of the sub-region for aggregates.

DRAFT

Agenda Item 3

**Coventry and Warwickshire Joint Committee
for Economic Growth and Prosperity**

Thursday 20 March 2014

Report Title	Coventry and Warwickshire Duty to Cooperate Sub-Regional Approach to Delivering the Housing Requirement
Report Authors	Dave Barber and Chris Elliott, Warwick District Council
Contact Details	dave.barber@warwickdc.gov.uk 01926 456065 chris.elliott@warwickdc.gov.uk 01926 45600
Background Papers	Joint Strategic Housing Market Assessment report by GL Hearn
Consultation	CSWAPO Officer Group; Sub-regional Chief Executives
Final Decision	No
Next Steps	Recommendations will need to be endorsed by all the constituent Local Authorities

1 Introduction

- 1.1 Through Duty to Cooperate, it is important that the total housing requirement (Objectively Assessed Need) for the Coventry and Warwickshire HMA (3750-3800 per annum) is delivered in full. This will support the growth ambitions of the C&W LEP and SEP as well as underpinning sound local plans for all the local authorities. It is also important to respond to pressures for housing growth arising from outside the Coventry and Warwickshire HMA (for instance from within the West Midlands conurbation).
- 1.2 A significant risk to the delivery of the Housing Market Area's (HMA¹) Objectively Assessed Need (OAN) is whether each of the Councils within the HMA have sufficient site capacity within the boundaries to deliver their identified OAN. In particular there is a significant risk that Coventry City Council will not be able accommodate 23,600 dwellings (1180 dwellings per annum) within the City boundary.
- 1.3 In addition, there is a risk that authorities within the Coventry and Warwickshire HMA will be asked to accommodate a growth resulting from a shortfall of housing capacity in Birmingham. There is also a risk that the SEP may generate additional housing need.
- 1.4 This paper suggests how the authorities within the HMA intend to work together to address these risks and prevent any further delay in preparing their current Local Plans/Core Strategies.

2 Recommendations

That the Joint Committee recommends to all constituent authorities the following:

- 2.1 **That the Joint Strategic Housing Market Assessment (JSHMA) is recognised as a robust piece of evidence to assess housing need within the Coventry and Warwickshire HMA and that an Objectively Assessed Need for the HMA in the range of 2750 to 2800 per annum is planned for.**
- 2.2 **That the preparation of a joint evidence base (as set out in detail in section 3 below) is supported as follows:**
 - 2.2.1 **Preparation of a Joint Green Belt Study**
 - 2.2.2 **Comparison of SHLAA methodologies**
 - 2.2.3 **A review of the implications of the Coventry and Warwickshire SEP, including implications for the overall housing requirement and the spatial strategy.**
 - 2.2.4 **A review of the housing implications of the emerging shortfall in Birmingham's housing provision**

¹ The Coventry and Warwickshire HMA covers Coventry, North Warwickshire, Nuneaton and Bedworth, Rugby, Stratford-on-Avon and Warwick

- 2.3 That a sub-regional housing spatial strategy based on the current and proposed Local Plans and Core Strategies of the constituent Local Authorities is prepared which:**
- 2.3.1 ensures the HMA's Objectively Assessed Need is met in full**
 - 2.3.2 aligns the location of housing delivery with the sub regional growth agenda as set out in the Strategic Economic Plan, and**
 - 2.3.3 identifies broad locations for any additional development based on the evidence and taking account of existing provisions within the current and proposed Local Plans and Core Strategies of the constituent Local Authorities**
- 2.4 That the Joint Committee requests that each of the six Councils within the HMA commit in their Local Plans/Core Strategies to undertake a review of their Local Plan/Core Strategy, if needed, according to a shared timetable (as set out in section 6 below) to ensure suitable specific sites are identified to deliver the strategy set out in 2.3 above.**
- 2.5 That the proposed Governance and Delivery structures set out in section 7 below are agreed and put in place**

3 A shared evidence base

- 3.1 The seven Councils (Coventry, North Warwickshire, Nuneaton and Bedworth; Rugby; Stratford-on-Avon, Warwick and Warwickshire County) that make up the sub-region, have a long history of preparing joint evidence. However, the abolition of the Regional Spatial Strategies, combined with the requirements of the Duty to Cooperate, means that there is now an even stronger need for joint evidence to underpin the way forward in relation to some complex strategic issues.
- 3.2 One of the most important and complex of these issues is ensuring the delivery of the HMAs housing requirement. Underpinning this, the Councils worked together in 2013 to undertake a Joint Strategic Housing Market Assessment (JSHMA). This identified an overall requirement for 3750-3800 homes per annum within the HMA. It also provided valuable evidence regarding the mix of housing to be provided.
- 3.3 The Joint SHMA was commissioned by Rugby BC, North Warwickshire BC, Nuneaton Bedworth BC, Coventry City Council and Warwick DC. It also covered Stratford-on-Avon District and was prepared in consultation with both Stratford DC and Warwickshire CC. The work on the Joint SHMA was undertaken by GL Hearn who are a highly regarded consultancy in relation to demographics, employment forecasting and housing projections. The study was undertaken to ensure consistency with the National Planning Policy Framework and the draft National Planning Practice Guidance, (now confirmed). As well as providing evidence of the Objectively Assessed Need for the HMA and each of the constituent local authorities, it also evidenced affordable housing needs and housing needs associated with specific sector of the population (such as elderly people).
- 3.4 Following on from the JSHMA, there are two further joint studies being undertaken at present:

- Joint Employment Land Review: this is exploring the local employment land requirements of each of the Districts within the HMA as well as considering the need for major employment sites of sub-regional significance.
- Major sites review: alongside the Joint Employment Land Review and to support the work of the Coventry and Warwickshire LEP, work is being undertaken to look at existing and potential major employment sites to ensure that sites are and will be available to attract major investment

3.5 In addition to these completed and on-going studies, it is suggested that some further work needs to take place to ensure we have a robust sub-regional evidence base to support collaborative work on a sub-regional spatial strategy. This work will be planned collectively by the seven authorities, notwithstanding that specific circumstances may make it inappropriate that any individual piece of work should necessarily cover the whole sub-region.

3.6 This should include:

- A Joint Green Belt Study: the purpose of this is to assess green belt parcels against the green belt criteria set out in the National Planning Policy Framework. This will allow a fair assessment of all green belt land to be made so that the quality of green belt across the HMA area can be compared.
- Comparison of SHLAA methodologies: each Council is required to prepare a Strategic Housing Land Availability Assessment (SHLAA) to identify sites that are suitable, available and deliverable. The SHLAA indicates the capacity for housing development within each District and is important evidence in demonstrating whether or not a Council's OAN can be delivered within the Council's boundaries. It will also be important in helping to identify where any shortfall could be located. To ensure a fair picture of Housing Land Availability is developed, it is important that the methodologies used by each Council are compared and implications of differences are understood.
- An understanding of the Implications of the Coventry and Warwickshire SEP: The Coventry and Warwickshire Strategic Economic Plan (SEP), when finalised, will provide the strategic framework for supporting economic growth in the sub region and importantly will indicate where investment in infrastructure will be focused and how this will help to deliver growth. There may be implications of this for strategic planning and local plans including:
 - Consideration as to whether the Joint SHMA housing requirement should be reviewed to take account of the economic growth ambitions of the SEP
 - spatial implications based on a understanding of the relationship between new housing, economic growth and infrastructure investment
- An understanding of how the emerging housing shortfall for Birmingham City Council will impact on authorities in Coventry and Warwickshire: Birmingham City Council's Proposed Submission Draft of its Local Development Plan identifies an initial shortfall in meeting its OAN by around 29,000 dwellings. This figure is subject to review as part of the Greater Birmingham and Solihull LEP Housing Needs Study. The need to engage in a constructive and on-going basis was highlighted in the Coventry and Warwickshire Joint SHMA in order to satisfy the duty to cooperate. As a result, there will clearly be spatial implications of this, and it is important that these implications are fully understood, so that the needs of the GBSLEP Housing Market Area and the potential impacts on the Coventry and Warwickshire HMA are managed in the most sustainable way.

4 A sub-regional housing spatial strategy

- 4.1 To ensure that the HMA's Objectively Assessed Housing Need is met, it will be necessary to prepare a bottom-up, collaborative strategy which balances the need from growth in the sub-region, with the challenges and constraints faced by specific areas. To comply with the Localism Act, it is important that this strategy is developed collaboratively through the Duty to Cooperate so that it achieves the support of representatives from across the whole sub-region and neighbouring HMA's as appropriate.
- 4.2 The purpose of the strategy will be to:
- ensure the HMA's Objectively Assessed Need is met in full
 - align the location of housing delivery with the sub regional growth agenda as set out in the Strategic Economic Plan, and
 - identify strategic spatial options for meeting the OAN and based on this broad locations for development based on the sub-regional evidence, but taking local evidence in to account
- 4.3 It is suggested that the starting point for the Strategy should be that each Council commits to meeting its Objectively Assessed Need within its own boundary unless it can be clearly demonstrated that there is a shortfall in available housing land within the Council area. This will need to be demonstrated through a transparent SHLAA methodology that is consistent with national advice and has the support of the Coventry and Warwickshire Planning Officers as being soundly prepared.
- 4.4 Where a shortfall can be clearly evidenced, a set of criteria will need to be developed (supported by the Joint Committee) to enable an objective assessment of strategic spatial options and a range of broad locations to deliver the shortfall. The precise nature of these criteria will depend on the scale and timing of the shortfall to be addressed. However examples of the criteria include impact on the green belt; impact on landscape, ecology, historic environment etc; infrastructure issues and opportunities and proximity to employment or allocated employment sites.
- 4.5 All reasonable alternatives for strategic spatial options for dealing with the shortfall will be subject to a sustainability appraisal which will also need to be taken in to account in identifying broad locations for development.
- 4.6 Where neighbouring HMA's make an approach to a Coventry and Warwickshire authority with a view to meeting a proportion of their evidenced housing need, the same approach set out in Para 4.3-4.5 of this paper will be undertaken.

5 Local Plan/Core Strategy Reviews

- 5.1 It is recommended that the Joint Committee request that each of the 6 Local Planning Authorities commit to undertaking a review of their Local Plan/Core Strategy according to a coordinated timetable set out in section 6 below.
- 5.2 Once the Housing Spatial Strategy has been prepared, the support of the Joint Committee for will sought, so that its implications for each District's Local Plan/Core Strategy can be taken in to account in Plan preparation and reviews. To minimise the risk that specific sites will not be brought forward at a local level to deliver the Housing Spatial Strategy, it is proposed that the Joint Committee requests that each of the Council's agrees to a policy statement within their Local Plan/Core Strategy that commits to reviewing the Plan to a joint timetable once the Housing Spatial Strategy has been prepared. This will also ensure that the implications of the Housing Spatial Strategy are given formal weight within the Planning system.
- 5.3 It is important that these Plan reviews are carried out in parallel so that each Plan review is aligned and that each authority has confidence that the HMA's Objectively Assessed Need will be met and that sites are brought forward in a coordinated way. It is therefore proposed that if required, each Council commits to a Plan review according to the timetable set out below. It is possible that not all the Council's will need to undertake a Plan review if there are no consequences of the Sub-Regional Housing Spatial Strategy for the existing Local Plan/Core Strategy. The need for a Plan review will therefore only apply where Councils need to identify specific sites or where other implications (such as infrastructure requirements) impact on existing local plans/core strategies

6 Timetable

- 6.1 The table below sets out the proposed timing of the three stages of work described above.

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Compile Joint Evidence						
Prepare Sub-Regional Housing Spatial Strategy						
Undertake Plan Review						
Anticipated Date of Adoption						

- 6.2 The timetable reflects the need to ensure that:
- Each Local Authority is able to progress the preparation of current Local Plans/Core Strategies as quickly as possible and without having progress hindered by the progress of neighbours.
 - Housing sites can be brought forward in a coordinated way and at the time when they are needed. SAs the main development pressures for cross-border housing provision are likely to arise predominantly from Coventry and the West Midlands conurbation, it is reasonable to plan to complete plan reviews by 2020 as both the City and the conurbation will be prioritising brownfield sites for the earlier part of their Plans and are unlikely to require cross border sites until towards the end of their Plan periods.

7 Governance and Delivery

Joint Committee

7.1 The Joint Committee will be responsible for :

- Endorsing the jointly prepared evidence base
- Working in a collaborative way to ensure the Duty to Cooperate is fulfilled on an ongoing basis
- Considering the Sub-Regional Housing Spatial Strategy

Chief Executive's Group

7.2 The Chief Executive's Group (CEG) will be responsible for overseeing the process described above and for ensuring that resources are provided to support the process. The CEG will be responsible for preparing and advising on reports to be considered by the Joint Committee. They will also ensure that the Duty to Cooperate is addressed effectively across the sub-region and will advise the Joint Committee on risks associated with different courses of action.

CSWAPO

7.3 The Coventry, Solihull and Warwickshire Planning Officers group will be responsible for commissioning and preparing technically sound evidence and will provide professional planning advice to the Leaders Board and Joint Committee to ensure a fair and balanced process is used to develop the Sub-Regional Housing Spatial Strategy and to ensure that the outcomes of this process are soundly based and clearly justified.

Each Council within the HMA

7.4 It is recognised that as the Joint Committee does not currently have powers to make binding decisions, the process described in this paper is a collaborative bottom-up approach. The decision making powers regarding the Plan Making process continues to lie within each of the six Local Planning Authorities in line with their constitutions.

8 Background Information

8.1 The Duty to Cooperate and demonstrating delivery of housing requirements are being given increasing emphasis within the Local Plan/Core Strategy process. Over the last year, 46 out of 52 Councils that have sought to progress their Plans to Examination have failed to have their Plans found sound either because they have failed to demonstrate they have fulfilled the Duty to Cooperate or because they have failed to demonstrate that they are meeting Objectively Assessed Need.

8.2 Locally, Coventry City Council's Core Strategy was withdrawn for these very reasons. As a result of that, questions were raised about how effectively all the Councils within the sub-region were meeting the requirements of the Duty to Cooperate. Since then the Joint Strategic Housing Market Assessment has been prepared. This provides not only strong evidence to show we understand the HMA's Objectively Assessed Need, but also provides a good starting point in demonstrating the Duty to Cooperate.

- 8.3 However, the Act is clear that the Duty to Cooperate should be an ongoing process. The process described in this report seeks to address this in relation to the key issue of housing provision, by providing a clear and long term process.
- 8.4 The Joint SHMA states that "The Duty to Cooperate does not end at the boundaries of the HMA and there are relationships to adjoining areas. Against this context continuing engagement with adjoining authorities and housing market areas will be important. In particular the current evidence suggests that there may be a need to engage with the Birmingham HMA and to consider the implications of any residual shortfall in housing provision within the Greater Birmingham and Solihull LEP Area should this remain following work on the Joint Strategic Housing Needs Study". This clearly highlights the importance of continuing to engage with neighbouring HMA's in relation to housing needs.
- 8.5 Whilst the JSHMA is a vital starting point, there are likely to be significant challenges arising from it that will have an impact on the whole sub-region – notably the challenges that one or more Councils may have in meeting their local OAN within their administrative boundaries. Where such a scenario arises, this is an issue not just for the Council with a shortfall, but for all the Councils within the sub-region. If we are not able to demonstrate that we are actively cooperating and constructively trying to find solutions to cross-border issues such as this, then each of our individual Local Plans/Core Strategies face a significant risk of failing the Duty to Cooperate or being found unsound. The option of not participating in a joint process (along the lines described above) is therefore a highly risky one for any Council. So, the key message that arises from recently failed local plans is that a problem for one Council in the HMA, is likely to be a problem for all.
- 8.6 At present none of the Councils in the HMA have formally identified a shortfall. However as SHLAA work is ongoing in a number of Councils there remains a significant likelihood that such a shortfall will arise in due course, particularly as the JSHMA identified increased housing numbers for all the 6 local authorities in comparison with previously published numbers. The difficulty is that Government Ministers, supported by the Planning Inspectorate, are strongly encouraging Councils to move as quickly as possible to submit Plans. This, combined with significant development pressures in many areas, means that progress needs to be made on Plans at a time when there is significant uncertainty about cross border pressures.
- 8.7 The approach described in this report seeks to enable Plans to be prepared as quickly as possible, at the same time as building in future flexibility to ensure that issues can be fully addressed through a future review of Plans based on a shared sub-regional housing strategy.



