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our ref: AM/GSH
your ref: PINS/T3725/429/5

14th October 2015

Dear Mr Ward

Re: Examination of the Warwick District Local Plan: request for Suspension

- 1 Thank you for your letter of 28th August, the contents of which have been noted by the Council. I am writing to provide further information to support the Council's request that the Examination of the Local Plan is suspended. Specifically, we are now proposing that the suspension is until May 2016.
- 2 I note from your letter that you "*consider that in principle a suspension of the examination may be an appropriate way forward.*" I further note that you are seeking clarification on certain matters, particularly regarding the Memorandum of Understanding (MoU), the resulting scale of additional land required and the Council's approach to identifying this land.
- 3 To assist you in your consideration regarding a suspension to the Local Plan, this letter and its appendices seek to address the following issues:
 - a) An update on the MoU for the Housing Market Area;
 - b) The resulting quantum of additional dwellings required within the District;
 - c) The approach the Council is taking to allocating sites to provide for these additional dwellings;
 - d) The approach the Council is taking to ensure the proposed modifications align with the strategy of the submitted Local Plan;
 - e) Other potential modifications to the plan as a result of the additional site allocations;
 - f) The proposed timeline to establish the proposed modifications to enable the examination to recommence;
 - g) Management of risks associated with the suspension process.

- 4 The work carried out to date has been brought together in a report to Full Council on 13th October (**Appendix 1**). The Council has approved this report and in so doing has resolved the following:
- a) the Council endorses the Coventry and Warwickshire Joint Committee for Economic Growth and Prosperity (CWJCEGP) Memorandum of Understanding relating (**Appendix 2**) to the planned distribution of housing;
 - b) the Council agrees to write to the Local Plan Inspector to request that the Examination is suspended to address the concerns he has raised (including indicating the aspects of the Plan that are likely to require modification);
 - c) the Council delegates authority to the Head of Development Services in consultation with the Portfolio Holder for Development Services to make representations to Nuneaton and Bedworth Borough Council's forthcoming Borough Plan consultation with regard to the Plan's proposed level of housing provision and other relevant matters; and,
 - d) the timetable of work to be undertaken during the suspension period be amended (this is set out in **Appendix 3**)

Memorandum of Understanding for the Housing Market Area

- 5 The shadow Economic Prosperity Board (also known as the Coventry and Warwickshire Joint Committee for Economic Growth and Prosperity (CWJCEGP)) considered a Memorandum of Understanding (MoU) (**Appendix 2**) relating to the scale and distribution of housing across the housing market area. The MoU was supported by all the Councils in Coventry and Warwickshire with the exception of Nuneaton and Bedworth Borough Council (NBBC). I will return to the situation with NBBC later in this letter.
- 6 Warwick District Council endorsed the MoU at its meeting on 13th October (See **Appendix 1**). The key points to note from the MoU are:
- a) Clause 1 establishes that the HMA's revised Objectively Assessed Housing Need is 85,540 between 2011 and 2031. This compares with a minimum figure of 80,000 dwellings identified in the 2014 Joint SHMA Addendum;
 - b) Clauses 1 and 2 show that Coventry's Objectively Assessed Need is 42,400 dwellings, against a capacity of 24,600 dwellings. This means there is a shortfall of 17,800 dwellings arising from Coventry;
 - c) The proposed distribution of the HMA's housing requirement is set out in Clause 3. This demonstrates a commitment to meet the HMA's housing need in full, including a redistribution from Coventry to the Warwickshire Authorities;
 - d) The MoU commits the authorities to carry out annual monitoring of housing delivery associated with the MoU. A joint monitoring group already exists within the sub-region and this group will oversee this monitoring. This will allow the MoU to be reviewed if necessary.

- 7 A substantial evidence base has been prepared to support the development of the MoU. This includes:
- An update to the Coventry and Warwickshire Joint SHMA prepared by GL Hearn. The full report is available here:
http://www.warwickdc.gov.uk/download/downloads/id/3032/updated_assessment_of_housing_need_coventry-warwickshire_hma_september_2015.pdf. A summary of the report is shown in **Appendix 4** to this letter;
 - Completions of Strategic Housing Land Availability Assessments in both Coventry and Rugby. Whilst these reports are still to be published, the draft findings from these, and particularly the Coventry SHLAA, have underpinned the MoU. Coventry's SHLAA has been subject to detailed scrutiny by all the Warwickshire Councils to ensure the City's capacity has been appropriately and realistically assessed;
 - An assessment of two potential methodologies to underpin the redistribution. This work concluded that a methodology based on functional relationships provided a clear, effective and sustainable approach. The specific calculations which were applied are shown in **Appendix 5**.
- 8 The Council is of the view that the MoU is a significant and extremely positive step in ensuring the HMA's housing need is met in full within the current round of plan-making. It demonstrates that there is commitment from members and officers to move forward positively and in cooperation to prepare local plans/core strategies. As a result it provides a strong basis for Warwick District Council to address the concerns you raised in your letter of 1st June.
- 9 With regard to NBBC's decision, we are working with NBBC and the other Councils in Coventry and Warwickshire to identify common ground. Verbally, NBBC have indicated that, if capacity in the Borough allows, they will be prepared to accommodate their share of Coventry's shortfall as indicated in the MoU. At the present time, I cannot confirm that this is the case, although we are expecting to receive a letter shortly from NBBC setting out their position. In particular we are seeking agreement from them regarding:
- the redistribution methodology that sits behind the MOU;
 - the OAN for the HMA (and for each of the Districts - including NBBC);
 - the SHLAA work done by Coventry and the conclusion reached about Coventry's capacity.
- 10 Whilst it is unfortunate that NBBC has not yet signed the MoU, it should be noted that it has not indicated that it will never sign it. Subject to establishing the areas of agreement and difference as explained in paragraph 9 above, its issue appears to be that it has not finished its SHLAA and as a result cannot say

whether or not it can accommodate the level of additional housing identified within the MoU.

- 11 This Council is disappointed that NBBC is in this position, especially given the shared commitment (dating back to the shadow EPB agreement in November last year) to assess the housing capacity of the HMA in the early summer of 2015 (see Exam Doc LP20). The problem is further compounded by NBBC's Cabinet resolution on 30th September 2015 to publish its Submission Draft Local Plan for consultation under Regulation 19/20. Whilst its Plan acknowledges Coventry's shortfall, it does not provide for it. Although we will continue to work with NBBC, its approach appears to leave us little option but to raise objections to its submission draft Plan. It may well be that as NBBC advance their local plan they will better appreciate the need to engage further with the wider HMA. Otherwise it may be that they find it challenging to discharge the duty to cooperate and persuade an inspector that their plan is sound. Like me, I am sure you would have preferred to see all the Councils in the HMA agreeing to the MoU. However I believe we have done all we reasonably can to achieve an agreement and believe that even without agreement from NBBC, the MoU offers a robust, justified and deliverable way forward for addressing Coventry's unmet need.
- 12 As this Council has now endorsed the MoU, its officers have been asked to prepare modifications to Warwick's submitted Plan that align with the MoU.

The resulting quantum of additional dwellings required within the District

- 13 Table 1 below sets out the implications of the MoU with regard to the housing requirement for the Local Plan. From this it can be seen that the Housing Requirement over the whole plan period (2011 to 2029) will increase from 12,860 (714dpa) to 16,776 (932dpa), an increase of 3,916 dwellings (30%).

Table 1

	Warwick District Objectively Assessed Need (dwellings per annum)	Portion of Coventry's unmet need to be met in Warwick District (dwellings per annum)	Total annual requirement (dwellings per annum)	Total Requirement (2011 to 2031)	Total Requirement for Local Plan Period (2011 to 2029)
Submitted Local Plan Jan 2015	606	108	714	14,280	12,860
MoU (September 2015)	600	332	932	18,640	16,776
Change	-6	+224	+218	+4,360	+3,916

- 14 In considering the quantum of additional land to be allocated, we are also taking careful note of your letter dated 1st June which found the windfall allowance in the submitted Local Plan "is not justified or realistic". Further, your letter indicates the need to provide for a "level of flexibility by several hundred dwellings". Whilst work is ongoing to identify a justified and realistic level of windfalls and an appropriate level of flexibility (this will depend on the confidence we have in the delivery rates of allocated sites), my officers have indicated a need to allocate land for approximately 5,200 additional dwellings, over and above the submitted Local Plan allocations (including the allocation to meet Coventry's needs as outlined above). I recognise that the eventual figure could be higher than this depending on the outcomes of the ongoing work.