The Planning
Inspectorate

Report to Dacorum Borough Council

by David Hogger BA MSc MRTPI MCIHT

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

Date: 9th July 2013

PLANNING AND COMPULSORY PURCHASE ACT 2004 (AS AMENDED)

SECTION 20

REPORT ON THE EXAMINATION INTO THE DACORUM CORE STRATEGY

Document submitted for examination on 22 June 2012

Examination hearings held between 9 October and 18 October 2012

File Ref: PINS/A1910/429/4

Abbreviations Used in this Report

AMR	Annual Monitoring Report
AONB	Area of Outstanding Natural Beauty
BP	Borough Portrait examination document*
CLG	Department for Communities and Local Government
CS	Core Strategy
DMDPD	Development Management DPD
DPD	Development Plan Document
ED	Employment/Economic Development examination document*
HG	Housing examination document*
LDS	Local Development Scheme
LP	Local Plan
LPA	Local Planning Authority
MM	Main Modification
MP	Masterplan
NPPF	National Planning Policy Framework
RS	Regional Strategy
SA	Sustainability Appraisal
SAD	Site Allocations examination document*
SC	Social/Community examination document*
SCI	Statement of Community Involvement
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
SUB	Submission examination document*

* To be found in the Council's Evidence Base

Non-Technical Summary

This report concludes that the Dacorum Core Strategy provides an appropriate basis for the planning of the Borough providing a number of modifications are made to the Plan. The Council has specifically requested that I recommend any modifications necessary to enable it to adopt the Plan. All the modifications were proposed by the LPA, and I have recommended their inclusion after full consideration of the representations from other parties on the issues raised.

The modifications can be summarised as follows:

- A commitment to undertake a partial review of the Core Strategy to be adopted by 2017/18;
- The insertion of a model policy on the presumption in favour of sustainable development and confirmation of the objective to minimise impacts on biodiversity;
- Clarification regarding the phasing and delivery of housing, including the release of local allocations;
- Clarification on affordable housing requirements and the provision of gypsy and traveller pitches;
- Reference to be made to the provision of non B class employment uses and clarification regarding office floorspace provision, phasing, review and management;
- The provision of clearer advice on potential new uses in the Gade Zone and the Marlowes Shopping Zone and on social infrastructure provision in general;
- The acknowledgement that heritage assets should be conserved;
- Strengthening the approach towards the management of car parking provision;
- Clarification regarding sustainability offsetting; and
- Clarification regarding small scale development in the Green Belt and in the countryside.

Introduction

1. This report contains my assessment of the Dacorum Core Strategy (CS) in terms of Section 20(5) of the Planning & Compulsory Purchase Act 2004 (as amended). It considers first whether the Plan's preparation has complied with the duty to co-operate, in recognition that there is no scope to remedy any failure in this regard. It then considers whether the Plan is sound and whether it is compliant with the legal requirements. The National Planning Policy Framework (paragraph 182) advises that to be sound, a Local Plan should be positively prepared; justified; effective and consistent with national policy.
2. The starting point for the examination is the assumption that the local authority has submitted what it considers to be a sound plan. The basis for my examination is the Pre-Submission CS dated October 2011.
3. My report deals with the main modifications that are needed to make the Plan sound and legally compliant and they are identified in bold in the report (**MM**). In accordance with section 20(7C) of the 2004 Act the Council requested that I should make any modifications needed to rectify matters that make the Plan unsound/not legally compliant and thus incapable of being adopted. These main modifications are set out in the Appendix.
4. The main modifications that go to soundness have been subject to public consultation and, where necessary, Sustainability Appraisal (SA) and I have taken the consultation responses into account in writing this report (for example see conclusion on Issue 1), as well as the Council's proposed minor amendments to the MMs following consultation.

Public Consultation

5. Concern was expressed regarding the public consultation that was undertaken by the Council, particularly with regard to sites in Hemel Hempstead. However, the requirements of the Statement of Community Involvement (SCI) have been met and the level and nature of the consultation undertaken was appropriate.

Sustainable Development

6. There is a requirement for local plans to reflect the national policy in favour of sustainable development. To this end it is recommended that a new policy be included in section 7 of the CS, which confirms the Council's positive approach towards sustainable development [**MM1**].

Assessment of Duty to Co-operate

7. Section s20(5)(c) of the 2004 Act requires that I consider whether the Council complied with any duty imposed on them by section 33A of the 2004 Act in relation to the Plan's preparation. It is a requirement that the Council engages constructively, actively and on an on-going basis with neighbouring local planning authorities, the County Council and a range of other organisations.

8. The Council submitted a statement¹ which summarises the actions that were taken during the preparation of the CS and confirms that co-operation will continue through the delivery and review of the CS. Concern was raised regarding the co-operation between the Councils of Dacorum and the City and District of St Albans, particularly with regard to land to the east of Hemel Hempstead. However, confirmation was received from both Dacorum and St Albans Councils that the commitment to co-operate is genuine and this is emphasised in the Council's response to my Supplementary Question dated 1st May 2013, regarding the proposed timetable. I am also mindful that there has been no objection from neighbouring authorities concerning the overall level of development proposed. Overall I am satisfied that the duty to co-operate has been met. The issue therefore becomes whether or not that co-operation has led to the most appropriate strategy being proposed and that is discussed in the following sections.

Assessment of Soundness

Preamble

Regional Planning Policy

9. The East of England Plan (the Regional Strategy) was revoked on 3rd January 2013 and it is therefore not part of the statutory Development Plan, although I have had regard to the evidence that supported it.

Main Issues

10. There are two significant constraints to development in Dacorum Borough, namely the Chilterns Area of Outstanding Natural Beauty and the Metropolitan Green Belt. It is against this background and having taken into account all the representations, written evidence and the discussions that took place at the examination hearings, as well as the site visits that I undertook, that I have identified eight main issues.

Issue 1 – Is the overall provision for housing justified and appropriate?

Housing Needs and Supply

11. Paragraph 159 of the NPPF advises that local planning authorities should identify the scale and mix of housing that meets household and population projections, taking account of migration and demographic change. This is against the background of boosting significantly the supply of housing and meeting the full objectively assessed needs for market and affordable housing in the housing market area (subject to compliance with other policies in the NPPF)². The Council correctly acknowledges that the national population and

¹ SUB8

² NPPF paragraph 47

household projections 'are reasonable measures for assessing demand'³.

12. The Council's approach was to undertake consultation (in 2006) on four growth scenarios for the Borough up to 2021 (ranging from 420 to 666 dwellings a year). Consideration was also given by the LPA to accommodating a higher level of growth, for example in the November 2006 document on Growth at Hemel Hempstead⁴. However, the Draft Core Strategy for Consultation (2010)⁵ only considered two options up to 2031: 370 and 430 dwellings a year and did not put forward an option that would more fully address housing need.
13. The Council stated that in its view the objectively assessed need for housing up to 2031 is the 11,320 dwellings as set out in table 8 of the CS, although the target in policy CS17 is for 10,750 dwellings (430 a year). The difference is primarily accounted for by the inclusion of a windfall element in the 11,320 figure (for the first ten years following adoption of the CS) and this has been adequately justified by the Council. Six projections are set out in HG16⁶ and all but one indicate a requirement for a higher number of dwellings than is proposed by the Council. The CLG (2008 based) projection is for 13,457 dwellings over the plan period and the Council do refer elsewhere to planning for about 13,500 dwellings (540 a year) if full projected demand is to be met⁷. The Council takes comfort from the fact that the CS housing target of 10,750 dwellings 'is at least within the range set by these figures' but the selected figure does not represent the full need for housing but rather it is the amount of housing the Council considers could be satisfactorily accommodated in the Borough over the plan period, having taken into account constraints such as the green belt and AONB.
14. Projections should not necessarily be seen as inviolate and, in particular, levels of future in-migration and household size can be difficult to assess. Nevertheless there is no substantive evidence that would lead me to conclude that the starting point should not have been the CLG (2008 based) projection of 13,457 dwellings, as implicitly accepted by the Council in paragraph 3.21 of HG16. This figure provides an appropriate foundation for the initial assessment of housing provision which would then lead to the consideration of any impediments to meeting that need in a sustainable way. The 2011 based household interim projections to 2021 were published on 9 April 2013 and are therefore not part of the evidence base. It is worth recording, however, that they are very similar to the 2008 based figures⁸.

Housing Trajectory

15. It is a requirement of the NPPF that a five year supply of housing plus 5% can be demonstrated and this can be achieved⁹, based on the target of 430 dwellings/annum as currently set out in the CS. On this basis I am satisfied

³ Paragraph 3.21 of HG16

⁴ CS5

⁵ CS16

⁶ Table 3.1

⁷ Paragraph 3.5 of HG16

⁸ Table 406 accompanying Household Statistical Releases dated 26 November 2010 and 9 April 2013

⁹ 2010/2011 AMR – BP2

that the housing trajectory (as up-dated in the January 2013 Minor Modifications document) represents an accurate reflection of likely development rates for the short to medium term, especially when taking into account past completion rates and the pool of outstanding commitments.

Phasing, Delivery and Management of Development

16. The Council has explained the role of strategic sites and local allocations¹⁰ and the terminology used is not a matter of soundness. The Council's approach has been satisfactorily justified in the context within which the plan has been prepared. However, in order to ensure that the CS is effective it is recommended that policy CS3 be amended to establish the timing of the delivery of the local allocations and also to refer to the mechanism through which the release date of a local allocation may be brought forward [MM3]. MM3 makes it clear that the release of local allocations would be brought forward if required to maintain a five year housing land supply and the Council will take action based on the findings of the AMR. In these circumstances housing supply would not be held back. The proposed phasing is adequately reflected in the Housing Trajectory. In order to provide advice on how development would be facilitated and managed throughout the plan period additional supporting text is recommended which would provide clarity and ensure effectiveness [MM2].
17. In order to further clarify the Council's approach towards the management, phasing and release of housing sites, additional text and an amendment to policy CS17 are required to ensure that the CS is effective. MM12 and MM14 are therefore recommended in the interests of soundness.
18. The CS must be effective and justified and the Council's approach to the release of development sites over the plan period should be clear. To provide this clarity the insertion of a new paragraph on this matter is recommended [MM13].

The Green Belt

19. Paragraph 8.28 of the CS (as proposed to be amended) confirms that a strategic review of green belt boundaries was not required by the RS. Nevertheless some 'small-scale releases' (i.e. local allocations) are proposed by the Council. The NPPF confirms that great weight should continue to be attached to the protection of the green belt and it is clear that boundaries should be established in the local plan¹¹. However, at the time a local plan is being prepared or reviewed consideration should be given to the boundaries, so that they are capable of enduring beyond the plan period. Among the considerations to be addressed are the level of consistency between the green belt and meeting requirements for sustainable development; whether or not the five purposes of the green belt are being fulfilled; the need to identify safeguarded land; and the need to be confident that the boundaries will not have to be altered at the end of the plan period.
20. The Council's most recent consideration of the green belt was not a comprehensive assessment, encompassing all the elements referred to above

¹⁰ Response to Inspector's question 2A (during the hearing sessions)

¹¹ Paragraph 83 of NPPF

but was part of a wider assessment of potential sites¹², which considered a range of issues, including infrastructure capacity, transport and accessibility, economic development opportunities and conformity to established New Town principles. The 'Assessment of Alternative Growth Scenarios for Hemel Hempstead' is accurately described as a 'politically neutral assessment of options'. However, at no stage is the assessment balanced against the need to accommodate somewhere in the region of 13,500 dwellings. Similarly there has been no detailed reconsideration of all the 17 potential development sites on the edge of the Hemel Hempstead that were considered in 2006¹³ (the 'blue blobs'), although it is acknowledged that some have been re-assessed.

21. In order to make the greatest contribution to meeting objectively assessed housing need as referred to above, the Council has confirmed that it is undertaking a rigorous and comprehensive review of the green belt in order to ensure that a justifiable balance between meeting housing need and protecting the green belt can be secured. Without such comprehensive evidence a robust conclusion on the potential for the identification of additional housing sites, either for the medium/long term (as potential sites within the urban areas decrease) or for beyond the plan period, can not be satisfactorily drawn.
22. In order to reflect advice in paragraphs 89 and 90 of the NPPF it is recommended that the Council's position with regard to the re-use of existing buildings and the redevelopment of previously developed land in the green belt is clarified **[MM4]**.

Conclusion on Issue 1

23. Paragraph 3.50 of HG16 encapsulates the Council's position in that it recognises that difficult decisions would have to be made if housing need was to be met more fully, with consequences for the settlement strategy and/or an acceptance by a neighbouring local authority that it could accommodate some of Dacorum's growth.
24. Using the CLG projection of 13,457 dwellings and the Council's target of 11,320 dwellings, there would currently be a shortfall in supply over the plan period of just over 2,130 dwellings or 85 a year (15%). The divergence between the figures is not overwhelming but there is insufficient evidence to enable me to conclude that at least a proportion of that shortfall could not be satisfactorily accommodated. For example the evidence is not sufficiently conclusive with regard to the role that Hemel Hempstead in particular could play in accommodating a higher level of growth.
25. According to the Council's up-dated trajectory, with the exception of 2017/2018, the shortfall in supply (when measured against the figure of 540 dwellings a year) would not become significant until 2024/2025. Against this shortfall in meeting housing need over the plan period, I have balanced the potential for sustainable growth over the short to medium term and I conclude that over this period there is potential for land supply to meet a level of demand that broadly matches the 2008 projected household growth. In any event the adoption of the CS (incorporating the partial review) is timetabled for September 2017, so any potential shortfalls could be addressed in a timely

¹² HG10 and HG15

¹³ CS5

fashion.