The approach the Council is taking to allocating sites to provide for these additional dwellings

- 15 In your letter of 28th August you ask for clarification as to whether we intend to identify additional housing land through site allocations or broad locations. I can confirm that it is our intention to allocate sites. The process for doing this is already well underway as demonstrated by the timetable set out in **Appendix 3**. You can see from this timetable that work has already taken place to consider whether the current Local Plan strategy is still appropriate. **Appendix 6** shows the draft work that has been undertaken to consider alternative options in light of the additional housing requirement. From this, it can be seen that the existing strategy still offers a sustainable and appropriate approach to meeting the District's housing requirement.
- 16 Whilst it is too early to provide information on any specific site options, officers are looking at the potential of further Green Belt releases in the vicinity of Coventry as a way of providing at least some of the additional land that needs to be allocated. We are of the view that such an approach, if applied carefully, will be consistent with the Local Plan strategy.
- 17 **Appendix 3** also shows that work has been undertaken to identify sites from the SHLAA that could have some potential. Further, a call for sites is being undertaken. From these two sources a long-list of potential sites is being prepared and this list is currently subject to detailed site assessments looking at site constraints (such as flooding, ecology, heritage, access, environmental constraints etc); wider impacts (such as transport, heritage settings, landscape, utilities); infrastructure requirements (such as transport mitigation, education, sports provision etc); and viability/deliverability assessments.

- 18 Once work on the site assessments is complete, potential sites will be subject to a policy compliance assessment. This will assess compliance against key aspects of the policy framework including its sustainability (as indicated in the NPPF), the Council's spatial strategy (Policy DS4) and Green Belt policy (can exceptional circumstance be justified?).
- 19 Finally, the shortlist of sites will be subject to a collective assessment regarding the overall viability and delivery trajectory to enable the position regarding the 5 year supply to be established. This will then allow modified site allocations to be considered by the Council for consultation.
- 20 In parallel with this process a sustainability appraisal is being undertaken. Consultants have already been appointed to carry out this work and the appraisal of various strategic options has been commenced.

Other potential modifications to the plan as a result of the additional site allocations

- 21 Para 3.11 of the report to Council (**appendix 1**) provides further detail of the aspects of the submitted Local Plan that may be subject to modification specifically as a result of this work. This could include employment land allocations and Green Belt changes. As well as amendments to these policies, the Council will prepare/refresh examination documents with regard to affordable housing, the windfall allowance, housing delivery, the housing trajectory and 5 year land supply on adoption. In preparing these papers, work is already underway to develop a shared approach with other Councils within the HMA, as appropriate. Warwick District Council will be seeking to prepare further MoUs on some of these specific topics prior to the recommencement of the examination.

The proposed timeline to establish the proposed modifications to enable the examination to recommence

- 22 You will note that the suspension timetable has been extended by two months in comparison to the draft timetable we enclosed with our letter of 13th August. The proposed timetable seeks to enable the examination to recommence in May 2016. This is in part a response to the understandable concerns you raised in your letter of 28th August regarding the realism of the timescale and in part a result of our own reflections as we have considered the detail of the tasks involved. In particular we have sought to include extra time for the site assessment work and the outcomes of the consultation.

- 23 We consider that with careful management and appropriate resourcing, this timetable can realistically be achieved. For example, the Council has agreed a contingency budget of £30,000 to support the work required during the suspension and a detailed plan for the site assessments has been prepared to sit alongside the overall suspension timetable. This seeks to ensure the work is carefully managed to reduce the risk of slippage. The Council's Corporate Management Team will continue to oversee the delivery of this work.
- 24 You will also note that the timetable includes opportunities for member engagement throughout the process. I consider that this is important to reduce the risk of political difficulties as the specific proposals unfold.

Management of risks associated with the suspension process

- 25 We recognise that the steps we have taken and plan to take cannot entirely mitigate the risks associated with a period of suspension. Paragraph 7.3.11 of the report to Council on 12th August outlined the risks that had been identified at that time. As time has moved on, these risks have been updated and are set out in paragraph 6.2 of the report to Council on 13th October (**Appendix 1**)
- 26 These risks are being managed by:
- a) the ongoing risk management processes which means risks associated with the Local Plan are flagged up and reported to the Senior Management Team on a monthly basis to ensure appropriate action is taken;
 - b) the process set in **Appendix 3** and elsewhere in this letter which seeks to reassure you that work is already progressing and that the proposed timeline is realistic;
 - c) the outcomes of the work set out in **Appendix 6** and elsewhere in this letter which seek to reassure you that the extent of the modifications to the Plan do not mean that the overall strategy of the Plan is substantially changed.
- 27 One risk that my officers have highlighted to me is the challenge associated with the 5 year housing land supply in the context of a housing requirement of 932 dwellings per annum. Clearly, until the Council has identified its shortlist of sites to meet the additional housing requirement, we are unable to identify exactly how this will be met. We believe there are a number of approaches which will allow us to achieve a 5 year housing land supply on adoption. One of the options we are considering is whether there are grounds to utilise a "Liverpool" (or similar) methodology. Clearly a significant proportion of the District's housing requirement arises as a result of Coventry's shortfall. In the context of a District that is heavily constrained by Green Belt and by other environmental constraints (such as landscape and heritage), it makes sense for us to consider large

strategic sites as a way of meeting at least some of Coventry's need, rather than releasing a variety of smaller sites in the Green Belt. However, if we take this approach, the capacity for these larger sites to contribute to the 5 year supply is likely to be limited, due to the time it will take for them to come on stream.

- 28 Therefore, in the context of paragraph 14 (footnote 9) of the NPPF, we are starting to explore with Coventry and other Councils in the HMA whether alternative approaches could be appropriate. We are exploring amongst other approaches whether there is potential for a phased approach to the requirement and supply, with the trajectory increasing later in the plan period as the strategic sites come on stream, with the short-term supply being met through agreements with other Councils. We would seek to do this in the context of the Council continuing to be positive about granting planning permissions on sustainable sites. For instance, since the EIP hearings in May permissions have been granted on proposed allocations for 520 dwellings at Grove Farm; 143 dwellings at Sydenham Drive; and 85 dwellings at Opus 40, Birmingham Road, as well as a range of smaller sites. We are already seeing this approach bearing fruit with the final count for completions in 2014/15 standing at 725 dwellings – a substantial increase on the preceding years.
- 29 Therefore it would be helpful if you could advise whether you consider alternatives to the "Sedgefield" approach can be explored in the circumstances described above, including any parameters that you consider appropriate.

Conclusions

- 30 To conclude, I would ask that you consider a period of suspension for the Local Plan to allow time for us to fully address the concerns you have raised in your letter of 1st June. I hope you agree that, in conjunction with other Councils in Coventry and Warwickshire, we have already made substantial progress and I believe we can build on the momentum achieved to deliver a sound Plan within a period of suspension. In this letter (supported by the appendices) we have sought to demonstrate how we can achieve the necessary modifications within a reasonable timescale and without requiring substantial changes to the strategy of the submitted Local Plan. Above all, I want to emphasise that this Council is continuing to take a positive approach to addressing the concerns you have raised and that we remain focused on getting a Local Plan in place as soon as we can. I trust that the above demonstrates our continuing commitment and desire to work with you to reach a positive conclusion to this matter.

- 31 I thank you for your previous detailed letter which has assisted us in proposing a positive way forward. I look forward to your response. If you require any further information or clarification, please feel free to get in touch.


Yours sincerely



Councillor Andrew Mobbs
Leader – Warwick District Council
07836 725999

Appendix 1

Local Plan Report to Council - 13.10.15

 Council 13th October 2015		Agenda Item No.
Title	The Local Plan – The Way Forward	
For further information about this report please contact	Dave Barber dave.barber@warwickdc.gov.uk 01926 456065	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	12 th August 2015 Minute number 65	
Background Papers	Submitted Local Plan (January 2015). Inspector's Letter to the District Council (June 2015); Leaders letter to Inspector (August 2015); Inspectors Letter to the Council (August 2015); Reports to CWJCEGP (6 th July 2015 and 29 th September 2015)	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	No
Not relevant at this stage.	

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	1/10/15	Chris Elliott/Bill Hunt/Andy Jones
Head of Service	1/10/15	Tracy Darke
CMT	1/10/15	Chris Elliott, Bill Hunt, Andy Jones
Section 151 Officer	2/10/15	Mike Snow
Monitoring Officer	1/10/15	Andy Jones
Finance	2/10/15	Mike Snow
Portfolio Holder(s)	2/10/15	Cllr Stephen Cross
Consultation & Community Engagement		
N/A		
Final Decision?	No	

1. **Summary**

- 1.1 This report updates the Council on the letter received from the Local Plan Inspector on 28th August (**Appendix 1**) and asks the Council to endorse the Memorandum of Understanding agreed by the Coventry and Warwickshire Joint Committee for Economic Growth and Prosperity (CWJCEGP) on 29th September 2015 (**Appendix 2**). It further sets out the way forward for responding to the Inspector and undertaking the work required during the suspension period should that be agreed.

2. **Recommendations**

- 2.1 That the Local Plan Inspector's letter of 28th August as set out in **Appendix 1** is noted.
- 2.2 That the Council endorses the Coventry and Warwickshire Joint Committee for Economic Growth and Prosperity (CWJCEGP) Memorandum of Understanding relating to the planned distribution of housing shown in **Appendix 2**.
- 2.3 That the Council agrees to write to the Local Plan Inspector to request that the Examination is suspended to address the concerns he has raised (including indicating the aspects of the Plan that are likely to require modification as set out in paras 3.11 and 3.12 below).
- 2.4 That the Council delegates authority to the Head of Development Services in consultation with the Portfolio Holder for Development Services to make representations to Nuneaton and Bedworth's forthcoming Borough Plan consultation with regard to the Plan's proposed level of housing provision and other relevant matters.
- 2.5 That the timetable of work to be undertaken during the suspension period be amended as set out in **Appendix 3**.

3. **Reasons for the Recommendations**

- 3.1 **Recommendation 2.1:** Following the Council meeting on 12th August, the Leader of the Council wrote to the Local Plan Inspector to request that the Inspector agrees to suspend the Local Plan examination (instead of withdrawing the Plan) with a view to recommencing the examination in Spring 2016. The Inspector replied to the Leader of the Council on 28th August 2015. His letter is shown in **Appendix 1**. In it he indicates that "in principle a suspension of the examination may be an appropriate way forward". However at this stage he has not formally agreed to suspension and states that he will review the situation following the CWJCEGP on 29th September 2015 and once we have provided him with other information. From his letter, it can be concluded that the sub-regional agreement (Memorandum of Understanding) reached on the 29th September regarding unmet housing need arising from Coventry will be central to the decision he reaches regarding suspension or withdrawal of the Warwick Local Plan.

- 3.2 **Recommendation 2.2:** At its meeting on the 29th September 2015 the CWJCEGP considered a Memorandum of Understanding (MoU) to ensure the housing needs of the Coventry and Warwickshire Housing Market Area (the HMA) are met in full. The MoU was agreed to by the Leaders of Coventry CC, Warwick DC, Warwickshire CC, Rugby BC, North Warwickshire BC and Stratford-on-Avon DC. It was not agreed to by the Leader of Nuneaton and Bedworth BC. For Warwick District, the implication of the MoU is to increase the District's Housing Requirement from 12,860 dwellings between 2011 and 2029 (as set out in the submitted Local Plan) to 16,776 dwellings (see para 3.11 for more details).
- 3.3 The MoU provides a shared agreement that the Housing Need of the HMA is 85,540 dwellings (2011 to 2031). This compares with a minimum figure of 80,000 dwellings identified in the 2014 Joint SHMA Update. This is based on the report prepared GL Hearn on the Updated Assessment of Housing Need, August 2015. It should be noted that due to uplifts in Stratford District and North Warwickshire to balance housing with employment forecasts, the sum total of the need of the 6 City/Borough/District Council areas is 88,160 dwellings. This is set out in the MoU.
- 3.4 The recent GL Hearn report (**See Appendix 4** for a summary of this) also sets out the Objectively Assessed Need (OAN) of each of the six Councils within the HMA. It identifies an OAN of 600 dwellings per annum for Warwick District. This closely aligns with the findings of the 2014 Joint SHMA Update which identified an OAN of 606 dwellings per annum for the District. It identifies an OAN for Coventry of 2120 dwellings per annum (or 42,400 dwelling between 2011 and 2031)
- 3.5 The MoU specifically addresses the limited site capacity of Coventry City which means the City Council is unable to meet its housing need in full within the City boundary. Coventry City Council has undertaken a detailed housing capacity assessment (Strategic Housing Land Availability Assessment or SHLAA) during the summer of 2015 using a jointly agreed methodology. This focuses strongly on brownfield sites within the City (which combined with completions since 2011 provides for 17,500 dwellings) and identifies capacity from just over 7,100 dwellings on greenfield sites within the City's Green Belt. In total, the assessment indicates that the City has capacity for 24,600 dwellings. Warwick District Council officers (along with officers of all the Warwickshire districts and boroughs) have scrutinised the City Council's work on capacity and have been aided in doing so by the open book approach taken by the City Council. Officers are therefore satisfied that the City Council have undertaken a rigorous piece of work and that their findings are reasonable and robust.
- 3.6 The consequence of this is that the City has a shortfall of 17,800 dwellings between 2011 and 2031. The Duty to Cooperate requires all the Warwickshire planning authorities to work with the City to reach an effective solution to this shortfall and to act in a reasonable and constructive way. Whilst the Duty to Cooperate is not a Duty to Agree, the Inspector for WDC's Local Plan has made it clear that the submitted Local

Plan cannot progress unless and until the HMA's housing requirement is being planned for in full, including Coventry's shortfall.

- 3.7 The MoU sets out a rational and fair redistribution of the shortfall to the Warwickshire Councils. The approach set out in the MoU is based on an objective and equitable methodology that was developed by all of the Council's in the HMA. Further detail regarding this methodology is set out in the covering report to the meeting of the CWJCEGP on 29th September. This is shown in **Appendix 5**. Essentially, the agreed approach considers the functional relationship each District has with the City by looking at a two-way commuting flows and migration patterns. From this, conclusions were reached regarding the percentage of the unmet need that should be accommodated in each of the Warwickshire Districts. This methodology indicated that just over 37% of the shortfall should be accommodated in Warwick District. This amounts to 6,640 dwellings between 2011 and 2031. In total, and as a result, the District's housing requirement between 2011 and 2031 is 18,640. However, it should be remembered that the Plan Period for the submitted Local Plan is 2011 and 2029. The requirement needs to be adjusted to reflect this (see para 3.11 below).
- 3.8 As well as setting out the housing need and the proposed redistribution of the unmet need, the MoU includes a range of additional clauses to ensure consistency and enable the MoU to be reviewed in certain circumstances. This includes a commitment to for each authority to prepare a Local Plan to reflect the MoU. This is important to demonstrate ongoing commitment to a plan-led system and ensure a piecemeal approach to development is avoided.
- 3.9 Nuneaton and Bedworth Borough Council have decided that they are unable to agree the MoU at the present time. This is because they have not yet completed work on their SHLAA and so do not know the housing capacity of the Borough. Work on their SHLAA (in line with the joint methodology) is due to commence shortly and they have indicated an intention to complete by the end of November 2015. Once the work is complete, officers from all the Warwickshire authorities (including Warwick District) will closely scrutinise the methodology and findings of this work to ensure the Borough's capacity has been correctly identified and has been maximised. This will be particularly important if the initial findings indicate that Nuneaton and Bedworth do not have the capacity to meet their share of Coventry's shortfall in full.
- 3.10 It should be noted that clause 4 of the MoU allows for a review of the MoU to take place in the event that NBBC or any other Council is unable to meet its share of the shortfall because of capacity limitations.
- 3.11 **Recommendation 2.3:** The MoU has significant implications for the Local Plan. To take account of the MoU and to respond to other concerns raised by the Inspector in his initial findings the following areas are being assessed for modifications:

- **Policy DS2 Providing the homes the District needs:** this policy will need to be modified to reflect the fact that the Plan will be providing for, not just the District's housing needs, but the additional needs of the City as well.
- **Policy DS4 Spatial Strategy:** this policy sets out the overall framework for determining the most appropriate locations for housing and other development within the District. The Policy has been tested to ensure it is still appropriate in light of the changed housing requirement (see "Strategy Check and Review" in the timetable set out in Appendix 3). In particular, officers have assessed alternative spatial strategies using both the sustainability appraisal framework and each of the clauses within the Policy. This work has demonstrated that the Spatial Strategy set out in DS4 remains the most sustainable approach and indicates that no more than minor amendments are likely to be required to the Strategy. This will continue to provide the basis for the Council bringing forward specific site proposals.

As described below (policy DS6), it will be necessary to provide an additional 3,916 dwellings to address unmet arising in Coventry. On top of that, additional sites will need to be allocated to address concerns about the windfall allowance and to provide a degree of flexibility (see policy DS7). As a result additional land for approximately 5,200 dwellings will need to be allocated. Work is ongoing to identify the specific sites to achieve this. However, in considering sites, it is important to take account of:

- a) The National Planning Policy Framework's (NPPF) requirement to achieve sustainable development, including aiming to locate homes, services and jobs close together to reduce the need to travel
- b) The fact that the majority of the additional housing requirement arises from Coventry

These factors suggest that a reasonable starting point for identifying land for at least some of the additional allocations is to consider green belt releases in the vicinity of Coventry. Officers consider that such an approach would be entirely consistent with Policy DS4

- **Policy DS6 Housing requirement:** the submitted Plan provided for a minimum housing requirement of 12,860 (2011 to 2029). The new minimum level of housing growth will be 16,776 (2011 to 2029) - an increase of 3,916 dwellings (30% increase). The table below shows in more detail how this requirement is derived

	Warwick District Objectively Assessed Need (dwellings per annum)	Portion of Coventry's unmet need to be met in Warwick District (dwellings per annum)	Total annual requirement (dwellings per annum)	Total Requirement as set out in MoU (2011 to 2031)	Total Requirement for Local Plan Period (2011 to 2029)
Submitted Local Plan Jan 2015	606	108	714	14,280	12,860

MoU (September 2015)	600	332	932	18,640	16,776
Change	-6	+224	+218	+4,360	+3,916

- Policy DS7 Meeting the housing requirement:** the submitted Plan included an allowance for 2,485 dwellings from windfall sites. The Inspector has indicated that he does not think that this level of windfalls is justified. This number will therefore need to be reduced. At present, work is still ongoing regarding a justifiable level of windfalls. However, officers estimate that (taking account of the increased housing requirement, the reduced level of contributions from windfalls and the Inspector's requirement that the Plan should provide for a level of flexibility over the requirement by several hundred dwellings), the site allocations in the Plan need to be increased by approximately 5200 dwellings. As part of this the housing trajectory (i.e the expected year by year delivery of housing) and the 5 year supply of housing will need to be reviewed including the buffer required for previous undersupply and making up the shortfall within a five year period. It will be necessary to maintain a 5 year housing land supply throughout. To achieve this, it may be necessary to consider the merits of granting planning permission for sites that are not allocated in the Local Plan.
- Policy DS10 Broad Location of allocated housing sites:** In line with Policy DS4 and taking account of the detailed site assessment work described below (see Policy DS11), the number of dwellings to be allocated within each broad location will need to be revised.
- Policy DS11 Allocated housing sites:** the submitted Local Plan proposes to allocate a range of sites for housing in line with the spatial strategy to meet the housing requirement of 12860 dwellings. Given that we will now need to modify the housing requirement, it follows that it will be necessary to allocate additional housing sites (to provide for approximately additional 5200 dwellings). Work is currently taking place to carry out detailed assessments of sites that could meet this need. These assessments are being carried out on the following basis:
 - Stage 1 - Identification of potential sites: potential sites have been identified by revisiting all the sites considered in the 2014 SHLAA to identify those where circumstances may have changed or where officers consider that the additional housing need may now outweigh other factors that had previously rendered sites unsuitable or constrained in terms of capacity. In addition a further call for sites is being carried out to explore whether there are any suitable sites available of which the Council is currently unaware.
 - Stage 2 – Technical and infrastructure assessment: each potential site is subject to a detailed technical assessment including factors such as access, flooding, landscape, ecology, heritage, infrastructure capacity and requirements, etc. This technical work will be undertaken either by the Council's own specialist officers or through the commissioning of appropriate work from other authorities, the County Council or consultants as necessary.

- Stage 3 – Policy compliance assessment: each site is assessed against its compliance with key aspects of the policy framework including its sustainability (as indicated in the NPPF), the Council's spatial strategy (Policy DS4) and Green Belt (can exceptional circumstance be justified?).
- Stage 4 – Shortlist of suitable sites: using all the assessment evidence described above a shortlist of suitable sites will be identified. Taking account of the mix of scale and locations of these sites, this will be used to arrive at a final set of sites to propose to Council. This stage will involve careful consideration of overall viability, the delivery trajectory and the potential for the sites to deliver a 5 year housing land supply.
- Running throughout these assessments will be work on legally compliant sustainability appraisals so that when the modifications are published we can demonstrate that we have fully considered a range of alternative options and have arrived at reasonable conclusions regarding the sustainability of the overall strategy and the specific sites proposed for allocations.

It is not possible at this stage to indicate which sites are likely to come forward to meet the need for additional allocations. As set out in the timetable below, a further report will be brought to Council with formal recommendations for modifications upon which to consult.

- **Policy DS19 – Green Belt:** the submitted Local Plan includes this policy to ensure that details of amendments to the Green Belt boundaries are provided. It is possible that the additional housing requirement may require further green belt releases. This policy may therefore need to be modified to reflect this possible outcome.

3.12 As a result of the above work, it may be necessary to revisit some other aspects of the Development Strategy set out in section 2 of the submitted Local Plan. This reassessment could include:

- **Policy DS8 – Employment Land:** the implications of the additional housing requirement will need to be fully explained. This work will need to be done in close cooperation with Coventry City Council and other Councils in the HMA so that the approach to planning for the sub-region's employment land requirements (to go alongside the HMA's housing requirements) can be set out to demonstrate a strong alignment as required by para 17 of the NPPF.
- **Policy DS9 – Employment sites to be allocated:** see Policy DS8 above
- **Policy DS12 – Allocation of Land for Education:** Depending on which sites are allocated for housing and the infrastructure evidence associated with these sites, the need for additional land for education will need to be considered. However, it should be noted that some of the infrastructure assessment work will be undertaken with Coventry City Council, and it is possible that some of the education provision will be found within the City.
- **Policy DS20 - Accommodating housing need arising from outside the District:** Whilst it may not be necessary to significantly change the wording of this policy, the purpose and justification for the policy will change in light of the MoU. The "explanation" text accompanying this policy will therefore need to be reviewed.

- Aside from the policies outlined above, other aspects of the Plan are likely to require relatively minor modifications, particularly the sections on "Duty to Cooperate and Strategic Planning" and "Local Plan Objectives".
- Officers are of the view that modifications to these policies are likely to be relatively minor and will only be required to ensure internal consistency and coherence of the Local Plan in light of the changes to the housing requirement.