26. NPPF paragraph 48 advises that an allowance for windfall sites may be made in certain circumstances. The Council did not include a windfall element in the figures in policy CS17 (for the first 10 years following adoption of the CS). There is no reason to conclude that windfall development will not continue to occur, thus strengthening the conclusion that the CS provides a sound basis for the growth of the Borough in the short to medium term.
27. In order that the concerns identified above will be fully addressed it is recommended that a section be included in the CS entitled 'Future Partial Review' [MM28]. This confirms that the Council is committed to a partial review of the CS, to be adopted by 2017/18. This will identify the full objectively assessed needs for market and affordable housing, assess whether or not those needs can be met (including in neighbouring local planning authority areas) and if not draw robust conclusions as to where the balance between meeting full needs and the other NPPF sustainability considerations should lie. As part of this work it is agreed by the Council that a review of the green belt should be undertaken, including the potential for the identification of safeguarded land and I am told that this work has already commenced.
28. I have attached great weight to the guidance on soundness in the NPPF but paragraph 13 confirms that it is guidance and not statute. I have also balanced the advice that decisions need to take local circumstances into account (paragraph 10) and that it is highly desirable that local planning authorities have an up-to-date plan in place (paragraph 12). Weighing all these elements in the balance I am satisfied that the shortcomings in the submitted document are not of such significance to justify finding the document as a whole not sound. The issues can best be addressed through the preparation of an early review because in the short to medium term the Core Strategy will provide a sound basis on which planning decisions can be taken.
29. A number of respondents to the MM consultation raised concerns regarding the appropriateness of relying on an early review of the CS as a means of securing a sound document. In other circumstances I may well have attached more weight to these concerns but at Dacorum there are two important factors. First the housing shortfall is about 15% and, more importantly, there would be a general over-supply of housing in the short to medium term, especially over the next three years (as identified in the up-dated Trajectory). This over-supply would broadly be the equivalent to meeting the annualised CLG projection figure of 538 dwellings. The Review of the CS would therefore deal primarily with the likely shortfall towards the end of the plan period and as such the current CS housing target would be interim in nature. In order to further encourage housing delivery the overall total currently being proposed by the Council should be seen as a minimum provision, pending the outcome of the review, although this should not be interpreted as a justification for speculative proposals in the green belt prior to the conclusion of the current partial review of the CS.
30. The approach encapsulated in MM28 is pragmatic, rational and justified. The alternative would be to find the document not sound and in those circumstances the Council would in effect be starting the process again which

would take time and may threaten the level of house building that is anticipated in the next few years. This approach is compatible with the Government's overall aims of securing an increase in housing supply and would broadly meet the objectives of the NPPF and in that respect the plan as modified would be sound.

31. The Council has confirmed that work has already commenced on the partial review, for example in relation to the green belt, and that it proposes to eventually combine the Core Strategy, the Site Allocations DPD and the Development Management Policies DPD into a single local plan. This approach should ensure that a comprehensive framework will be in place to boost further the supply of housing and secure sustainable economic growth, particularly towards the latter part of the plan period.
32. I conclude that, subject to the recommended modifications, the Council's overall approach to housing provision is sound.

Issue 2 – the Council's approach to Affordable Housing and meeting the needs of Gypsies and Travellers

Affordable housing

33. It is clear that the Council is taking measures to secure an improved supply of affordable housing and it is estimated that about 3,900 affordable dwellings will be delivered over the plan period through the application of the 35% target in policy CS19. The Housing Needs and Market Assessment Update¹⁴ (2012) concludes that the need before new delivery is at least 730 affordable dwellings a year. This equates to a need for about 13,870 such units over the next 19 years. There is therefore a mismatch between supply and need. It would not be realistic to expect all such need to be met but the review of the CS should enable a better match between supply and need to be achieved, thus meeting more fully a key corporate and planning priority of the Council.
34. Although the measures being taken by the Council to boost supply are to be welcomed they will not be sufficient on their own and the Council will fall well short of meeting the full objectively assessed needs for affordable housing¹⁵. In order to achieve a closer match between supply and need, the potential for a higher level of overall residential growth should be pursued. This finding adds weight to the conclusion on Issue 1. In order to provide flexibility (thus ensuring effectiveness) and to clarify the Council's strategy with regard to the level, mix and tenure of affordable homes provision, it is recommended that the wording of policy CS19 is amended **[MM15]**.

Gypsies and Travellers

35. The CS establishes the broad approach to accommodating the needs of the gypsy and traveller communities in the Borough. Criteria are set out in policy CS22 against which the suitability of sites can be assessed. The identification and provision of sites will be progressed through the Site Allocations DPD,

¹⁴ HG17 – paragraph 7.5.8

¹⁵ Paragraph 47 of NPPF

which will be based on a new assessment of the needs of the travelling community¹⁶. The DPD is currently scheduled for adoption in 2015. The Council is proposing a change to policy CS22 which would introduce a reference to the Gypsy and Traveller Needs Assessment (which will establish the target for new pitches) and this is required in the interests of soundness [MM16]. The Council's approach will thus accord with the advice in 'Planning Policy for Traveller Sites' (March 2012).

Conclusion on Issue 2

36. I conclude that, subject to the recommended MM, the Council's approach to affordable housing provision and meeting the needs of gypsies and travellers is sound.

Issue 3 - is the settlement hierarchy and distribution of development across the Borough justified?

37. The Council's approach to the settlement hierarchy is long-standing and it is at Hemel Hempstead that growth will be focussed. This accords with the former RS which identifies Hemel Hempstead as a key centre for development and change. Bearing in mind the sustainability credentials of the town there is no reason to conclude that the role of Hemel Hempstead in accommodating a high proportion of the Borough's growth should be changed.
38. Berkhamsted and Tring are more traditional market towns where the scale of growth has been less than at Hemel Hempstead. The level of services and facilities is lower than at Hemel and although there will remain a need to provide additional housing elsewhere the Council's approach of focussing growth on Hemel Hempstead is justified.
39. It was suggested by some representors that the distribution of development across the Borough should more accurately reflect household projections for individual settlements. The Council recognises the role that the market towns and large villages can play in meeting housing and employment needs and there is no reason to conclude that the contribution they could make to meeting needs will not be re-assessed as part of the forthcoming partial review of the plan. However, it must be remembered that many of these settlements are more constrained than Hemel Hempstead, for example by the Chilterns AONB (which should be afforded the highest status of protection) and therefore more weight should be attached to securing sustainable growth in the Borough's main town.
40. A number of other locations for development outside the towns and large villages were suggested by interested parties, for example at Wilstone, but such sites are not strategic in nature and could more appropriately be considered during the preparation of the Site Allocations DPD, which is scheduled to be adopted in 2015.
41. I conclude that the Council's approach to the settlement hierarchy and

¹⁶ Dacorum Borough Council and Three Rivers District Council Traveller Needs Assessment (January 2013)

distribution of development across the Borough is sound.

Issue 4 – whether the plan makes sound provision for employment and retail growth

42. Significant additional office floorspace is proposed in the Borough, with the emphasis correctly being placed on Hemel Hempstead as the most appropriate and sustainable location for such growth. Specific allocations will be addressed primarily through the East Hemel Hempstead Area Action Plan (AAP) and the Hemel Hempstead Town Centre Masterplan. This approach is consistent with the findings of the Employment Land Update 2011¹⁷.
43. Policy CS15 refers to a target of at least 131,000 sqm of office floorspace but there is no explanation of how this figure is derived. Consequently it is recommended that an additional paragraph be added to the supporting text which confirms the source of the figure and emphasises the role of monitoring and managing office development **[MM9]**. In this way this element of the CS will be justified.
44. Concern was expressed regarding the level of flexibility in the Council's approach to employment provision, particularly bearing in mind the current economic climate. Accordingly it is recommended that the wording in policy CS15 (in relation to the 131,000 sqm target referred to above) is relaxed in the interests of effectiveness **[MM10]**. The Council has also confirmed that it recognises the importance of enabling the provision of a range of employment opportunities in the Borough and consequently it is recommended that specific reference is made to the importance of non B class jobs to the local economy **[MM8]**. These modifications will ensure that the CS makes sound provision for employment growth.
45. In terms of retail provision the Council's strategy for strengthening this sector of the economy lacked sufficient justification, consequently a summary of the Council's approach to this matter should be included in the supporting text **[MM11]**.
46. On the fourth issue I conclude that, subject to the recommended modifications, the Council's approach to employment and retail growth provision is sound.

Issue 5 – does the plan make appropriate provision for sport, recreation and other community facilities and services?

47. The NPPF¹⁸ requires planning policies to be based on robust and up-to-date assessments of the needs for open space, sports and recreation facilities. The Council cite a number of key documents which provide the evidence on which its approach is based, for example the Sports Policy Statement and Action

¹⁷ ED12

¹⁸ Paragraph 73

Plan¹⁹ and the Sports Facilities Audit 2011²⁰. However, the accuracy of the evidence was questioned, in particular with regard to an under-estimate of playing numbers and the demand for sporting facilities in Tring and an over-estimate of the existing sporting facilities in the town.

48. The Council acknowledges that there is a need to up-date the evidence base on leisure and recreation and has confirmed that this is being done as part of the forthcoming Site Allocations DPD. In order that the NPPF advice is properly reflected in the CS a new paragraph is required which clearly establishes the Council's approach to the matter **[MM17]**.
49. In terms of community infrastructure it is recommended that a greater level of flexibility be introduced into policy CS23 in order that the most appropriate strategy, in relation to the dual use of facilities, is being promoted by the Council **[MM18]**.
50. Subject to the modifications recommended the CS makes appropriate provision for sport, recreation and other community facilities and services and in that respect is sound.

Issue 6 – is the approach to sustainable development justified, in particular regarding car parking provision and the protection of heritage assets?

Overall approach

51. The approach to sustainable design is set out in policy CS29. This provides a list of sustainability criteria to be met and for certain types of development establishes the requirement for a Sustainability Statement to be prepared. In order to ensure consistency with national policy it is recommended that a new criterion on the protection of biodiversity is added to the policy **[MM21]**. This approach reflects the advice in the NPPF on delivering sustainable development and is sound.
52. Policy CS30 refers to the Sustainability Offset Fund but does not refer to how any contribution to the fund would be determined. Consequently it is recommended that the policy and its supporting text be amended to establish more clearly the Council's approach to sustainability offsetting **[MM20 and MM22]**.

Car parking

53. One of the ways in which sustainable transport objectives can be achieved is through the appropriate management of car parking provision. To that end it is recommended that the CS identifies this measure as a specific tool in the achievement of sustainable travel and the reduction of emissions **[MM6 and MM7]**. The recommended modifications will ensure that in this respect the CS is sound.

¹⁹ SC7

²⁰ SC6

Heritage Assets

54. The NPPF states that heritage assets are an irreplaceable resource that should be conserved in a manner appropriate to their significance²¹. In order to reflect this advice and in the interests of soundness, it is recommended that two new paragraphs on the matter be included in the CS [MM19 and MM27].
55. I conclude that with the recommended modifications the Council's approach to sustainable development is sound.

Issue 7 – do the place strategies provide a clear indication of what is proposed in the identified settlements and what development is appropriate in the countryside?*Hemel Hempstead*

56. The key role of Hemel Hempstead in supporting growth in the Borough, particularly in terms of housing, employment and retail, is based on appropriate evidence and is justified. Consideration has been given to the implications of growth on the existing infrastructure, including transport and schools, and there is no substantive evidence that would lead me to conclude that the proposed development cannot be satisfactorily assimilated into the town. More detail on infrastructure provision will be included in the Site Allocations DPD and the East Hemel Hempstead AAP but on the evidence provided the likelihood of any 'show-stoppers' is minimal.
57. A number of sites were considered for housing development²², although it should be noted that this most recent assessment did not include any land outside the Borough boundary (e.g. land between the town and the M1 which is within St Albans City and District). However, an earlier assessment in 2009²³ did consider an eastern growth scenario and concluded that if significant expansion of Hemel Hempstead is required 'this should be taken forward in the form of the eastern growth option'. This would require the co-operation of St Albans City and District Council but it is not a 'new' concept and it would appear that a significant assessment of this option has been undertaken in the past, upon which further consideration could be based.
58. In terms of employment provision, the Maylands Business Park will remain the main employment area for the town and there is sufficient flexibility in the CS to ensure that there should be no policy impediments to economic growth in Hemel Hempstead. Similarly the regeneration of the town centre is an important objective for the Council and this will be further progressed by way of the Town Centre Masterplan²⁴.
59. In order to ensure that the CS reflects the most appropriate strategy for the town and accords with the draft Hemel Hempstead Town Centre Masterplan it is recommended that there should be greater clarity with regard to the

²¹ Paragraph 126

²² Assessment of Potential Local Allocations and Strategic Sites (2012) – HG15

²³ Assessment of Alternative Growth Scenarios for Hemel Hempstead – HG10

²⁴ MP4

potential for the 'Gade Zone' to accommodate a wider range of land uses and improvements to accessibility [MM23]. Similarly a reference to a new food store in the town centre should be included in policy CS33 [MM24].

Berkhamsted

60. Berkhamsted is a relatively small market town which enjoys an attractive setting, parts of which are in the AONB. Modest growth is proposed for the town and whilst concerns were raised regarding the implications of growth on highway safety and car parking in the town centre, the Council is committed to supporting the Highway Authority in the preparation of an Urban Transport Plan for the town which will seek to address these issues. The Highway Authority raised no objections to the level of development proposed.
61. It is appropriate and sustainable that Berkhamsted should shoulder some of the growth in the Borough but this has to be balanced against the need to protect the town's historic character and setting. A number of potential housing sites were put forward by representors in both Berkhamsted and in neighbouring Northchurch but I am satisfied that, in the current circumstances, the Council's approach is justified.
62. The protection of the historic environment is an important objective and there are the remains of a late saxon/medieval town at Berkhamsted. In order to reflect the need to protect sites of archaeological importance MM25 is recommended.

Tring

63. Tring is a smaller market town than Berkhamsted and is surrounded by the Chilterns AONB. A comparatively low level of growth is proposed but this is commensurate with the character of the town and its attractive setting. A number of alternative or additional housing sites were put forward by interested parties but I am satisfied that, in the current circumstances, the Council's approach is justified.
64. The local allocation at Icknield Way (west of Tring) would be delivered by way of the Site Allocations DPD and it is confirmed in the Statement of Common Ground²⁵ that the Landscape Development Principles Plan will inform the Masterplan for the site, which itself will be subject to public consultation. Proposal LA5 refers to 'around' 150 new homes and there would be no development on the Chilterns AONB itself. Whilst it will be important to ensure that the setting of the AONB is afforded appropriate protection, there is no reason to conclude that this cannot be satisfactorily achieved, primarily through the Masterplan process.

Kings Langley, Bovington, Markyate and the Countryside

65. No specific allocations are proposed for Kings Langley, which is a large village. A site fronting Love Lane (outside the settlement boundary) was put forward by a representor as a potential development site but it would only accommodate a very small number of dwellings and could not be considered to be of strategic importance. However, there may be an opportunity to

²⁵ SG3

reconsider the settlement boundary (and hence the site) as part of the green belt review.

66. There are sites of archaeological importance in the Kings Langley area and it is important that they are afforded appropriate protection. Consequently it is recommended that the Council's approach to such sites is clarified in the CS **[MM26]**.
67. In Bovingdon a single site for about 60 dwellings is proposed. A number of alternative sites were assessed in the village and there is little to differentiate between some of the potential sites. However, the local allocation at Chesham Road/Molyneaux Avenue is supported by the Parish Council and, on balance, by local residents. Although concerns were expressed by representors regarding the ability of the site to satisfactorily accommodate the housing and open space, the Council is confident that the proposed uses could be comfortably provided and there was no substantive evidence to conclusively demonstrate otherwise. In any event the forthcoming review of the green belt will enable the Council to reconsider whether or not there are any other opportunities in the village for longer term growth.
68. In Markyate a redevelopment proposal will accommodate about 90 dwellings and some employment floorspace and planning permission has already been granted for an element of residential and employment development. Concerns were expressed by interested parties regarding the principles of the redevelopment but these do not go to soundness and in any event the Council is proposing a number of minor changes to clarify the position.
69. In order that the Council's strategy with regard to small scale development in the countryside is clearly reflected in the CS, it is recommended that policy CS7 be amended **[MM5]**.
70. I am satisfied that with the recommended modifications the Council's approach to place strategies and towards development in the countryside is sound.

Issue 8 – is the plan capable of being satisfactorily monitored?

71. Monitoring will be carried out annually through the Annual Monitoring Report (AMR) and a number of mechanisms are available to the Council to ensure that this can be successfully achieved²⁶. The Council is proposing a number of minor amendments to the monitoring indicators which will aid clarity and effectiveness and I am satisfied that the CS will be effective.
72. The CS is capable of being satisfactorily monitored and in that respect is sound.

²⁶ Paragraph 17.3.7 of Council's Statement on Issue 17

Other Matters

Infrastructure

73. The Infrastructure Delivery Plan Update²⁷ concludes that the development proposed in the CS can be satisfactorily supported by the necessary infrastructure and no substantive evidence was submitted to demonstrate otherwise. The Council will monitor the delivery of infrastructure and any key changes to the Council's approach that are required will be identified in the Annual Monitoring Report. In addition further work will be undertaken, for example as part of the Site Allocations DPD, and if necessary as part of the forthcoming partial review. In particular transport, education and sewerage and waste water treatment are areas where it may be necessary to undertake further analysis and assessment.

Canal Moorings

74. Saved policies 83 and 84 of the Dacorum Borough Local Plan support the continued use of the Grand Union Canal and enable the provision of additional small scale moorings in appropriate locations, including in the green belt. The Council is proposing to review its policy approach to the matter in the forthcoming Development Management DPD (DMDPD).
75. It was suggested by an interested party that it may be better not to refer to canal moorings at all in the CS but to defer full consideration of the issue to a later document by which time a more comprehensive review of the matter could have been undertaken. However, the Council is seeking to provide the hook in the CS from which the more detailed concerns can be addressed in the DMDPD. The Canal and Rivers Trust voiced no concerns regarding the Council's approach and minor changes to the text of the CS are proposed by the Council which will provide further clarity. I consider that the CS is not the vehicle for assessing and seeking to accommodate more fully the mooring needs of boat users. This is best achieved through the DMDPD which can be based on a more robust analysis of the matter. In the meantime the saved policies are in place and I am satisfied that the Council's approach to the issue is sound.

Human Rights

76. The issue of human rights was raised by a representor and I have taken it into account in my examination of the CS but it does not outweigh my conclusions on the planning issues.

Assessment of Legal Compliance

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

²⁷ ID5 (June 2012)

LEGAL REQUIREMENTS	
Local Development Scheme (LDS)	The Core Strategy is identified within the approved LDS (May 2009) which sets out an expected adoption date of July 2011. However, the latest Annual Monitoring Report (December 2011) gives a submission date of April 2012. The actual submission was in June 2012, the delay being caused by additional consultation being undertaken on a small number of 'omissions' and the need to consider the implications of the NPPF. The small slippage is acceptable in the circumstances and the content and timing are broadly compliant with the LDS.
Statement of Community Involvement (SCI) and relevant regulations	The SCI was adopted in June 2006 and consultation has been compliant with the requirements therein, including the consultation on the post-submission proposed 'main modification' changes (MM)
Sustainability Appraisal (SA)	SA has been carried out and is adequate.
Habitats Regulations Assessment (HRA)	The Habitats Regulations HRA has been carried out and is adequate.
National Policy	The Core Strategy complies with national policy except where indicated and modifications are recommended.
Sustainable Community Strategy (SCS)	Satisfactory regard has been paid to the SCS.
2004 Act (as amended) and 2012 Regulations.	The Core Strategy complies with the Act and the Regulations.

Overall Conclusion and Recommendation

78. **The Plan has a number of deficiencies in relation to soundness and/or legal compliance for the reasons set out above which mean that I recommend non-adoption of it as submitted, in accordance with Section 20(7A) of the Act. These deficiencies have been explored in the main issues set out above.**
79. **The Council has requested that I recommend main modifications to make the Plan sound and/or legally compliant and capable of adoption. I conclude that with the recommended main modifications set out in the Appendix the Dacorum Core Strategy satisfies the requirements of Section 20(5) of the 2004 Act and meets the criteria for soundness in the National Planning Policy Framework.**

David Hogger

Inspector

This report is accompanied by the Appendix containing the Main Modifications

Appendix - Main Modifications (28)

The modifications below are expressed in the conventional form of ~~strike through~~ for deletions and underlining for additions of text.

The page numbers and paragraph numbering below refer to the submission Core Strategy, and do not take account of the deletion or addition of text.

Ref	Policy/ Paragraph	Main Modification
MM1	New policy in Section 7	<p><u>POLICY NP1: Supporting Development</u></p> <p><u>The Council will take a positive approach to the consideration of development proposals, reflecting the presumption in favour of sustainable development contained in the National Planning Policy Framework. The Council will work proactively with applicants to find solutions for development proposals that help to improve the economic, social and environmental conditions in Dacorum.</u></p> <p><u>Proposals which accord with the development plan will be brought forward and approved unless material considerations indicate otherwise.</u></p> <p><u>If the development plan contains no policy relevant to the consideration of a planning application or policies are out of date, the Council will grant permission unless</u></p> <ul style="list-style-type: none"> • <u>policies in the National Planning Policy Framework¹, or</u> • <u>other material circumstances</u> <p><u>indicate otherwise.</u></p> <p>¹ <u>This element of the policy means that planning permission can be refused if:</u></p> <ul style="list-style-type: none"> - <u>there are specific policies in the National Planning Policy Framework (NPPF) which indicate development should be restricted, or</u> - <u>there are adverse impacts which would demonstrably outweigh the benefits, when assessed against the policies in the NPPF as a whole.</u>
MM2	8.16	<p><i>New paragraph after 8.16</i></p> <p><u>Development will be facilitated and managed throughout the plan period. The Council will monitor that programme, collaborating with landowners/developers and registered (housing) providers to encourage delivery. Most development will be regulated by market mechanisms, infrastructure needs, the views of landowners on delivery and the resources available to builders/providers and users/purchasers. The Council will use its powers to facilitate development, through:</u></p>

Ref	Policy/ Paragraph	Main Modification
		<ul style="list-style-type: none"> • <u>positive and sensitive negotiation;</u> • <u>the use of briefs or master plans on more complex sites;</u> • <u>co-operation with infrastructure providers; and</u> • <u>where appropriate and possible, 'pump priming' measures.</u> <p><u>Local allocations will be held back to encourage urban sites to come forward earlier, to retain countryside for longer and to ensure an appropriate contribution to land supply in the later part of the plan period.</u></p>
MM3	CS3	<p><u>Local allocations will be delivered from 2021. Those required in the plan period are listed in Table 9: they will be held in reserve and managed as countryside¹³ until needed for development.</u></p> <p><u>The release date for each development will be set out in the Site Allocations DPD and be guided by:</u></p> <p><u>(a) the availability of infrastructure in the settlement;</u> <u>(b) the relative need for development at that settlement; and</u> <u>(c) the benefits it would bring to the settlement. ; and</u> <u>(d) the intended release date set out in the Site Allocations DPD.</u></p> <p><u>The release date of any local allocation may be brought forward in order to maintain a five year housing land supply. The Council will take this decision through its Annual Monitoring Report process.</u></p>
MM4	CS5	<p><u>The strict application of Council will apply national Green Belt policy which permits appropriate development will be used to protect the openness and character of the Green Belt, local distinctiveness and the physical separation of settlements.</u></p> <p><u>There will be no general review of the Green Belt boundary, although local allocations (under Policies CS2 and CS3) will be permitted.</u></p> <p><u>Within the Green Belt, small-scale development will be permitted: i.e.</u></p> <ul style="list-style-type: none"> (a) <u>building for the uses defined as appropriate in national policy;</u> (b) <u>for the replacement of existing buildings for the same use; existing houses (on a like for like basis); and</u> (c) <u>for limited extensions to existing buildings;</u> (d) <u>the appropriate reuse of permanent, substantial buildings; and</u> (e) <u>the redevelopment of previously developed sites¹⁴, including major developed sites which will be defined on the Proposals Map</u>

Ref	Policy/ Paragraph	Main Modification
		<p>provided that:</p> <ul style="list-style-type: none"> i. there is <u>it has</u> no significant impact on the character and appearance of the countryside; and ii. if relevant, the development will <u>it supports</u> the rural economy and maintenance of the wider countryside. <p><u>Further guidance will be provided.</u> No general review of the Green belt boundary is proposed, although local allocations (under Policies CS2 and CS3) will be permitted). Development within selected small villages in the Green Belt will be permitted in accordance with Policy CS6. Proposals for designated Major Developed Sites will be determined in the context of national Green Belt policy. Footnote: ¹⁴ Excluding temporary buildings</p>
MM5	CS7	<p>Within the Rural Area, the following uses are acceptable:</p> <ul style="list-style-type: none"> (a) agriculture; (b) forestry; (c) mineral extraction; (d) countryside recreation uses; (e) social, community and leisure uses; (f) essential utility services; and (g) uses associated with a farm diversification project, which can be demonstrated to be necessary for the continuing viability of the farm business and consistent with the principles of sustainable development. <p>Small-scale development will be permitted: <u>i.e.</u></p> <ul style="list-style-type: none"> i. for the above uses; ii. <u>for the replacement of existing buildings for the same use; houses (on a like for like basis); and</u> iii. <u>for limited extensions to existing buildings;</u> iv. <u>the appropriate reuse of permanent, substantial buildings; and</u> v. <u>the redevelopment of previously developed sites¹⁵</u> <p><u>provided that:</u></p> <ul style="list-style-type: none"> i. <u>it has no significant impact on the character and appearance of the countryside; and</u> ii. <u>it supports the rural economy and maintenance of the wider countryside.</u> <p><u>Further guidance will be provided.</u></p>

Ref	Policy/ Paragraph	Main Modification
		<p>Small-scale development for housing, employment and other purposes will be permitted at Aldbury, Long Marston and Wilstone, provided that it complies with Policy CS1: Distribution of Development, and Policy CS2 Selection of Development Sites.</p> <p>Footnote: ¹⁵ Excluding temporary buildings</p>
MM6	9.3	<p>National policy is no longer aimed at catering for the unrestrained growth of road traffic. Travel demand needs to be managed in a way that is more sustainable and delivers carbon reductions. This approach includes:</p> <ul style="list-style-type: none"> • reducing the need to travel (by both car and non-car mode); • managing existing road capacity; • carefully locating development so that it is accessible to all users; • <u>managing public parking both on street and off the street;</u> • controlling and managing new car parking spaces; • encouraging fewer car journeys; • promoting non-car travel; and • implementing Green Travel Plans.
MM7	9.8	<p>The impact of any development, either alone or cumulatively with other proposals, must be addressed through:</p> <ul style="list-style-type: none"> • providing new and improving existing pedestrian and cycle routes; • contributions towards strategic transport improvements; • implementing local highway works; • <u>managing car parking provision according to location and use;</u> • minimising private car parking through the availability of car clubs and pool cars; or • developing car free developments in the borough's most accessible locations.
MM8	11.3	<p><i>New paragraph following 11.3</i></p> <p><u>Around 60% of the estimated employment growth is in non-B class uses, such as hotels and catering, construction, education, healthcare, retailing and leisure. Appropriate allocations for non-B class uses will therefore be included in the Site Allocations and East Hemel Hempstead Area Action Plan Development Plan Documents (DPDs). The Council will monitor the effectiveness of the Core Strategy's policies in supporting the growth of such jobs.</u></p>
MM9	12.5	<p><i>New paragraph following 12.5</i></p> <p><u>It is recommended in the Employment Land Update 2011 that the Council should adopt the figure of 131,000 sq. metres of net additional floorspace as a land provision target for the Core Strategy. However, this report stated that planning policy should allow for the possibility the forecast demand may not materialise.</u></p>

Ref	Policy/ Paragraph	Main Modification
		<u>Therefore, it advised that office development should be phased over the plan period; targets and allocations should be reviewed regularly in the light of actual take-up, market conditions and the latest economic forecasts; and there may be managed release of office sites which are no longer attractive, viable or suitable for offices.</u>
MM10	CS15	<p><i>Second paragraph</i></p> <p><u>Provision will be made to meet a long term target of at least 131,000 sq m (net) additional office floorspace. There will be no net loss of industry, storage and distribution floorspace over the plan period. The area will be managed so that between 2006 and 2031:</u></p> <ul style="list-style-type: none"> • <u>a target of around 131,000 sq m (net) additional office floorspace can be met: and</u> • <u>the stock of floorspace for industry, storage and distribution remains broadly unchanged.</u>
MM11	CS16	<p><i>New paragraph at the beginning</i></p> <p><u>The main retail hierarchy of town centres and local centres (listed in Table 5) will be strengthened by encouraging appropriate new retail development and retaining sufficient existing shops in these centres.</u></p>
MM12	14.14	<p><u>The Council will maintain a continuous 5-year¹ and 15-year rolling housing land supply. However supply needs to be managed in order to conserve land and make the most effective use of it. The broad approach to phasing is set out in Policy CS2, with more detailed requirements in the Site Allocations DPD. Housing supply will be expressed in terms of five year phases in the Site Allocations DPD. The programme will be monitored and managed in collaboration with landowners/developers and registered (housing) providers to encourage delivery. Most development will be regulated by market mechanisms, any specific infrastructure issues, the views of landowners on delivery and the resources available to builders/ providers and users/purchasers. This approach applies throughout the plan period, and even though supply is not open-ended it also applies afterwards: it is anticipated there will continue to be some housing needs which should be met after 2031. A regular supply of housing land will help promote activity in the construction industry, which is an important part of the local economy. Action may be required to influence factors governing supply in the light of progress. This will be reported through the Annual Monitoring Report.</u></p>
MM13	14.15	<p><u>Delivery will be phased so that the development of housing sites can be co-ordinated with associated infrastructure and services. The broad approach to phasing is set out in Policy CS2, with more detailed requirements in the Site Allocations DPD. The management of local allocations will build some flexibility into the housing programme (Policy CS3). However should supply fall significantly below expectations, the Council will take action to stimulate supply. The Council will consider the options that may</u></p>

Ref	Policy/ Paragraph	Main Modification
		<p><u>be available at that time: e.g. release of its own land and/or investment in specific infrastructure to unblock a site. The management of local allocations, including possible release of a site earlier than intended, will build some flexibility into the housing programme (Policy CS3). Such circumstances and decisions will be reported through the Annual Monitoring Report.</u></p>
MM14	CS17	<p>An average of 430 net additional dwellings will be provided each year (between 2006 and 2031). The new housing will be phased over the plan period and a five year supply of housing maintained. is planned to come forward in phases. Should housing completions fall below 15% of the housing trajectory at any time and review of the deliverability of planned sites indicates that the housing trajectory is unlikely to be recovered over the next 5 years, the Council will take action to increase the supply of deliverable housing sites. Existing housing land and dwellings will normally be retained.</p>
MM15	CS19	<p>Affordable homes will be provided:</p> <ul style="list-style-type: none"> • on sites of a minimum size 0.3ha or 10 dwellings (and larger) in Hemel Hempstead; and • elsewhere, on sites of a minimum size of 0.16ha or 5 dwellings (and larger). <p>A financial contribution will be sought in lieu of affordable housing on sites which fall below these thresholds.</p> <p>35% of the new dwellings should be affordable homes. Higher levels <u>may</u> will be sought on sites which are specified <u>by the Council</u> in a development plan document, provided development would be viable and need is evident. <u>On rural housing sites</u> 100% of all new homes will be affordable on rural housing sites (Policy CS20) <u>will normally be affordable (Policy CS20).</u></p> <p>A minimum of 75% of the affordable housing units provided should be for rent.</p> <p>Judgements about the level, and <u>mix and tenure</u> of affordable homes will have regard to:</p> <ol style="list-style-type: none"> (a) the Council's Housing Strategy, <u>identified housing need</u> and other <u>relevant</u> evidence (see Policy CS18); (b) the potential to enlarge the site; (c) the overall viability of the scheme and any