3.13 Whilst the modifications outlined in paras 3.11 and 3.12 above are significant in terms of the scale of additional housing required, they do not suggest or require a substantive change to the Plan's overall strategy. With the exception of the additional allocations required to address the Inspector's concerns regarding the windfalls allowance, the modifications are all associated with the additional housing requirement resulting from the MoU. The modifications will seek to provide a response to the MoU that is focused and that can be contained within the existing Local Plan strategy. Officers are satisfied that the amended housing numbers can align with the Plan's overall strategy and that this offers a positive and co-operative approach.

3.14 It is proposed that the MoU, along with the scope of the modifications and the associated programme of work as set out above, forms the basis of a further letter to the Inspector. This letter will seek to demonstrate that a period of suspension is appropriate for the Local Plan examination and that there is a reasonable prospect that the Council can put forward a focused set of modifications within the timescale set out in appendix 3 to address the concerns raised by the Inspector in his letter of the 1st June. To achieve this, the letter will need to demonstrate that:

- a) The scale of the modifications is not so substantial that the Council should withdraw the current Plan and commence a new process.
- b) The necessary work can be carried out within a reasonable timescale.

3.15 It will also be important to explain in the letter, the implications of NBBC's decision not to agree to the MoU. At the time of preparing this report, further work needs to be carried out with NBBC to fully understand the aspects of the MoU that they do support and those aspects where there are differences. From this it is hoped that areas of common ground can be clearly identified. This will enable the letter to the Inspector to clearly set out the differences and to explain the implications for Warwick District's Local Plan.

3.16 Recommendation 2.4: Nuneaton and Bedworth Borough Council's Cabinet approved a report on 30th September 2015 which recommended that the "Submission Version" of their Borough Plan be consulted on prior to submission to the Secretary of State. This represents a fairly advanced stage in the plan-making process. This stage is usually reached when the Council has completed the preparatory stages and are satisfied (subject to any representation received) that the Plan is ready for Examination. Whilst the recommendation of the report to NBBC's cabinet does not explicitly state that this consultation is taking place under Regulation 19 of the 2012 Town and Country Planning Regulations, NBBC officers have confirmed that

this is the case and that this is the version of the Plan that the Council intends to submit.

- 3.17 In Policy NB2, the Borough Plan sets out proposals to provide for 10,040 dwellings between 2011 and 2031. Whilst this aligns with Nuneaton and Bedworth's local housing need, it makes no provision at all for the shortfall arising from Coventry. Paragraph 5.8 of the Plan provides some further explanation as follows:
"The NPPF requires the housing needs of the housing market area to be met in full. Coventry City Council has stated that they are unlikely to be able to meet the objectively assessed need for the city within their boundaries and so some redistribution within the HMA is likely to ensure housing needs are met. At the time of writing it is unclear what the total capacity of Nuneaton and Bedworth is to accommodate additional housing from Coventry and so work is on-going to update the Council's SHLAA using an agreed sub- regional methodology. The findings of this work may lead to the allocation of additional land to assist in meeting the needs of the Coventry and Warwickshire HMA. This will be the subject of a further round of focused consultation, if required."
- 3.18 Whilst this position is understood, it is considered premature to be consulting on a Submission Draft (under regulation 19) before work on the evidence base is complete and which will render this part of the Plan unsound. It is therefore necessary to object to Nuneaton and Bedworth's draft Borough Plan to ensure Warwick District Council can continue to underline the importance of having full regard to the housing need of the Housing Market Area and to ensure that NBBC's SHLAA work is carried out thoroughly and is subject to close analysis from this Council. In this way this Council can make representations to ensure that the capacity of Nuneaton and Bedworth is understood and fully utilised before any further redistribution is considered.
- 3.19 On this basis, this recommendation seeks to delegate the responsibility for agreeing representations to NBBC's Borough Plan to the Head of Development Services in consultation with the Portfolio Holder for Development Services. Further, it is suggested that their remit be extended to make representations in relation to other aspects of the Borough Plan, as they see fit.
- 3.20 **Recommendation 2.5:** In the letter that the Leader of the Council sent to the Inspector on 13th August, the Council outlined a programme and timetable which sought to address the Inspector's concerns by March 2016, enabling the examination process to recommence. The Inspector's response (letter of 28th August) expressed *"doubts regarding the realism of the timetable"*. Specifically he says *"I am also concerned that the process of identifying sites and potentially also broad locations for growth could well take longer than envisaged given the need to fully consider options and appraise them and the potential need for close working with neighbouring authorities for instance in relation to infrastructure provision"*.

- 3.21 His points have been noted, particularly with regard to the potential complexities surrounding infrastructure planning. As a result, officers have since been working up further detail regarding the required work and have reviewed the timetable. The outcomes from this are shown in **Appendix 3**. This revised timetable takes note of the Inspector's doubts and the fact the some of the work surrounding infrastructure planning is likely to be beyond the Council's direct control. The revised timetable therefore indicates that the Council's proposed modifications will be submitted to the Inspector in May 2016.

4. **Policy Framework**

- 4.1 **Submitted Local Plan** – The report seeks to ensure the successful progression of the submitted Local Plan through examination to adoption.
- 4.2 **Fit for the Future** – The Local Plan will need to align with and help deliver the Sustainable Community Strategy (SCS) and the Council's Fit for the Future programme where appropriate. It will also need to align with our partners documents, such as the Warwickshire Local Transport Plan.
- 4.3 **Impact Assessments** – During the preparation of the Local Plan an Equalities Impact Assessment has been undertaken. This looked at a wide range of potential impacts and concluded that three areas needed to be focussed on in addressing potential negative impacts: consultation; housing mix/affordable housing; and Gypsies and Travellers. The preparation of the Plan has addressed these three issues, with further extensive consultations in line with the Statement of Community Involvement; a clear and strong approach to affordable housing (see policy H2) and housing mix (see Policies H4, H5 and H6); and ongoing work to identify suitable site for provide for the accommodation needs of Gypsies and Travellers (see policies H7 and H8).

5. **Budgetary Framework**

- 5.1 At its meeting on 28th January 2015, the Executive approved a budget of £120,000 to be set aside from the Planning Appeals Reserves to support the Local Plan Examination. In the main this budget was to support the costs of the Inspector and the Programme Officer. In the event that the Inspector agrees to the suspension of the examination, this budget will still be required to support the completion of the examination, potentially along with the additional costs of £30,000 agreed by Council at the meeting of 12th August.
- 5.2 In the event that the Plan is withdrawn (either through a decision of the Council or because the Inspector adheres to his previous view that the Plan should be withdrawn), the additional costs are expected to be higher as it is probable that aspects of the evidence base will need to be updated to inform the preparation of fresh plan proposals. Although it is not currently known what the financial implications of withdrawal would be, it is estimated that the costs would be in excess £50,000.

6. Risks

- 6.1 Section 7 of the report to Council on 12th August set out in some detail the risks associated with both withdrawing the Local Plan and a period of suspension. These risks remain valid.
- 6.2 It is particularly important to emphasise that there remain some real risks associated with pursuing a period of suspension:
- Limiting the range of site options that can be considered: whilst the work carried out to date indicates that the strategy of the submitted Local Plan continues to be justified and reasonable, it does inevitably limit the Council's ability to progress sites that align with other (less sustainable) strategic spatial options such as dispersal or a new settlement. This will inevitably limit that the range of site options that officers are able to put to members to meet the need for additional allocations. There is therefore a fine line to be trodden between providing sufficient sites to meet the new housing requirement at the same time as avoiding substantial changes to the Plan's strategy.
 - Satisfying the Inspector that the MoU is robust: the Inspector has indicated in his letter of 28th August the "much relies on the outcome of the joint working". The MoU provides concrete evidence of that joint working. However there remains a risk that the Inspector will be unconvinced by the ability of the MoU to ensure the HMA's housing requirement is met in full, particularly in light of Nuneaton and Bedworth's decision not to agree to the MoU at this stage.
 - Satisfying the Inspector that the proposed modifications do not represent a substantial change to the Plan's strategy: this has been discussed in paragraphs 3.13 to 3.15 above. Whilst steps are being taken to address this risk, the Inspector has made it clear in his letter that he is concerned about the extent of change with regard to the scale and distribution of housing, particularly given the significant proportion of the district covered by green belt and there remains a significant risk that the Inspector will still require the Plan to be withdrawn for this reason.
 - Satisfying the Inspector that the timeline set out in **Appendix 3** can be achieved and that the period of suspension will not be unduly long: this has been discussed in paras 3.20 to 3.21 above. Whilst the timeline in **Appendix 3** seeks to address the Inspector's concerns, there remains a significant risk that the Inspector will still require the Plan to be withdrawn for this reason. Further this risk would increase significantly if any of the key staff involved in delivering the programme of work are absent for a protracted period of time. It should be noted, that there is a particular pinch-point in the timetable during December and January when the Christmas period will coincide with a period when work will need to be completed on site assessments, infrastructure, the housing trajectory and other associated modifications to the Plan, so that a report can be prepared and presented to the Council by the end of January. To mitigate this risk officers are carrying out a detailed resource assessment, including contingency options.
 - Housing Trajectory and 5 year Land Supply: there is a risk that the evidence arising from the trajectory of housing delivery (based on the