Ref	Policy/ Paragraph	Main Modification
		<p>abnormal costs; and</p> <p>(d) more detailed guidance in the Affordable Housing Supplementary Planning Document arrangements to ensure that the benefit of all affordable housing units passes from the initial occupiers of the property to successive occupiers</p> <p>Arrangements will be made to ensure that the benefit of all affordable housing units will pass from the initial occupiers of the property to successive occupiers.</p> <p><u>Further, detailed guidance is provided in the Affordable Housing Supplementary Planning Document.</u></p>
MM16	CS22	<p><u>The target for new pitches will be set according to the most recent Gypsy and Traveller Needs Assessment agreed by the Council. The target will be progressively met through the provision and management of new sites.</u></p> <p>New sites will be:</p> <p>(a) distributed in a dispersed pattern around settlements;</p> <p>(b) located close to facilities;</p> <p>(c) of varying sizes, not normally exceeding a site capacity of 15 pitches;</p> <p>(d) planned to allow for part occupation initially, allowing subsequent growth to full site capacity; and</p> <p>(e) designed to a high standard with:</p> <p>(i) an open frontage similar to other forms of housing; and</p> <p>(ii) landscaping or other physical features to provide an appropriate setting and relationship to existing residential areas.</p> <p>Priority will be given to the provision of sites which are defined on the Proposals Map. If other proposals come forward, they will be judged on the basis of the need for that provision.</p> <p>Any new transit pitches should also:</p> <p>(a) achieve good access to the M1 or A41 main roads; and</p> <p>(b) minimise potential disturbance to adjoining occupiers.</p>
MM17	15.3	<p><i>New paragraph after 15.3</i></p> <p><u>The Government asks councils to plan positively for the provision and use of shared space and social infrastructure (facilities and</u></p>

Ref	Policy/ Paragraph	Main Modification
		<p><u>services). The Council will therefore be guided by the relevant infrastructure providers for some types of facility and for others will undertake its own assessment (e.g. for leisure). Up to date information will help determine future provision and opportunities. Particular importance is attached to the delivery of school places and health services. Linking planning policy with infrastructure capacity and spending will help resources to be more effectively deployed and thus support healthy, inclusive communities. Effective use of facilities is important. The retention of existing facilities, whether in their present use or a suitable alternative, is encouraged. New facilities should be capable of dual use and multipurpose use where reasonable. Multipurpose use can more readily be achieved in buildings and leisure space, but is not always possible (for example, in some single faith buildings).</u></p>
MM18	CS23	<p>Social infrastructure providing services and facilities to the community will be encouraged.</p> <p>New infrastructure will be:</p> <ul style="list-style-type: none"> • be located to aid accessibility; and • <u>provide for designed to allow for different activities the multifunctional use of space.</u> <p><u>The dual use of new and existing facilities will be promoted encouraged wherever possible.</u></p> <p>The provision of new school facilities will be supported on Open Land and in defined zones in the Green Belt. Zones will be defined in the Green Belt where there is clear evidence of need: the effect of new building and activity on the <u>Green Belt countryside</u> must, however, be minimised.</p> <p>Existing social infrastructure will be protected unless appropriate alternative provision is made, or satisfactory evidence is provided to prove the facility is no longer viable. The re-use of a building for an alternative social or community service or facility is preferred.</p> <p>All new development will be expected to contribute towards the provision of social infrastructure. For larger developments this may include land and/or buildings.</p>
MM19	17.2	<p><i>New paragraph after 17.2</i></p> <p><u>All heritage assets are important and should be conserved. The weight given to the specific form of protection or conservation will vary according to the importance of that asset.</u></p>
MM20	18.23	<p>Developers will be expected to complete a Sustainability Statement and carbon compliance check online for <u>in support of their proposals. When the appropriate carbon reductions would not be delivered on site, appropriate compensation will be sought. This will be in the form of sustainability offsetting measures. What will constitute appropriate offsetting measures is expected to evolve over the plan period: Government regulation and policy</u></p>

Ref	Policy/ Paragraph	Main Modification
		<p>will guide what measures may be feasible. Payments will also be required into to a Sustainability Offset Fund when the appropriate carbon reductions have not been delivered on-site. The Council will provide further guidance on offsetting, keeping its approach up-to-date. Offsetting may involve a direct contribution on another site (e.g. through tree planting). It may involve a contribution to a Sustainability Offset Fund, perhaps via the community infrastructure levy. The Council may be able to add other resources to the Sustainability Offset Fund. The fund will can then be used to support initiatives that help measures which reduce carbon emissions in the existing building stock, fix or absorb carbon (for example, by planting trees) and support on and off-site renewable energy supply and efficiency measures. Tree planting and other 'greening' initiatives will help to enhance biodiversity, improve quality of life and wellbeing and reduce 'heat stress' in built up areas. the urban environment.</p>
MM21	CS29	<p>New development will comply with the highest standards of sustainable design and construction possible. The following principles should normally be satisfied:</p> <ul style="list-style-type: none"> (a) Use building materials and timber from verified sustainable sources; (b) Minimise water consumption during construction; (c) Recycle and reduce construction waste which may otherwise go to landfill. (d) Provide an adequate means of water supply, surface water and foul drainage; (e) Plan to limit residential indoor water consumption to 105 litres per person per day until national statutory guidance supersedes this advice; (f) <u>Plan to minimise carbon dioxide emissions; Comply with CO₂ reductions as per Table 11;</u> (g) Maximise the energy efficiency performance of the building fabric, in accordance with the energy hierarchy set out in Figure 16; (h) Incorporate at least one new tree per dwelling/per 100sqm (for non residential developments) on-site; (i) <u>Minimise impacts on biodiversity and incorporate positive measures to support wildlife;</u> (j) Minimise impermeable surfaces around the curtilage of buildings and in new street design; (k) Incorporate permeable and lighter coloured surfaces within urban areas; and (l) Provide on-site recycling facilities for waste. <p>Buildings will be designed to have a long life and adaptable internal layout. Applicants will therefore need to explain how:</p> <ul style="list-style-type: none"> (a) they have considered the whole life cycle of the building and how the materials could be recycled at the end of the building's life; and (b) their design has been 'future proofed' to enable retrofitting to meet tighter energy efficiency standards and connection to decentralised community heating systems.

Ref	Policy/ Paragraph	Main Modification
		<p>For specified types of development applicants should provide a Sustainability Statement.</p> <p><u>Where new development cannot meet on-site energy or tree planting requirements, the applicant will be expected to make an appropriate financial contribution towards sustainability offsetting if at all possible (see policy CS30).</u></p> <p>The principles in this policy may be relaxed if the <u>If a scheme would be unviable or there is not a technically feasible approach, the principles in this policy may be relaxed.</u> Where new development cannot meet on-site energy or tree canopy requirements, the applicant will be expected to make an appropriate financial contribution towards the Sustainability Offset Fund.</p>
MM22	CS30	<p>Sustainability Offset Fund <u>Offsetting</u></p> <p><u>The contribution of development towards sustainability offsetting measures will be determined in accordance with prevailing regulation and planning policy. Offsetting may include off-site work and planting, and contributions to a Sustainability Offset Fund.</u></p> <p><u>Details on the Council's approach to sustainability offsetting, including the operation of the Sustainability Offset Fund, will be set out in further guidance.</u></p> <p>The Sustainability Offset Fund will be used to fund and help deliver:</p> <ul style="list-style-type: none"> • energy and water efficiency improvements in the borough's existing housing and public building stock; • on-site and appropriate off-site renewable energy supply systems; and • new tree planting and habitat improvements. <p>Details regarding the operation of the Sustainability Offset Fund will be set out in further guidance.</p>
MM23	Fig 17	<p><u>The Gade Zone – includes the north western section of the town centre from Queensway to the Market Square. Combe Street Notable features include the River Gade and the Marlowes Methodist Church. This zone holds significant regeneration opportunities, primarily for educational, civic, residential and community, leisure and cultural, business and retail uses (including a foodstore), along with opportunities for decentralised heating systems or Combined Heat and Power (CHP). There are opportunities for better design, improvements to the building fascias of the listed buildings and the creation of a riverside walk and cycleway.</u></p>
MM24	CS33	<i>Second paragraph</i>

Ref	Policy/ Paragraph	Main Modification
		<p>The principles guiding development are to:</p> <ol style="list-style-type: none"> 1. use: <ul style="list-style-type: none"> (a) secure additional retail stores in the Marlowes Shopping Zone <u>and a new food store</u>; (b) deliver a mix of uses to support the prime retail function; (c) encourage an attractive evening economy along Waterhouse Street; (d) deliver a range of new homes; (e) create new offices; (f) deliver new leisure, education and cultural facilities, including a primary school and library; (g) keep a public sector presence; (h) restore the Water Gardens, and retain and create other public spaces; 2. movement: <ul style="list-style-type: none"> (a) secure an integrated public transport hub and circulation within the centre; (b) provide better east-west links, particularly for pedestrians; (c) continue the riverside walk from the Plough Zone to Gadebridge Park; (d) improve cycling provision; 3. design: <ul style="list-style-type: none"> (a) emphasise pedestrian movement gateways through bold building design, height and landscaping; (b) provide active frontages; (c) apply a co-ordinated approach to building and streetscape design; (d) use high quality materials and public art to complement the existing palette of materials and features; (e) restore artwork and create new complementary pieces of art; and (f) deliver district heating and additional large-scale / high capacity renewable energy generation technologies.
MM25	21.12	<p><u>Berkhamsted contains the remains of a late saxon/medieval town. Its archaeological interest is potentially of national importance and will be a constraint on the extent and layout of new development. The castle was the site of the surrender of the Anglo-Saxon army to William the Conqueror in 1066. The castle is an important landmark and significant historical asset, whose position and heritage will be protected. Visitors to the site will be encouraged to make use of public transport access.</u></p>
MM26	Sec 23	<p><i>New paragraph after 23.6:</i> <u>The remains of a medieval royal palace and Dominican priory lie on Langley Hill. These sites are nationally important. The archaeological interest associated with this area will be protected, constraining the extent and design of new development.</u></p>

Ref	Policy/ Paragraph	Main Modification
MM27	26.14	<p><i>New paragraph after 26.14</i></p> <p><u>The countryside has been subject to human activity from prehistory to modern times. There are numerous areas with existing or high potential for heritage assets. Some are of national importance and require particular protection. All heritage assets affected by development should be subject to assessment and appropriate mitigation measures. Some rural practices, such as bio-fuel production and forestry, can damage archaeological features and their impact may therefore merit careful consideration.</u></p>
MM28	New sub-section in Section 29	<p><u>Review</u></p> <p><u>29.7 A proactive monitoring system will help the Council review its planning policies and keep them up-to-date, identifying potential adjustments to policies if appropriate and/or other necessary action.</u></p> <p><u>29.8 The Council is committed to a partial review of the Core Strategy at a reasonably early stage (i.e. after completion of the Site Allocations and Development Management DPDs). The purpose of the review is to reconsider housing need and investigate ways of meeting that need more fully.</u></p> <p><u>29.9 The Localism Act 2011 places a “duty to co-operate” on local authorities and other specified organisations. Dacorum’s local planning framework should therefore be based on joint working and co-operation with neighbouring authorities to address larger than local issues. The obligation stretches from plan-making to implementation, and will be explained in successive Annual Monitoring Reports. The partial review of the Core Strategy will be undertaken in co-operation with neighbouring authorities, taking account of their progress with development plan documents. The Council will aim to adopt the review by 2017/18.</u></p> <p><u>29.10 Through the partial review, the Council will assess:</u></p> <p><u>(a) household projections;</u></p> <p><u>(b) the role and function of the Green Belt affecting Dacorum, including long term boundaries and the potential to identify safeguarded land beyond 2031; and more significantly,</u></p> <p><u>(c) the role that effective co-operation with local planning authorities could play in meeting any housing needs arising from Dacorum. This element will include St Albans district and relevant areas lying beyond the Green Belt.</u></p> <p><u>The outcome of the review cannot be prejudged.</u></p>



The Planning Inspectorate

Report to North Somerset Council

by **Roland Punshon BSc, MRTPI**

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

Date 11 March 2015

PLANNING AND COMPULSORY PURCHASE ACT 2004 (AS AMENDED)

SECTION 20

**REPORT ON THE EXAMINATION INTO POLICY CS13 AND SUPPORTING
TEXT OF NORTH SOMERSET COUNCIL CORE STRATEGY
DEVELOPMENT PLAN DOCUMENT**

Document submitted for examination on 8 July 2011

Examination hearings held between 18 and 20 March 2014 and 6 and 7 January 2015

File Ref: PINS/D0121/429/8

Abbreviations Used in this Report

HMA	Housing Market Area
JSPS	Joint Strategic Planning Strategy
LDS	Local Development Scheme
NPPF	National Planning Policy Framework
NPPG	National Planning Procedure Guidance
ONS	Office of National Statistics
RPG	Regional Planning Guidance
RS	Regional Strategy
SA	Sustainability Appraisal
SCI	Statement of Community Involvement
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
SNPP	Sub-National Population Projections
SWRSS	South West Regional Spatial Strategy

Non-Technical Summary

This Report concludes that Policy CS13 of the North Somerset Core Strategy provides an appropriate basis for the planning of the District provided that a number of Main Modifications are made to the policy and to the supporting text. The North Somerset Council has specifically requested me to recommend any modifications necessary to make the policy and text capable of being adopted.

All of the modifications to address this were proposed by the Council and I recommend their inclusion after considering the representations made by other parties on these issues.

The Main Modifications are set out as the MD6(a) version of the policy and text attached as Appendix A to this Report. They can be summarised as:

- The increase of the housing requirement set out in Policy CS13 from 13,400 to 20,985.
- The provisions of Policy CS13 i.e. the identification of sites and the delivery of the housing requirement will be applied on the basis of any new housing requirement for North Somerset which is specified by the adopted version of the forthcoming Joint Strategic Planning Strategy.
- The inclusion in the policy and text of clear and firm commitments to a review of the policy by the end of 2018.
- The inclusion in the text of a clear and firm commitment to the dealing at the review stage with any backlog in provision which arises before 2018.

Introduction

1. This Report contains my assessment of Policy CS13 and its supporting text of North Somerset Council's Core Strategy Development Plan Document in terms of Section 20(5) of the Planning and Compulsory Purchase Act 2004 (as amended). It considers first whether the Policy's preparation has complied with the duty to co-operate, in recognition that there is no scope to remedy any failure in this regard. It then considers whether the Policy is sound and whether it is compliant with legal requirements. Paragraph 182 of the National Planning Policy Framework (NPPF) makes clear that, to be sound, a Plan should be positively prepared, justified, effective and consistent with national policy.
2. The starting point for the Examination is the assumption that the Council has submitted what it considers to be a sound plan and my Examination of Policy CS13 is based on the version of the policy and text submitted for Examination in July 2011. However, since that time and at various points in the Examination process, the Council has proposed a number of Main Modifications. I refer to the Main Modifications proposed in March 2014 as the MM1 and MM1(a) versions of the policy and text and the proposed Main Modifications considered at the January 2015 Hearings as the MD6 and MD6(a) versions. In accordance with Section 20(7C) of the 2004 Act the Council has requested that I should make any modifications which are necessary to rectify matters that make the policy unsound and/or not legally compliant and thus incapable of being adopted. The Main Modifications which I consider are necessary in this regard are set out in Appendix A to this Report.
3. The Main Modifications which are proposed by the Council and are necessary all relate to matters which were discussed at the Examination Hearings.
4. The background to my Examination is somewhat complex and I will, therefore, set out below the context within which it was undertaken.