timing of delivery for each site) will not deliver a 5 year housing land supply on adoption of the Plan, particularly given the significant increase in the housing requirement. As a result the Inspector could find the Plan unsound.

- Finally, there remains a risk that the Inspector will agree to a period of suspension, but subsequently will still find the Plan unsound. If the inspector does agree to a suspension, this in no way indicates that he thinks the emerging proposals are necessarily sound. Clearly such an outcome would lead to a substantial additional delay.

6.3 In reaching a balanced decision on the way forward, the risks outlined above need to be offset against the risks associated with a more substantial delay, as is likely, in the event that the Plan is withdrawn. Paragraph 7.2 below provides a reminder of some of these risks.

7. Alternative Option(s) considered

7.1 **Recommendation 1:** No alternatives

7.2 **Recommendation 2:** the Council could decide not to endorse the MoU. Although the MoU results in a substantial additional housing requirement for the District, this is not recommended for the following reasons:

- Duty to Cooperate is both a legal requirement and an important element in developing a sound plan. If the Council chooses not to endorse the MoU it will be hard to demonstrate that the Duty has been complied with. It will also make it impossible to progress towards a sound Plan as we will not be able to demonstrate that the HMA's housing requirement is being met in full nor that Warwick District is playing its part in this. The consequence would be that the Inspector asks the Council to withdraw the Plan.
- Failure to endorse the MoU will have consequences for the progression of all the Local Plans within the HMA which in turn will undermine the potential for the sub-region to grow and prosper
- Failure to endorse the MoU will inevitably lead to a delay in progressing the Local Plan. This would result in significant risks that have been set out in the report to Council on 12th August as follows:
 - **Delay in delivering Local Plan Housing Sites:** Any Local Plan housing sites in the Green Belt cannot be brought forward until the Plan is adopted. Withdrawal of the Plan will therefore hold up the delivery of all housing sites within the Green Belt including at Kenilworth and Lillington. This undermines the Council's ambitions to boost housing supply in line with the NPPF but will also mean that the community benefits that these developments are intended to bring will be delayed.
 - **Consequences for the sub-regional and other employment sites:** The proposed sub-regional employment site is currently within the Green Belt, this cannot be progressed until the Plan is adopted. This is likely to have implications for the supply of readily available large-scale employment land within the sub-region. Such delay will clearly hinder the recovery of the local economy slowing the growth of businesses and jobs and undermine the sub-region's Strategic Economic Plan. The same is true for the development of the University of Warwick campus,

for Stoneleigh Park and for the proposed employment land at Stratford Road, Warwick.

- **Applications for development on unwanted sites:** Whilst the Council does not have a Local Plan in place there is a risk that applications for development on non-Green Belt sites which fall outside our spatial strategy, will receive planning permission through appeals. This is particularly the case when there is not a 5 year supply of housing land, something which can best be remedied in a controlled way through the adoption of the Local Plan. This may have particular implications for the Asps appeal (900 houses) and the Gallows Hill appeal south of Warwick (450 houses).
- **Outdated Plan Policies:** The policies in the emerging Local Plan (for instance those covering retail, economy, flooding, healthy communities, housing etc.) cannot be given weight in the event that the Plan is withdrawn. This would mean that decisions on a whole range of planning applications would have to be based on policies in the extant Local Plan that are long in the tooth or on national policy that does not reflect local circumstances and issues in Warwick District.
- **Infrastructure Delivery:** The delivery and funding of Infrastructure will be more difficult to achieve for two reasons. Firstly, the Council will be at risk from applications on unallocated sites for which infrastructure requirements have not been fully assessed and planned, making it harder to identify and justify developer contributions. Secondly, a delay to the Local Plan adoption will also delay the Council's ability to adopt a Community Infrastructure Levy (CIL) Scheme. This will increase the risk that Section 106 contributions cannot be justified for all infrastructure requirements due to "pooling restrictions".
- **Government Intervention:** Although specific details have yet to emerge, the Government has announced that if Plans have not progressed by early 2017 then it may intervene (see paragraph 7.1.6) and "*arrange for the plan to be written, in consultation with local people, to accelerate production of a local plan*" which can also be taken to mean that development and its location will be imposed on the District irrespective of the Council's views.

7.3 **Recommendation 3:** The Council could choose to withdraw the submitted Local Plan and commence work on a new Local Plan. This would be a reasonable option to take and would provide opportunities to fully explore alternative options for distributing the District's housing requirement. However it would potentially lead to a substantial delay in achieving an adopted Plan with the resulting consequences set out in paragraph 7.2 above. For this reason, officers consider that the balance of argument weigh in favour of continuing to pursue a period of suspension.

7.4 **Recommendation 4:** The Council could decide not to object to Nuneaton and Bedworth's Borough Plan. However in the event that NBBC then submitted their Plan, this would limit this Council's options for participating in the Examination and for influencing their Inspector. Equally importantly this would mean a missed opportunity to influence NBBC itself before the Plan is submitted.

- 7.5 A further alternative would be to seek approval from Executive for any representations. Whilst this would be possible, this would appear to be an unnecessary administrative step and in view of the fact the NBBC's consultation period is likely to be 6 weeks, there is a risk that the Committee Timetable would not allow this.
- 7.6 **Recommendation 5:** One alternative would be to adhere rigidly to the timetable agreed by Council on 12th August. However, the Inspector has indicated some doubts regarding this timetable and, in particular the point he raises with regard to infrastructure is important. It is therefore suggested that including some contingency within the timetable is prudent and provides a more realistic approach. This reduces the risk that the Council will fail to meet the published timetable, which would have consequences for the whole examination process and would undermine the Inspector's need to plan ahead as well as raising doubts for the Inspector regarding the Council's ability to deliver other aspects of the Plan. A second alternative would be to set out a substantially extended timetable. This would have the advantage of reducing the risk that the timetable will not be achieved. However, at best, it would result in a longer than necessary delay to the Plan and potentially it could raise doubts for the Inspector about the length of the suspension and would therefore increase the risk that the Inspector would recommend that the Plan is withdrawn.

Appendix 2

Coventry and Warwickshire

Memorandum of Understanding



Memorandum of Understanding relating to the planned distribution of housing within the Coventry & Warwickshire Housing Market Area (HMA)

PARTIES TO THE MEMORANDUM

The Memorandum is agreed by the following Councils:

- Coventry City Council
- North Warwickshire Borough Council
- Nuneaton & Bedworth Borough Council
- Rugby Borough Council
- Warwick District Council
- Stratford-on-Avon District Council
- Warwickshire CC

PURPOSE

This memorandum of understanding seeks to ensure that the housing needs of the C&W HMA are met in full.

This memorandum of understanding establishes a framework for co-operation between the constituent authorities with respect to the delivery of housing across the Coventry and Warwickshire HMA. It is framed within the Localism Act 2011 and the duty to cooperate set out in Section 110. This sets out the way in which the Councils will consult one another and work together on matters which affect more than one local authority area.