Background

5. The Core Strategy was submitted for Examination in July 2011. As part of the original Examination, Hearings took place in November and December 2011 and the Inspector's Report was provided to the Council in March 2012. The Council adopted the Core Strategy in April 2012. However, the Council's adoption of the Core Strategy was challenged through the Courts. The Court's judgment concluded that the original Inspector:

'failed to give adequate or intelligible reasons for his conclusion that the (housing requirement – my insertion) figure made sufficient allowance for latent demand i.e. demand unrelated to the creation of new jobs.'

6. The Court's decision was that Policy CS13, which sets out the number of dwellings which the Council would need to provide during the Plan period, should be remitted to the Examination stage. The Policy was to be treated as not having been examined.

7. The judgment makes clear that it would only be the adoption of Policy CS13 which would be unlawful. However, re-examination of other policies could be necessary if the provisions of Policy CS13 required change. For this reason, housing Policies CS6, CS14, CS19, CS28 and CS30-33 were also remitted to the Examination stage in order that any consequential changes arising from re-examination of Policy CS13 could be addressed.
8. In line with the judgment, I consider that Policy CS13 needs to be examined first against the tests of whether it is legally compliant, justified, effective, positively prepared and consistent with up-to-date national policy. It is only when I have reached a firm conclusion on the soundness and legal compliance of that policy that there can be any certainty about the need for any consequential changes to the other policies which were remitted for Examination. If I find that Policy CS13 is sound and legally compliant, either in its original form or in a modified form, the Council would first need to decide whether it wishes to adopt the Policy. If it decides that the Policy should be adopted in a modified form then it will need to consider what consequential changes are required to the other remitted policies to ensure delivery of the provisions of Policy CS13. Any changes which are necessary, other than minor modifications, will need to be subject to further re-consultation and Examination. The Council agrees with this approach and, whilst some consequential changes to other remitted policies were put forward to the Hearings in March 2014, the Council made clear at that time that it did not wish these to be considered by my Examination. No consequential changes have been put forward by the Council in respect of the later revisions to the Policy and text and, so far as I am aware, the work to draw them up has not yet been completed. In these circumstances only Policy CS13 and its supporting text is before me for Examination and my Report deals only with Policy CS13 and its supporting text.
9. Paragraph 24 of the Approved Addendum Judgment stated that it would not be appropriate:

'to restrict the examination to the question of whether the figure of 14,000 dwellings in CS13 makes adequate provision for latent demand.'

In these circumstances, my Examination is based on the whole of the background evidence, the Policy and its supporting text. I have not read the original Inspector's Report. As the policies in question are remitted to the Examination stage, the original Inspector's Report does not form part of the evidence before me and I wish to avoid the possibility of being influenced by his reasoning and conclusions.

10. As part of the Examination process I held Hearings sessions on 18-20 March 2014 and 6-7 January 2015.

Proposed Main Modifications

11. Before I commenced my Examination, the Council decided, on the basis of new evidence which it had collected, to modify Policy CS13 and its supporting text. The provisions of Policy CS13 which it had originally intended to adopt were abandoned. The Council re-consulted on the modification and undertook a supplementary Sustainability Appraisal (SA) exercise. That proposed

modification is referred to as the MM1 version of the Policy and text. My Hearings in March 2014 dealt with the MM1 version.

12. During the March 2014 Hearing sessions the Council provided me with an e-mail which requested that I should recommend any Main Modifications which were necessary to make Policy CS13 sound. I explained that I was not in a position to agree to this request until I knew the extent of the Main Modifications which might be necessary; my concern being that the necessary Main Modifications could be so far-reaching that they would amount to a different Plan. Until I had heard the evidence I was not in any position to know whether this might be the case. I referred the Council to paragraph 4.27 of the 2013 *'Examining Local Plans Procedural Practice'* guidance in this regard. However, I informed the Council that, at that stage, I was willing to proceed with the Examination on the basis of the MM1 version of Policy CS13.
13. During the March 2014 Hearings the Council proposed further Main Modifications to Policy CS13 and its supporting text. I refer to these as the MM1(a) version. These later Main Modifications had not been subject to re-consultation or SA and, in these circumstances, I could not (and still cannot) give them formal consideration although they were discussed in the Hearings.
14. At the close of the March 2014 Hearings I undertook to provide a letter to the Council setting out my conclusions on the examination of Policy CS13 up to that point. Very briefly, I concluded that:-
 - a) Policy CS13 did not comply with national policy in that it was not prepared within a clear strategic context and that it was not informed by a full objective assessment of housing need which would be provided by a comprehensive Strategic Housing Market Assessment (SHMA) for the whole of an identified Housing Market Area (HMA);
 - b) Setting the Policy CS13 housing requirement figure at the lowest limit of the range of estimates put forward in the Council's new evidence did not comply with the national objective of significantly boosting housing supply and did not represent positive planning; and,
 - c) Although increased 'self containment' in terms of reducing out-commuting was a worthwhile objective, reliance on such an uncertain factor to justify adoption of a much-reduced housing requirement would be imprudent.

In these circumstances I concluded that I would need to find Policy CS13, whether in its original or modified forms, unsound.

15. The Council responded to my letter on 24 July 2014 and informed me that it proposed to make further modifications to Policy CS13 to address the concerns which I had raised. Further Main Modifications to Policy CS13 were prepared and a re-consultation exercise was carried out. These are referred to as the MD6 version of the Policy and supporting text. I held Hearings on 6 and 7 January 2015 to consider these proposed changes. During the course of the Hearings the Council proposed further changes to the MD6 modifications – I refer to these as the MD6(a) version. However, these were exclusively matters of clarification of the context of the Policy and I am satisfied that they can be

made without the need for a general re-consultation exercise. The Council informed me that, as the MD6/6(a) modifications broadly reflected an option which had already been the subject of SA and that no significant changes to affect the SA outcomes had taken place in the meantime, it considered that no further SA was necessary. I agree.

Inspector's Reporting Process

16. In March 2014 the Council argued that a housing requirement significantly greater than the 17,130 dwellings specified in the MM1 version of Policy CS13 could be inconsistent with the employment-led approach which underlies the spatial strategy of the adopted part of the Core Strategy. However, if the plan provisions which I am considering are unsound, and if changes to make them sound cannot be accommodated within the adopted parts of the Core Strategy, then that inconsistency would be for the Council to resolve. In the light of paragraph 17 of the Approved Addendum Judgment, I do not consider that I am bound to accept that a Plan policy must be sound because modification of that policy would make it out-of-step with adopted parts of the same Plan. I disagree with the argument made by a Representor that the judgement precludes me from dealing with Policy CS13 in isolation. I consider that paragraph 17 of the judgement was dealing with a different issue.
17. Some have argued that I should respond to the Council in a further letter rather than a formal Report. I disagree. The circumstances of this case are unusual. The legal judgement made clear that only part of the Core Strategy was being remitted for examination. It was inevitable, therefore, that any Report on the remitted policies, whether it be either in respect of Policy CS13 alone or Policy CS13 together with the other remitted policies, would be partial in that it dealt with only part of the Core Strategy. I accept that the judgement referred to only a single 'Examination' but the very nature of the judgement, which left part of the Core Strategy adopted whilst other parts had not been examined, indicated that the Court considered that elements of the same Plan could be considered independently. The thrust of the decision was clear that the other policies were remitted for Examination only because they may require consequential change if the originally submitted version of Policy CS13 was found unsound. In my view, dealing with Policy CS13 first is entirely within the spirit of the Court's decision. If the most appropriate way of dealing with the matter is by way of 2 Examinations or, perhaps as it should be seen more appropriately, 2 parts of the same Examination, then I do not consider that I am prevented from following that course.
18. By dealing with Policy CS13 first, I have adopted a process not dissimilar to that which is commonly used in the Examination of a Core Strategy and a Site Allocations Plan where the principles are established first and the details follow. In the case of housing requirements, such a 2 stage process prevents a large body of work on detailed provisions from being made abortive if the general principle proposed in the strategic housing requirement policy is found to be unsound.
19. Regarding the points raised by Representors in respect of the Gallagher Homes Ltd and Lioncourt Ltd vs Solihull Metropolitan Borough Council (CO/17668/2013) judgment, the NPPF makes clear that the housing requirement may need to be refined if meeting the assessed need would

significantly and demonstrably outweigh the benefits. In my view the Council has gone through this process: it has determined what it considers to be the need by way of the Edge Analytics study and it has then decided to adopt the top of that range plus 5% to take account of its employment and self-containment aspirations.

20. As I made clear in the Hearing sessions, I consider that it would be in all parties' interests that the Council should move forward to having a sound adopted Plan in place at the earliest opportunity. The Core Strategy was submitted for Examination in July 2011 – about 3 ½ years ago. In my opinion the process should now be brought to a conclusion. Further delay would be unacceptable given the uncertainty which has been created in the positive planning of the district, in infrastructure planning and in movement towards developing a Community Infrastructure Levy regime.
21. In my view there would be considerable disadvantages in providing my conclusions on the soundness of Policy CS13 in a letter. A formal Report would give certainty to the status of the housing requirement. If I found the policy to be sound, the Council would have a firm basis on which to proceed to plan for delivery. If I found the policy unsound then the Council would have a clear signal that its whole strategy would need re-assessment. By providing my conclusions in a further letter, the Council could propose additional Main Modifications which would extend the plan-making process and could take it into areas where compatibility with the 'employment-led' strategy of the adopted part of the Core Strategy became increasingly problematic. I am also concerned that, by providing my conclusions in a letter, there would be no formal conclusion on the Policy CS13 housing requirement and any subsequent examination of consequential changes to other remitted policies could be forced to re-consider the Policy CS13 housing requirement if new information had become available. Again the plan-making process could be further delayed and the resources expended on detailed plan provisions could be wasted.
22. I accept that, ideally, it would be best for the Policy CS13 housing requirement to be considered alongside the policies detailing the delivery of the requirement. It is possible that a subsequent examination of the consequential changes to other remitted policies could conclude that there is no sustainable option for delivery of the housing requirement set by Policy CS13. In these circumstances the Council may have to re-assess the Policy CS13 housing requirement and put forward an alternative for examination. However, this seems to be an unlikely prospect. I have seen no evidence to suggest that the MD6/6(a) version of Policy CS13 housing requirement could not be delivered although to do so may involve the Council in some difficult decisions.
23. On receipt of my Report on Policy CS13 it would be for the Council to decide on how it wishes to proceed. This Report should be seen as only partial and, whilst reaching a formal conclusion on Policy CS13, it will provide only part of the route to a sound plan. However, a formal Report on the examination of Policy CS13 will carry significant weight in any subsequent processes.
24. In all of the circumstances I have concluded that I should provide my conclusions on Policy CS13 and its supporting text as a formal Report. To an extent this Report reiterates some of my reasoning and conclusions which were set out in my 22 April letter to the Council. Where necessary I have brought the

arguments up-to-date to address issues arising from the MD6(a) version of the policy and other circumstances which have changed since my March 2014 Hearings. Whilst some may consider this to be somewhat repetitive, I consider that, in the interests of certainty, it is important that the whole of my reasoning and conclusions should be included in a formal Report.

Assessment of Duty to Co-operate

25. The Court judgment made clear that, at the time of the original Examination of the Core Strategy, the 'duty to co-operate' did not apply; the Plan had been formally submitted for Examination before the relevant date set by legislation. The Court's judgement remitted Policy CS13 and the associated policies to the Examination stage of the process i.e. a stage which falls after the formal submission date and, in these circumstances, the Core Strategy remains submitted before the relevant date. In March 2014 some Representors argued that the 'plan preparation' process had been re-engaged by the alterations which the Council had made to the remitted policies. I disagree. The legislation contains a clear dispensation for Plans to be modified after the formal submission date. This is what the Council has done. In these circumstances, I am satisfied that the Council does not need to comply with the 'duty to co-operate' and, provided that the changes which the Council proposes do not fundamentally affect the essential direction of the Core Strategy, there are no sound reasons why the Examination should not proceed.

Assessment of Soundness

Main Issues

26. Having taken account of all of the Representations, written evidence and the discussions which took place at the March 2014 and January 2015 Hearings I have identified the following 4 Main Issues.

Issue 1 - Sustainability Appraisal

27. The originally submitted Core Strategy was supported by a SA which assessed 6 potential housing delivery options ranging from 6,711 to 26,750 dwellings over the Plan period. More recent analysis of the housing requirement undertaken on behalf of the Council (the Edge Analytics study) indicates a 'robust' assessment of need of between 17,130 and 20,220 dwellings over the Plan period. In the light of this, 4 further delivery options were examined by the Council in a supplementary SA. These were the 14,000 figure which the Council originally proposed to adopt and 3 other figures representing the bottom, top and an intermediate point in the range identified in the Edge Analytics study.

28. Taken together the 2 SAs assess 10 housing delivery options. In these circumstances, I am satisfied that an adequate range of options has been assessed. The SA needs to consider the Council's realistic options for delivering its objectives. I am satisfied that the SA is not required to consider options which involve total or partial failure of the Council's strategy.

29. In March 2014 some Representors argued that the publication of the supplementary SA after the publication of the MM1 version of the Policy

indicated that the Council's choice in regard of the Policy CS13 housing requirement was not properly informed by the SA process. Whilst I disagreed with this argument at that time, the supplementary SA documents were available to the Council when it was drawing up the MD6/6(a) modifications and the argument is, therefore, no longer relevant. Given that the housing requirement set out in the MD6/6(a) versions of the Policy is only 5% more than a specific option considered in the supplementary SA, I am satisfied that no separate SA process is required to justify the MD6/6(a) modifications.

30. Some Representors argue that the SA exercises give insufficient weight to the social and economic dimensions of sustainability and that too much weight has been given to the environmental dimensions of the various options appraised. Having examined the SA documents, I can see no clear evidence that the options have been incorrectly assessed.

Issue 2 - Strategic context

31. I have already concluded that the Council does not need to demonstrate that it has satisfied the duty to co-operate. However, this is not to say that the Council does not need to have regard to the strategic context in preparing its Core Strategy. I accept that some uncertainty may have been caused by early announcements by the government that Regional Strategies (RSs) were to be abolished. However, since the introduction of Section 33A into the Planning and Compulsory Purchase Act 2004 at the end of 2011 and the publication of the National Planning Policy Framework (NPPF) in March 2012 it has been clear that the former requirement for the Council to prepare Plans which were in general compliance with the RS was being replaced by a requirement to co-operate with adjacent local planning authorities. At no time has it been open to a Council to prepare a Plan which did not respond to its strategic context.
32. In 2009 the South West Regional Spatial Strategy (SWRSS) 2006-2026 had reached an advanced stage. However, at least so far as the housing requirement is concerned, the Council's Core Strategy does not rely on the draft RSS, its supporting evidence base or on the earlier 2001 Regional Planning Guidance (RPG). I accept that there may be sound reasons for this, not least the fact that this earlier work was based on pre-recession economic forecasts.
33. In its advice on 'Plan-Making', the NPPF advises that Councils should have a clear understanding of housing needs in the area and should prepare a Strategic Housing Market Assessment (SHMA) to assess their full housing needs, working with neighbouring authorities where Housing Market Areas (HMAs) cross administrative boundaries. In 2009, a joint SHMA was undertaken by the Council, Bristol City Council and 4 other local authorities. The Council claims that this was accepted as an important component of the evidence base at the original Core Strategy Examination in 2011/12. However, the 2009 joint SHMA was prepared in the pre-NPPF era and was largely focussed on affordable housing issues. For these reasons, the Council no longer relies upon it. Instead, the Council has undertaken a new assessment of housing need within North Somerset (the Edge Analytics study) which is unrelated to the wider 2009 SHMA conclusions and does not build on that earlier work. This is the evidence which underpins the MD6/6(a) versions of Policy CS13. A review of the SHMA for the West of England is underway but the finalised SHMA will not be available until June 2015.