There is clear evidence that Coventry City Council is unable to meet its full objectively assessed housing needs within the city boundary and thus is unable to meet the requirements of paragraph 47 of the NPPF. It is agreed that for plan making purposes there is a primary housing market area comprising Coventry and the whole of Warwickshire. As a result the City Council and the five Borough/District Councils within Warwickshire have collaborated to assess the full housing needs of the market area and to establish realistic assumptions about the availability, suitability and viability of land to meet that need, in accordance with paragraphs 159 and 160 of the NPPF.

The focus of this memorandum is to ensure that housing needs arising from the growth of the city's population but not capable of being met within Coventry itself will be met within the HMA as a whole. Each local authority will make best endeavours to deliver the housing as set out in this MoU.

POINTS OF AGREEMENT

The Memorandum has the following broad objective:

The Warwickshire authorities accept that Coventry City Council is unable to accommodate its full housing need. Each Council will therefore cooperate to establish a revised distribution of housing which ensures that the overall needs across the housing market area will be met.

To achieve this objective, it is agreed that:

1. The OAN for the HMA is 85,540 (2011-2031).
2. The table below contains the OAN of each authority within it.

	Average annualised total	Total OAN* (2011-2031)
Coventry	2,120	42,400
North Warwickshire	237	4,740
Nuneaton & Bedworth	502	10,040
Rugby	480	9,600
Stratford-on-Avon	659	13,180
Warwick	600	12,000

Source: Updated assessment of housing need for the C&W HMA, September 2015.

**OAN for NWBC and SDC contains need external to the HMA (2,620 gross dwellings). There is also an element of economic uplift in SDC, NWBC and NBBC which will support redistribution of housing from Coventry (3,800 gross dwellings).*

3. As of September 2015, the table below reflects an appropriate and robust distribution of housing across Coventry and Warwickshire

	TOTAL (2011-2031)
COVENTRY	Minimum of 24600 *
NORTH WARWICKSHIRE	5280
NUNEATON AND BEDWORTH	14060
RUGBY	12400
STRATFORD-ON-AVON	13180
WARWICK	18640
TOTALS	88160

* Should Coventry's capacity increase then the number redistributed to Warwickshire authorities will be considered against the methodology underpinning this report.

4. In the event that, as a result of the completion of Strategic Housing Land Availability Assessment's (to the agreed C&W methodology) it is shown that

the distribution in the Table above cannot be delivered, this MOU will be reviewed so that the overall housing requirement is met within the HMA.

5. In the event that, as a result of co-operation with a local authority outside the housing market area, additional development is to be accommodated within the CWHMA at a level that materially affects the distribution set out in this document, the MoU will be reviewed.
6. Each local planning authority will prepare a Local Plan that reflects the agreed distribution.
7. Each local authority will ensure the most efficient use of land is promoted when delivering housing sites across their area. In doing so density assumptions should be appropriate, justified and deliverable.
8. The plan making process will ultimately establish the capacity of each area and quantities of housing that can be delivered. Through the plan making process, the Councils will continue to monitor the capacity of the HMA and in particular any authority that is unable to meet its OAN or redistributed housing requirement. In this instance, the Councils will seek to maximise the quantity of housing delivered in these authorities.
9. Each local authority is committed to ongoing cooperation and engagement by both officers and members in relation to delivery of housing for the C&W HMA.

LIMITATIONS

For the avoidance of doubt, this Memorandum shall not fetter the discretion of any of the Councils in the determination of any planning application, or in the exercise of any of their statutory powers and duties, or in their response to consultations, and is not intended to be legally binding but shows clear commitment and intent to meeting the full housing needs of the market area.

LIAISON

Member level representatives of the Local Authorities through the Shadow Economic Prosperity Board (EPB) will meet as a minimum yearly or more frequently when appropriate, in order to;

- Maintain and update the memorandum, as necessary.
- Monitor the preparation of Local Plans across the six authorities and discuss strategic issues emerging from them

TIMESCALE

The Memorandum of Understanding is intended to run up to 2031 to align with the timescale of the evidence.

MONITORING

Annual monitoring will be carried out to ensure that housing delivery is maintained throughout the HMA. This will be overseen by the C&W monitoring group which will agree monitoring targets to include permissions, completions and densities. However, due to fluctuations in the market and sites coming on stream a review trigger will come into force if there is a persistent under delivery of housing (against the HMA annualised target) over a consecutive 3 year period.

REVIEW

The document will be reviewed no less than every three years but will be reviewed when new evidence, that renders this MOU out of date, emerges

Signed on behalf of Coventry City Council
Councillor Ann Lucas

Signed on behalf of Warwick District Council
Councillor Andrew Mobbs

Date:

Date:

Signed on behalf of North Warwickshire Borough Council
Councillor David Humphreys

Signed on behalf of Stratford-on-Avon District Council
Councillor Chris Saint

Date:

Date:

Signed on behalf of Nuneaton & Bedworth Borough Council
Councillor Dennis Harvey

Date:

Signed on behalf of Warwickshire County Council
Councillor Isobel Seccombe

Date:

Signed on behalf of Rugby Borough Council
Councillor Michael Stokes

Date:

Appendix 3

Suspension Timetable – October 2015

[illegible]

Appendix 4

GL Hearn SHMA Update August 2015 (Summary)



GL Hearn

Part of Capita plc

Updated Assessment of Housing Need: Coventry-Warwickshire HMA

Executive Summary

September 2015

Prepared by

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1 EXECUTIVE SUMMARY

- 1.1 This report provides an updated assessment of the need for housing in the Coventry and Warwickshire Housing Market Area (HMA). It includes a review of existing evidence, and updated assessment of housing need – taking account of the latest evidence including official 2012-based Population and Household Projections, 2013 and 2014 Mid-Year Population Estimates (MYEs), and up-to-date evidence regarding economic growth potential. The report draws this together, using the approach set out in Planning Practice Guidance, to identify the objectively assessed need for housing in the HMA and its consistent authorities.
- 1.2 The 2012-based Household Projections are the ‘starting point’ for considering housing need, following the approach in the PPG. These are based on projecting forward past demographic trends. They show a need for 4,200 homes per year across the HMA between 2011-31. This takes account of 2013 and 2014 MYEs.
- 1.3 A sensitivity analysis is provided setting out that population growth could be from -13% to +20% either side of the core SNPP population projections. Growth at either of these extremes is unlikely, however the analysis demonstrates the potential for a larger error margin associated with projections for Coventry.
- 1.4 The report then assesses economic growth potential, and considers whether this might result in a higher overall need for housing or point towards an alternative distribution of housing provision within the HMA. Three economic forecasts are considered, together with other evidence.
- 1.5 The report concludes that it would be reasonable to plan for 0.7% growth in employment per annum across the HMA over the period to 2031. This would require between 3,600 -3,800 homes per year (2011-31), depending on the distribution of employment growth.
- 1.6 Evidence of economic growth potential in each of the constituent local authorities is considered, and conclusions drawn on the potential scale of employment growth which might be expected, leaving aside supply-side factors. The analysis suggests 3,730 homes per year would be needed. It suggests a need to consider higher potential housing provision in Nuneaton and Bedworth, North Warwickshire and Stratford-on-Avon. For these authorities trend-based population projections see lower overall levels of population growth, supporting limited workforce growth. The report considers that higher levels of migration to these areas might be expected in the future, relative to past trends.
- 1.7 GL Hearn considers that where an authority is meeting unmet needs from another, this will support population and workforce growth within the receiving authority’s area. On this basis it is important not to double count unmet needs and provision to meet economic growth.

- 1.8 The report has considered market signals, and if there is a case for adjusting housing provision to improve affordability. The evidence points to market conditions in the HMA which are very much “average” relative to the national position. Affordability is similar to the national average. The average house price is below the national average, as is the average rental cost. The evidence does however show that affordability declined over the decade to 2007. It suggests a relationship between this and household formation amongst younger households.
- 1.9 The report includes an updated assessment of the need for affordable housing, following the approach set out in the Planning Practice Guidance. Overall a net need for affordable housing of 1,462 per annum is identified. This represents the level of housing provision which would be needed if all households who required some form of financial support were to be allocated an affordable home.
- 1.10 The table below sets out the demographic-based need, affordable housing need and housing need necessary to support economic growth for each local authority. It compares the affordable need with those derived from the demographic projections.

Table 1: Affordable Need relative to Demographic- and Economic-led Projections

Housing Need per Annum, 2011-31	Annual Affordable Need	2012-based SNPP	Affordable as % SNPP	Economic-led Need	Affordable as % Economic-led Need
Coventry	600	2,099	29%	1,350	44%
North Warwickshire	92	163	56%	210	44%
Nuneaton & Bedworth	85	423	20%	496	17%
Rugby	171	464	37%	425	40%
Stratford-on-Avon	233	449	52%	650	36%
Warwick	280	600	47%	600	47%
Coventry/Warwickshire	1,462	4,197	35%	3,731	39%

- 1.11 Taking account of the evidence of affordable housing need and the market signals analysis, there is some basis for considering the case for adjustments to the overall housing need in order to improve affordability. The report considers that the net impact of an improvement in affordability on overall housing need would be to enhance household formation amongst younger households in their 20s and 30s. The report identifies that an additional 75 homes per year would be sufficient to support this.
- 1.12 The evidence is drawn together to provide conclusions on housing need for the HMA, and consistent authorities. The need is built up using the following approach:
- The demographic-based need forms the starting point; plus
 - Adjustments where appropriate to support economic growth (more people); and
 - Adjustments where appropriate to improve affordability (higher household formation).

Table 2: Conclusions on Objectively-Assessed Housing Need, Homes per Annum 2011-31

	Demographic-based Need	Supporting Economic Growth	Improving Affordability	Total
Coventry	2,099	0	21	2,120
North Warwickshire	163	47	27	237
Nuneaton & Bedworth	423	73	6	502
Rugby	464	0	16	480
Stratford-on-Avon	449	201	9	659
Warwick	600	0	0	600
Coventry/Warwickshire	4,197	-	75	4,272

- 1.13 The OAN conclusions are for C3 dwellings. This does not include provision for C2 accommodation for older persons, not student bedspaces such as within halls of residence.
- 1.14 OAN figures do not represent plan targets. They represent a starting point for considering housing provision within local plans. It is for the plan-making process to overlay issues related to land availability, development constraints and infrastructure; and to consider other policy factors. The figures set out however provide an important starting point for plan-making, following national policy.
- 1.15 GL Hearn considers that unmet needs should be assessed against the demographic-based need plus affordability uplift. Adjustments to support economic growth can contribute to meeting unmet needs from other areas, as meeting unmet needs will support population and workforce growth.

Appendix 5

Redistribution Formula

Appendix 5

Redistribution Formula

TABLE 3: AVERAGE OF COMMUTING RATIO AND MIGRATION TRENDS	B	C	D	E	F	G	H	I	J	K	L
	current unmet need	Tested % for redistribution	total initial redistribtution (B*C)	PHASE 1: initial redistribution to support employment OAN	Phase 2 redistribution - left to plan (D- E)	Recalculating any over provision against intial redistribtution* (F38*B)	redistribution te recalulated supply difference** (G/4)	total deduction (G+H)	PHASE 2: total reprovision (I+F)	Total reprovision (J+E)	Annualised reprovision (2011-2031)
CCC	17,800	-	-	-	14,000	-	-	-	-	-	-
NORTH WARWICKSHIRE		5.1%	908	320	588	-44	-14	-58	530	850	42.49
NUNEATON AND BEDWORTH		32.4%	5,767	1,460	4,307	-280	-14	-294	4,014	5,474	273.68
RUGBY		16.5%	2,937	0	2,937	-142	-14	-156	2,781	2,781	139.03
STRATFORD-ON-AVON		6.5%	1,157	2,020	-863	-56	-	-	0	2,020	101.00
WARWICK		39.3%	6,995	0	6,995	-339	-14	-353	6,642	6,642	332.11
TOTALS	17,800	100%	17,764	3,800	13,964	-861	-56	-861	13,966	17,766	888

* for the purposes of this approach this equals the -852 at Stratford multiplied for each authority by the % figures in column B.

2011 COMMUT ING DATA	10 YEAR MIGRATI ON	AVERAGE
-	-	-
5.64	4.60	5.1
33.40	31.40	32.4
17.89	15.10	16.5
7.86	5.20	6.5
35.21	43.40	39.3
100	100	99.85

Appendix 6

Draft SA Matrix of Broad Spatial Options

See Separate Significance Key	1. To have a strong and stable economy	2. To enable a range of sustainable transport options	3. To reduce the need to travel	4. To reduce the generation of waste and increase recycling	5. To ensure the prudent use of land and natural resources	6. To protect and enhance the natural environment	7. To create and maintain safe, well-designed, high quality built environments	8. To protect and enhance the historic environment	9. To create good quality air, water and soils	10. To minimise the causes of climate change by reducing greenhouse gases and increasing the proportion of energy generated from renewable and low carbon sources	11. To adapt to the predicted impacts of climate change including flood risk	12. To meet the housing needs of the whole community (ensuring the provision of decent and affordable housing for all, of the right quantity, type, size and tenure)	13. To protect, enhance and improve accessibility to local services and community facilities	14. To improve health and well being	15. To reduce poverty and social exclusion	16. To reduce crime, fear of crime and antisocial behaviour
Broad Spatial Option	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Broad Option 1 - Focus development outside the green belt	=	+	=	?	-	-	+	-	-	-	?	+	=	+	=	?
Broad Option 2 - Focused in and the around the edge urban areas & Sustainable growth villages	++	++	++	?	-	-	+	-	-	-	?	++	++	+	+	?
Broad Option 3 - Focused around key transport corridors	+	++	=	?	-	-	+	-	-	-	?	+	=	=	+	?
Broad Option 4 - Dispersal Approach: Urban Areas & Urban Edge, Growth Villages and Limited Infill Villages	=	--	--	?	-	--	+	-	-	--	?	+	+	+	-	?
Broad Option 5 - New Settlement Oustide the Green Belt	=	=	-	?	-	-	+	-	-	=	?	+	=	+	=	?
Broad Option 6 - New Settlement in the Green Belt	=	=	-	?	-	-	+	-	-	=	?	+	=	+	=	?
Comments	All options would fully meet needs but options 2 and 3 would be better at colocating new development with existing housing, employment and facilities.	Options 1, 2 and 3 would have positive effects with new settlements able to provide both sustainable transport but less likely to tap into existing transport options, the dispersal approach will not provide the critical mass for transport options in all villages	Dispersal and single area approaches are unlikely to have the range of facilities and opportunities reducing the need to travel	It is felt that the effects of each option on this indicator is unknown	Given the scale of development all options will have an impact on the land and resources	Given the scale of development all options will have an impact on the natural environment , although opportunities for mitigation are less in the dispersed approach	All options have the opportunity to positively address this.	Given the scale of development all options will have an impact on the historic environment	Given the scale of development all options will have an impact on air, water and soils	All options are likely to increase carbon production, the opportunities to mitigate this are felt to be best addressed through a new town, where there may be sufficient critical mass for a range of renewable and low carbon energy technologies , whereas it is highly unlikely in the dispersal option	It is felt that the effects of each option on this indicator is unknown	All options will fully meet housing needs, however it is felt that option 2 is likely to meet needs from where they arise.	Option 2 has the potential for major positive effects by supporting existing services and facilities, with Option 4 doing this to a lesser extent. Other options have both a positive and negative effect and are thus overall broadly seen as neutral	All options have the opportunity to improve health and well being through the provision of additional facilities and recreational opportunities. Option 3 is likely to have negative effects of noise and air pollution if located very close to exisiting transport corridors.	Options 2 and 3 have the opportunity to meet housing needs and employment needs close to existing areas showing multiple indices in of deprivation.	It is felt that the effects of each option on this indicator is unknown