34. The Council accepts that the Edge Analytics study does not look beyond the Council's own area and does not claim to have assessed the whole of any recognised HMA. Neither Edge Analytics nor the Council claim that the study amounts to a full SHMA. Although the Council is working co-operatively with its neighbours on the production of a joint SHMA and a cross-authority strategic framework, I have seen no clear evidence that any of this co-operative working has informed the preparation of Policy CS13 up to this point. None of the neighbouring authorities is claiming at this stage that North Somerset will need to assist in meeting their own housing needs. However, until the joint SHMA review is complete, the full circumstances surrounding what is clearly a complex HMA cannot be known.
35. In these circumstances, it is difficult to come to any other conclusion than that Policy CS13 has been prepared outside of any clear strategic context which would satisfy the requirements of the NPPF. This would be a serious failing for any Plan but even more so where there is a long-recognised inter-relationship between the housing market of the Plan area and that of an adjacent major city – in this case Bristol.

Issue 3 – Use of Review Process

36. The difficulties I outline above in terms of strategic context are not new nor are they peculiar to North Somerset. In other cases (and most notably in some authorities adjacent to North Somerset which are in the same HMA) issues surrounding the lack of a NPPF-compliant SHMA have been resolved by embedding the need for an early review of the housing requirement into the Plan. The circumstances surrounding each of these cases are different and it is difficult to make direct comparisons of the applicability of such a mechanism on the basis of what has taken place elsewhere. I do not consider therefore that the way in which Inspectors have dealt with these other Plans should necessarily dictate my conclusions in this case. However there clearly needs to be consistency in approach. In these circumstances, I have considered the potential for the use of a similar review device with regard to Policy CS13 as a way of moving forward.
37. The authorities which make up the West of Bristol and Bath HMAs agreed a Memorandum of Understanding in March 2014 to work jointly to produce an up-to-date SHMA. They have also agreed to prepare a Joint Strategic Planning Strategy (JSPS) as a development plan document for the combined administrative areas. This would provide a strategic context for the production of individual Local Plans. The SHMA is scheduled for completion in June 2015 and will inform the preparation of the JSPS. The Regulation 18 pre-commencement document for the JSPS was published in December 2014 and it is expected that the document will be formally adopted by the HMA authorities early in 2017.
38. Some Representors have argued that my Examination of Policy CS13 should await the publication of the joint SHMA in order that the Examination can have the benefit of a NPPF compliant database. I accept that this could be helpful in bringing the information base up-to-date. However, I am mindful that, in cases where the HMA may cover a number of authorities of varied character with complex housing provision relationships, the SHMA would only be a tool to

inform the housing requirements of the authorities involved. The SHMA information will need to be properly interpreted and assessed in order the HMA authorities can develop a co-operative framework which properly apportions the identified housing need between the individual authorities in order that the most sustainable option for the distribution of the housing can be achieved. By itself the SHMA will not do this. It will only answer the question of how much housing is needed, not how that need will be met across the HMA. It would be only when the JSPS has been finalised that the distribution of housing across the HMAs can be firmly established on the basis of the 3 strands of sustainability.

39. Waiting for the SHMA to be published would not, therefore, provide definitive answers to the question of the size of the Council's housing requirement and attempting to predict likely requirements from it could, to some extent, undermine the comprehensive view which the JSPS is seeking to provide. Delaying a decision on the Policy CS13 housing requirement would also hold back the provision of certainty in the plan-making process in North Somerset as the production of the SHMA would almost certainly lead to a further round of examination of Policy CS13. I am satisfied, therefore, that, in the short-term, the advantages which would accrue from waiting for the SHMA to be published would be outweighed by the disadvantages.
40. The MD6(a) version of the text supporting Policy CS13 makes clear that the modified housing requirement is an interim position and that, when the adopted JSPS establishes a new housing requirement for the district in early 2017, the Council will treat the housing requirement of Policy CS13 as having been replaced by the up-to-date development plan policy. Should the JSPS fall behind timetable, the MD6(a) text commits the Council to the production of a replacement version of Policy CS13 based on the up-to-date SHMA and other up-to-date evidence by the end of 2018. I have considered the MD6(a) version on this basis and stress that the interim position provided by the MD6/6(a) version of the policy should be seen only as a 'stepping-stone' towards development of a Plan which is NPPF compliant. To rely on any interim version of Policy CS13 beyond 2018 runs the risk that housing delivery could diverge unacceptably from a properly assessed requirement and provision trajectory.
41. The Council's proposals for an early review of Policy CS13 are compatible in terms of timetable and process with review arrangements which have been become part of the adopted plans elsewhere in the HMAs where reviews are expected to be completed by 2018. Put together, the programme of review will enable the authorities involved to move forward on a co-ordinated basis. Given that the inter-related problems in the local housing markets are unlikely to be resolved by any authority acting alone, I consider that this ability is fundamental to positive and effective planning of the area. In my opinion the commitments made in North Somerset by the MD6(a) version of the policy and text are both firmer and clearer than some made elsewhere. They give greater certainty to the process as it moves forward.
42. In these circumstances I am satisfied that the commitment to an early review of Policy CS13 would be a justified way forward in the absence of a NPPF-compliant evidence base. However, any interim position taken by Policy CS13 should provide a realistic foundation for any future review and should, in itself, be sound and legally compliant. I do not consider that it would be appropriate, even for a short period, to recommend the adoption of a policy which is

essentially unsound and which is likely to require very significant change in the near future. I deal with these issues in more detail below.

Issue 4 - Assessment of the Policy CS13 Housing Requirement

Employment needs/Self containment

43. The National Planning Procedure Guidance (NPPG) advises that trends and forecasts for job creation need to be taken in to account in assessing the need for housing. Adopted Policy CS20 of the Core Strategy seeks to provide 10,100 additional jobs over the Plan period. The Edge Analytics study calculated the dwelling requirement for the 2011-2026 period plus actual completions and the 'jobs-led scenario' 2006-2026. 23,535 houses would be required across the Plan period. Some have argued that the Council's own evidence indicates that a figure of 23,535 should represent the full objectively assessed need for housing in North Somerset. The Council takes a different view and argues that this figure was never intended to represent the full objectively assessed need and that existing and projected improvements in commuting ratios (see below) mean that provision for the 'jobs-led scenario' should not be included in the assessment. Whilst this may be the way in which it considers this matter, I do not agree with the Council on this point. Establishing the full objectively assessed need is only the first stage in establishing the Policy CS13 housing requirement figure. The necessary second stage is to consider this figure against other policies of the Core Strategy, the overall strategy of the document and any constraints which apply in the area. In my view the improvement in commuting rates (if they happen) will derive from the Council's employment-led approach. It should therefore be taken properly into account in the second stage. However, in both cases and irrespective of what approach has been taken this second stage of consideration has led to the MD6/6(a) Policy CS13 housing requirement figure of 20,985 dwellings.
44. Circumstances in North Somerset are unusual. The Council's 'employment-led' approach which is embodied in the objectives of the adopted part of the Core Strategy is specifically directed at addressing a long-perceived problem of out-commuting (to Bristol) and a lack of 'self containment'. This arises from an existing imbalance between jobs and housing, particularly in Weston-Super-Mare. If the Council planned to provide sufficient houses to meet the whole of the anticipated growth in jobs the existing imbalance would simply be stabilised rather than redressed. The choice before the Council is therefore simple: it can either ignore the long-recognised problem of out-commuting and plan to provide houses to meet the whole of the employment target, or it can attempt to address the 'self containment' issue by controlling the provision of housing whilst seeking to increase employment opportunities in North Somerset.
45. The Council points out that the adopted parts of the Core Strategy set no specific target for 'self-containment' improvements and that any improvement would be, therefore, in-line with the underlying objective. I disagree. The Council has calculated that any housing requirement which falls below 26,800 will provide some reduction in the out-commuting rates (as measured as 'self-containment' rates) over the plan period when compared to the 'self-containment' rate of 65% as measured at March 2014. Whilst I understand the argument, I consider that, as a housing requirement approaches 26,800 the impact on 'self-containment' will become increasingly marginal to the point

where the improvement in 'self-containment' is so small that the Core Strategy objective would be, in effect, abandoned.

46. The MD6/6(a) housing requirement would only be sufficient to meet the overall housing need (including that arising from the proposed increase in employment) if out-commuting reduces and 'self-containment' improves over the Plan period. A housing figure at the top of the 'robust' range recommended by the Edge Analytics study is estimated to improve the 'self containment' rate to 71%. The MD6(a) housing requirement is about 5% more than the top of the 'robust' range and would therefore deliver a rate of 'self-containment' which is marginally less than 71%.
47. In my opinion an improvement of about 6% in the 'self-containment' rate which would derive from a housing requirement of circa 21,000 would still be worthwhile and would be compatible with the overall strategy of 'self-containment' in the adopted parts of the Core Strategy. This move towards improvement in 'self-containment' would be experienced in the short interim period before review. At the review stage, the Council would be in a better position to seek to pursue either a lower or higher rate of self-containment in the knowledge of the comprehensive and co-ordinated strategic approach to 'self containment' provided by the JSPS.
48. Paragraph 47 of the NPPF states that the Council should ensure that the Plan meets the full, objectively assessed need for housing 'as far as is consistent with the policies set out in this Framework'. Paragraph 14 of the NPPF requires that the Council should positively seek opportunities to meet the development needs of the area although this may be tempered in circumstances where the adverse impacts of doing so would outweigh the benefits or where specific policies of the NPPF indicate that development should be restricted. One of the core planning principles set out in paragraph 17 of the NPPF is that patterns of growth should be actively managed to make the fullest use of sustainable means of transport. Elsewhere the NPPF stresses the desirability of reducing the need to travel.
49. I consider that it would be imprudent to rely too heavily on uncertain and uncontrollable reductions in out-commuting as a determining factor in establishing a very low housing requirement. I would not normally advocate reliance on such factors to justify a housing requirement which fell below what was needed to support future jobs growth. However, this case is different in that the Council's strategy with regard to the housing/jobs balance is being used to address an existing problem rather than simply as an argument to justify a low housing requirement. Nonetheless, whilst I agree that improvements in 'self-containment' would be a worthwhile objective in sustainability terms, it needs to be carefully balanced against the encouragement of new employment and meeting the reasonable housing needs of the area. If the housing requirement is set too low there is the possibility that the provision of new jobs could be held back and a shortage of housing could occur. In the context of national guidance, I consider that the Council's general approach in respect of balancing jobs and housing to secure greater 'self-containment' is justified. I do not consider that the MD6/6(a) housing requirement is so low that it would unacceptably hold back the delivery of jobs but is not so high that the objective of 'self-containment' is abandoned. In my

view there are sound planning reasons for not seeking to equally match housing provision to the provision of employment in this case.

Alternative assessments of housing need

50. The evidence base which supported the housing requirement in the version of Policy CS13 which the Council originally proposed for adoption included an assessment of need which was based on a jobs:houses multiplier methodology. That methodology has now been abandoned and the housing requirement in the modified versions of the policy are based on what the Council refers to as 'more conventional' trend-based methodologies which are reliant on 'robust data' in the form of Office for National Statistics (ONS), 2011 Census and 2011 Department of Communities and Local Government population and household formation projections. That assessment is set out in the Edge Analytics study undertaken just before the March 2014 Hearings. The study recommends the Council to adopt as a basis for the Policy CS13 housing requirement a figure between 812 and 1018 dwellings per year - these providing 'the most robust and up-to-date evidence for future planning purposes.' Taking into account delivery in the 2006-2011 period, this equates to a requirement of between 17,130 to 20,220 dwellings over the Plan period - referred to as the 'robust' range. This assessment is untrammelled by any policy constraints arising from the adopted parts of the Core Strategy.
51. At the March 2014 Hearings, some Representors considered that the perceived unreliability of these 'more conventional' methodologies indicated that the Council was right to move to less conventional methods. However, national guidance in the NPPF and the more recent NPPG advises that the household projections are statistically robust and based on nationally consistent assumptions. I am satisfied that the Council is right to seek to employ methodologies which more closely align with national guidance.
52. The NPPF gives clear advice on housing provision issues. Paragraph 47 requires Councils to ensure that their Plans meet the full, objectively assessed needs for market and affordable housing in the housing market area so far as is consistent with the policies set out in the Framework. The Edge Analytics study does not claim to be a full, objective assessment of housing needs in a recognised housing market area. It concentrates solely on circumstances in North Somerset and is not informed by data sets from adjacent authorities. However, it is based on, what were at the time, up-to-date national population and household formation statistics and made pragmatic assumptions in their regard. In my 22 April letter I informed the Council that I considered that the Edge Analytics study was, so far as it went, a fundamentally sound piece of work.
53. Some Representors have argued that the Edge Analytics study should now carry less weight as it has become out-of-date and its conclusions have been overtaken by other evidence. It is argued that the study inappropriately makes an allowance for 'unattributable population change' and that recent advice from the ONS advises that no such allowance should be made. The Council is not alone amongst local authorities in disagreeing with this ONS conclusion. The matter of 'unattributable population change' was considered in the Edge Analytics study. The study calculated the effect that discounting the 'unattributable population change' component would have. These are indicated

by the 'Mig-led_10yrs-X' and 'Mig-led_5yrs-X' entries in Table 8 of RED/05. These entries indicate housing requirements which are about 25-45% higher than the top of the 'robust' range identified in the study. Edge Analytics concluded that these should not form part of the 'robust' range as the evidence indicated a 'consistent historical net loss due to international migration'.

54. Representors have also argued that the Edge Analytics study has been overtaken by ONS's publication of Sub-National Population Projections (SNPP) which were not available when the study was carried out. However, the Council has argued that this is only part of the picture which needs to be updated. Finalised up-dated household projection data to accompany the SNPP has not yet been released.
55. A considerable amount of work has been undertaken by some Representors to independently prepare a SHMA for the area covered by the identified HMAs. Whilst I accept that the Representors' SHMA is NPPF compliant in that it covers the whole of the HMA as is required by the NPPF and is based on some more up-to-date information, I do not consider that it takes the debate much further. Both the Edge Analytics study and the Representors' SHMA were compiled in times of substantial economic change and uncertainty which makes reliance on any particular data set problematic. Where different data sets are being used together to form estimates, the difficulties are compounded especially in circumstances where the raw data may be masking underlying trends such as could be the case with household formation rates. In my view particular care is required when relying on such information sets, all of which are, to some degree incomplete.
56. As with any assessment of this type, the outcomes are to a large extent dependent on the assumptions which underpin the work. Any such assessment undertaken could be criticised, especially at times where economic circumstances have been subject of rapid change and long-term trends are more difficult to identify. The Council has criticised various elements of the Representors' SHMA process just as Representors have criticised some assumptions which underlie the Edge Analytics study. In circumstances where the studies have been carried out independently of one another it is extremely difficult to judge which should carry more weight.
57. Putting the Representors' SHMA and the Edge Analytics study outcomes alongside one another, the Representors' SHMA indicates a housing requirement of 28,348 or 1,417 per annum. The MD6(a) version of Policy CS13 provided by the Edge Analytics study contains a housing requirement of 20,985 which equates to 1,049 per annum. The difference is therefore 368 dwellings per annum. If the MD6(a) housing requirement was adopted, it would only be employed for 2 years until the JSPS provides a robust figure based on the joint SHMA information. If at this stage it was shown that the Representors' SHMA housing requirement had been more accurate, a backlog of 736 dwellings would result. The MD6(a) version of the text makes clear that any backlog which arises in this period will be addressed. In my view, if it became necessary, a backlog representing the difference between the Representors' SHMA and the Edge Analytics assessment could be readily addressed in the first few years of the plan period following review. However, the forthcoming SHMA forecasts will only provide assessments of housing need for the period running forward from 2016 and the Council may have some difficulty in extrapolating those

assessments to the years before 2016. Whilst I understand the Council's position, I am not willing to accept that the housing requirement set by the MD6/6(a) version of Policy CS13 is so robust that any assessment of backlog which arises can simply be based on that housing requirement figure. My conclusions in this Report are based on the premise that confident reliance can be placed on neither the Representors' SHMA nor the Edge Analytics assessment. If the Council is arguing that any assessment of backlog at 2016 should be based unreservedly on the MD6/6(a) figure then I would not consider that, in the circumstances, the Policy was sound. In my view the Council should take a pragmatic and realistic view of what degree of backlog has built up in the light of the outcomes of the forthcoming joint SHMAs and the SHMA produced by the Representors and should act to deal with it.

58. Some Representors have argued that setting the Policy CS13 housing requirement at a higher level than that proposed by the Council would do little harm. Others take the view that setting a higher requirement would be more difficult to 'retreat' from if it was found to be too high. There are arguments for and against both positions. However, I consider that there would be harm from setting the housing requirement too high. In such circumstances the Council may be forced to allocate and grant planning permissions on sites which are not the most sustainable options simply in order to meet its duty to provide a 5 year supply of housing land.
59. In these circumstances, whilst I accept that there is some evidence to suggest that the housing requirement set out in the MD6/6(a) version of Policy CS13 may be lower than it should be, I am unwilling to agree that one assessment is likely to be more accurate than the other. The issue will not be resolved until the joint SHMA is produced. Until that time, all assumptions regarding the likely effect of housing need arising from Bristol will remain largely speculative. Given the difficulty in deciding on which information to base the housing requirement, my main concern is to ensure that, whatever housing requirement is decided upon, it should not result in a backlog of provision which cannot be easily recovered in the first few years of the Plan period following review. I will, therefore, continue to base my findings on the Council's proposed MD6/6(a) housing requirement in the knowledge that it will only be in place for a short period before being replaced in the light of a review which is based on a comprehensive, agreed data-set and which allocates housing requirements across the HMAs in a co-ordinated manner.

Dealing with backlogs in provision

60. The MD6 version of the Policy CS13 text indicated that the Council intended that any backlogs in housing provision which have arisen will be accommodated across the whole of the Plan period. The Policy MD6(a) version makes no such statement, the Council arguing that this issue should be considered at the next stage of the re-examination process when consequential changes to policies dealing with the delivery of the housing requirement will be considered. I agree that the issue of how and over what period the backlog is dealt with should be properly considered as part of the trajectory of delivery which would be addressed by other policies. However, the MD6 version of the policy and text which is before me contains this provision and the Council has put arguments before me to support its decision to deal with the backlog over the whole of the plan period and others have put cases before me arguing the opposite. I

therefore need to address the point. The NPPG advises that local authorities should aim to deal with backlogs over the first 5 years of the plan period. I am not persuaded that the Council's arguments before me justify an approach which diverges from clear national guidance. As a general point, should the delivery trajectory for housing include clearing any accrued backlogs over the first few years, the delivery rates in the period up to the adoption of the JSPS and the review of Policy CS13 will be increased above the 1,049 per annum set by the MD6/6(a) housing requirement thereby reducing the potential for significant further backlogs to arise and achieving an additional boost in provision over the short-term. I have no strong grounds for requiring that this matter should be specifically mentioned in the MD6(a) version of the policy and text. I am satisfied that it should be dealt with at a later Examination. If at that time the Council considers that, if backlogs are to be addressed in the first few years, the annual housing requirement would be so high that it could not possibly be met it would need to make that argument to the examining Inspector. However, if, as was originally suggested by the Council in the MD6 version of the Policy, the handling of the backlog was to be mentioned in Policy CS13, I observe that the MD6 approach would not comply with the latest national guidance.

61. In most circumstances I would expect that the existing backlog in housing provision should be calculated from the beginning of the Plan period. In this case that would be 2006. However, the Council's evidence in the Edge Analytics Report only provides projections which run from 2011. Between 2006 and 2011 the Council has been, on average, meeting the housing targets set by other adopted Plans. There is no clear evidence before me to indicate that targets in the 2006-2011 period should have been higher or lower than the targets at which the Council was aiming to deliver. In these circumstances I cannot conclude that a substantial backlog had built up during the 2006-2011 period.

Compliance with paragraph 47 of the NPPF

62. Paragraph 47 of the NPPF makes clear the government's intention to boost significantly the supply of housing. In the MD6/6(a) version of Policy CS13 the Council has chosen to base its housing requirement on the figure at the upper end of the 'robust' range recommended by the Edge Analytics study with an additional 5% to 'boost housing supply and provide a contingency to support the employment-led objective'.
63. Annual housing completion rates in North Somerset have varied considerably over recent years, reflecting buoyancy in the housing market in the 2001-2008 period followed by lower rates of delivery during the more recent recession. On only a handful of occasions since 1990 have annual housing completions exceeded 1,049 – the annual rate of delivery required by the MD6/6(a) version of Policy CS13. I accept that the Council should be planning for recovery from recession. However, given that Policy CS13 has been developed in an uncertain period and that recovery from recession only now appears to be beginning to take place, I consider that – at least in the short term - an annual requirement of 1,049 is not unreasonable. In my view the MD6/6(a) requirement would be a pragmatic but challenging objective until such time as recovery from recession is assured. Framing the housing requirement as a minimum figure enables additional amounts of housing to be delivered. I am satisfied that, in all the

circumstances, the Council's housing requirement would, in the short-term at least, amount to a significant boost in housing supply in North Somerset.

Effectiveness of Policy CS13

64. The likely impacts of deployment of the Council's 'employment-led' strategy need to be approached cautiously. The Council is confident that its strategy will lead to a reduction in the rate of out-commuting but it accepts that it will be a slow process and will only be achievable over the whole of the Plan period. However, given the complexities of the local housing market, changes are difficult to both predict and influence. I have seen no clear evidence to persuade me that the predicted reductions can be achieved. The Council argues that there is evidence that out-commuting rates are already reducing but, depending on which data is employed, others have argued that out-commuting is increasing.
65. In current circumstances, the Council can deploy no measures which would guarantee a reduction in out-commuting. It has no ability to control who buys houses in the district. It has no means of ensuring that houses built in North Somerset would be taken by residents who both live and work in North Somerset. Those with the available resources will be able to out-bid those who do not - whatever their personal circumstances. This could result in those who work in North Somerset being displaced by those who out-commute to Bristol or who are not economically active simply because they have been out-bid.
66. The Edge Analytics study identifies a trend of migration between North Somerset and its immediate neighbours. In the period 2001-2011 this involved a steady rate of in-migration of about 2,000 persons per year into North Somerset, principally from Bristol. It is only through the production of a joint SHMA for the whole of the HMAs that the complex factors which underlie this can be assessed and appropriate strategic responses drawn up. However, I have seen no evidence to suggest that, of its own accord, the trend of in-migration is likely to slow in the near future. On the contrary there are indicators which suggest that, if anything, demand for family housing by those who currently live and work in Bristol is only likely to increase. That demand for housing will need to be met somewhere. Attempts to restrict supply in one place will not, by itself, solve the problem as the demand would simply be diverted elsewhere. The pressure on the housing market will not be abated unless the required houses are provided.
67. I have considerable doubts that the problems of the existing imbalance in housing and jobs and the demand for housing by those prepared to commute to Bristol can be resolved by deploying one measure alone. Any measures to address the issues in isolation could have unwelcome consequential effects. A successful solution is likely therefore to come from a co-ordinated approach by the authorities involved which comprehensively addresses the many facets of the problem. Previous Plans which considered the issue appear to have properly employed strategies which directed both employment and housing development in an effort to address the problem.
68. However, this is not to say that the Council's 'employment-led' strategy would not be part of that solution. In my opinion it would and any attempt to redress the long-recognised existing imbalance between housing and employment in

Weston-Super-Mare is unlikely to be successful without it. Given that it is likely to take some time to show results, I am satisfied that it would be worthwhile to make a start. Having said this, even in the short-term the strategy will need careful monitoring to demonstrate that it is effectively delivering the desired results without causing other problems. In this regard I am particularly concerned that the strategy could give rise to affordability issues. I deal with these matters below.

Affordability issues

69. In my opinion one of the results of an incautious approach to the issue of 'self containment' is likely to be an unwelcome reduction in affordability. There is already a substantial need for affordable housing in North Somerset. Limiting the delivery of market housing development will have a consequential effect on the number of affordable houses which can be delivered. The 2009 SHMA identified an issue of housing affordability in North Somerset. I heard evidence to indicate that the current situation in the district, although worsening, is not significantly different to regional trends. I heard other evidence that affordability problems were increasing when viewed against the national picture. The evidence is conflicting. However, there is certainly no evidence to suggest that affordability is improving in any significant way. I accept that property prices – especially the price of family housing - in Bristol may be increasing at a much faster rate than in North Somerset. This is only likely to increase demand in areas within commuting distance of Bristol.
70. Upward pressure on house prices which would arise from holding back housing delivery in the face of steady or increasing demand could make affordability in North Somerset even worse. In these circumstances, even in the brief period before the JSPS provides a comprehensive solution to the self-containment/out-commuting issues, the Council will need to accurately monitor affordability to ensure that its strategy does not cause affordability to worsen in an unacceptable manner. I have seen no conclusive evidence to suggest that, in this short interim period ahead of the adoption of the JSPS, affordability is likely to change substantially. For this reason I do not consider that, in the short term, the risk of worsening affordability is sufficient to conclude that the Council's employment-led strategy is likely to be ineffective.
71. I have noted the evidence put forward by some Representors that affordability issues reflect other factors in the housing market and are not simply a matter which can be resolved by building more new houses. However, I am not persuaded that housing supply is not, at least, part of the solution and the thrust of national guidance is to boost significantly the delivery of housing to increase supply and address issues of affordability at a national level.

Delivery

72. The Council's '2014 Housing and Economic Land Availability Assessment' identifies a potential supply of land for housing which is more than sufficient to deliver the housing requirement set out in the MD6/6(a) version of Policy CS13. This figure includes an allowance for windfalls which is based largely on historic delivery rates from this source. I have seen no compelling evidence to suggest that 'windfalls' will continue to provide a reliable source of supply into the future. However, the windfall allowance which has been included is relatively

modest and I have no reason to believe that it is wholly unrealistic in the short-term or that it has a significant effect on the overall availability of housing land. Again this is a matter which will need to be addressed in the Examination of any consequential changes to the remitted policies dealing with housing delivery.

73. In March 2014 the Council argued that any housing requirement above about 18,000 could not be physically constructed and marketed within the Plan period and therefore the specification of a higher housing requirement would be 'simply a paper exercise'. However, I heard evidence from the development industry that this was not the case and that there was capacity and desire to build more dwellings if the opportunities existed. This would seem to be supported by the fact that, even during the recession, housing delivery has been maintained to a degree. Average delivery targets of almost 1000 dwellings per year set by the 1996-2011 Structure Plan have been met. Since 2006 – a period which includes both a peak and a decline in house building – between 856 and 990 dwelling completions have been realised in the District. I am satisfied that the housing requirement set out in the MD6/6(a) version of Policy CS13 can be delivered.
74. In these circumstances I consider that the Council should set its housing requirement in the interim period at a pragmatic level. Such a level would prevent the build-up of an unmanageable backlog in delivery if, following a SHMA review, the housing requirement was to rise significantly. It would also enable the Council to take advantage of the opportunity to contribute towards recovery from recession.

Policy CS13 – Overall Conclusions

75. The development of Policy CS13 does not comply with national guidance in that it is not based on a full objective assessment of housing need in the whole of the recognised HMA. However, I am satisfied that, provided that the housing requirement set out in the MD6/6(a) version of the Policy is sufficient, this difficulty can be overcome by embedding a commitment to an early review of the requirement into the Plan. The MD6/6(a) version does this.
76. Within the context of the Council's aspirations to redress the balance between housing and employment (particularly in Weston-Super-Mare) the housing requirement of circa 21,000 set by the MD6/6(a) version of Policy 13 draws an acceptable balance. It provides sufficient housing to meet more than the top of the 'robust' range of housing need identified in the Edge Analytics study but is not so high that the 'employment-led' strategy is abandoned. The requirement is, therefore, compatible with the adopted part of the Core Strategy.
77. Whilst there is some evidence to suggest that the housing requirement is lower than it should be, I do not consider that the other evidence which has been put forward is so persuasive that I should necessarily accept it as an alternative to that provided by the Council. Given that the Council has given a firm commitment to a review of Policy CS13 before the end of 2018, I am satisfied that, if after pragmatic and realistic consideration in the light of the forthcoming joint SHMA, the housing requirement had been set too low, there would be a ready opportunity for the Council to promptly address any real backlog in housing provision which had built up.

Assessment of Legal Compliance

78. My Examination of the compliance of Policy CS13 of the Core Strategy with the legal requirements is summarised in the table below. I conclude that the Policy meets them all.

LEGAL REQUIREMENTS	
Local Development Scheme (LDS)	The Local Plan is identified within the approved LDS January 2014 which sets out an expected adoption date of July 2014. Whilst the anticipated adoption date has slipped I consider that there are sound reasons for this. The Local Plan's content and timing are generally compliant with the LDS.
Statement of Community Involvement (SCI) and relevant regulations	The SCI was adopted in February 2007 and consultation has been compliant with the requirements therein, including the consultation on the post-submission proposed 'Main Modification' changes.
Sustainability Appraisal (SA)	SA has been carried out and is adequate.
Appropriate Assessment (AA)	The Habitats Regulations AA Screening Report January 2014 sets out why AA is not necessary in respect of Policy CS13. Detailed assessment of individual sites and locations for development will be carried out at the next stage of the plan preparation process.
National Policy	The Local Plan complies with national policy except where indicated and modifications are recommended.
Sustainable Community Strategy (SCS)	Satisfactory regard has been paid to the North Somerset Partnership's SCS.
Public Sector Equality Duty (PSED)	The Local Plan complies with the Duty. The Core Strategy was accompanied by an Equalities Impact Assessment at each committee stage.
2004 Act (as amended) and 2012 Regulations.	The Local Plan complies with the Act and the Regulations.

Overall Conclusion and Recommendation

79. Policy CS13 as originally submitted has a number of deficiencies in relation to soundness and/or legal compliance for the reasons which I set out above. This means that, in accordance with Section 20(7A) of the 2004 Act, I recommend non-adoption of the policy as originally submitted. These deficiencies have been explored in the Main Issues set out above.

80. The Council has requested that I recommend Main Modifications to make Policy CS13 sound and/or legally compliant and capable of adoption. I conclude that, with the recommended Main Modifications set out in Appendix A, Policy 13 of

the North Somerset Council Core Strategy satisfies the requirements of Section 20(5) of the 2004 Act and meets the criteria for soundness in the NPPF.

Roland Punshon

INSPECTOR

This Report is accompanied by Appendix A contains the Main Modifications.

Appendix A

Main Modifications to Policy CS13 recommended by the Inspector