

 EXECUTIVE 17th April 2013		Agenda Item No. 7
Title	The Way Forward for the Local Plan	
For further information about this report please contact	David Barber Development Policy Manager	
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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?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	Full Council 24 th October 2012. Minute no.46	
Background Papers	Planning Inspector's Letter to Coventry City Council	

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 & Sustainability Impact Assessment Undertaken	No
The Equality & Sustainability Impact Assessment will be undertaken as part of the Local Plan itself. It is not considered that this report, which sets out the way forward for the next stages of the Plan will have a significant impact in itself.	

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	20/3/13	Chris Elliott
Head of Service		Tracy Darke
CMT	22/3/13	
Section 151 Officer	22/3/13	Mike Snow
Monitoring Officer	22/3/13	Andy Jones
Finance	22/3/13	
Portfolio Holder(s)	20/3/13	Cllr Les Caborn
Consultation & Community Engagement		
This report has not been subject to wider community engagement or consultation, although it does set out the framework for further consultation in relation to the preparation of the Local Plan		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. **SUMMARY**

- 1.1 The report sets out the proposed way forward for the development of the Local Plan following the decision of the Inspector for Coventry's Core Strategy to ask the City Council to withdraw their Plan so that they can work with other Councils in the sub region on preparing a Joint Strategic Housing Market Assessment (JSHMA). As this decision has significant implications for Warwick District's Local Plan the way forward for the Local Plan has been reconsidered.

2. **RECOMMENDATION**

- 2.1 That the Council participates in the preparation of a Joint Strategic Housing Market Assessment (JSHMA) with other Councils within Coventry's Housing Market Area.
- 2.2 That the Council takes part in constructive and effective cooperation with other Councils in the sub-region, seeking to agree appropriate levels of housing growth for the sub-region and the distribution of this growth across the local authority areas.
- 2.3 That the preparation of the Submission Draft Local Plan is delayed until the work on the JSHMA is complete and constructive and effective dialogue has been undertaken.
- 2.4 That a further report is considered by Council on 4th June setting out a revised development strategy for the Local Plan for further consultation during June and July 2013.
- 2.5 That alongside the revised development strategy for the Local Plan, proposals are brought forward to Council on 4th June for consultation on allocation of sites for Gypsy and Travellers.
- 2.6 That a Preliminary Draft Charging Schedule for the Community Infrastructure Levy (CIL) be developed for consideration by Council on 4th June and that this is consulted on in parallel with the focussed changes to Local Plan.
- 2.7 That the Local Development Scheme is revised to reflect these changes and is formally considered for revisions by Council on 4th June, including bringing forward proposals for a revised Statement of Community Involvement.

3. **REASONS FOR THE RECOMMENDATION**

- 3.1 **Recommendation 2.1: That the Executive notes that the Council is participating in the preparation of a Joint Strategic Housing Market Assessment (JSHMA).** The Inspector for the Coventry Core Strategy has suggested that Coventry withdraw their Submission Draft on the basis that he is not satisfied that the Plan complies with the Duty to Cooperate. In his letter (see appendix 1) he is of the opinion that Coventry's Plan has been prepared with insufficiently robust understanding of the whole housing market area (which also includes Warwick, Nuneaton & Bedworth and Rugby). He argues that in order to set a robust housing number, Coventry need to work with the other Councils in the Housing Market Area to prepare a JSHMA. Tellingly, he not only names Warwick District Council as one of these Councils but also asks us to "appreciate the importance of cooperating in this matter". In short, the

Inspector leaves us little choice but to participate in the preparation of a JSHMA.

- 3.2 Clearly, cooperation of the kind recommended by the Inspector has some significant advantages in ensuring that this sub-region is providing sufficient housing to meet its future growth needs. This in turn will help to reduce the risk of the Councils setting a housing target below the requirement which could, in turn, have a knock on effect on economic growth across the sub-region. However, the Inspector's letter does seem to signal a change in interpretation around the Duty to Cooperate. Whilst the NPPF requires us to prepare a Strategic Housing Market Assessment, working with neighbouring authorities (para 159), this new approach recognises that the housing requirement across the sub-region or housing market area must be understood and met and in this sense is akin to requiring the local authorities to agree. Now this view of the Duty to Cooperate has been established for this sub-region, failure to take part in and take note of the JSHMA would leave our Local Plan vulnerable to the same fate as Coventry's Core Strategy. For these reasons – and following consultation with the Portfolio Holder, the Executive and Group Leaders – it has been decided to participate in the joint SHMA.
- 3.3 **Recommendation 2.2: That the Council takes part in constructive and effective cooperation with other Councils in the sub-region, seeking to agree appropriate levels of housing growth for the sub-region and the distribution of this growth.** For the reasons explained above, it will be necessary to take part in constructive and effective dialogue on the sub-regional and District housing requirement once the work on the JSHMA is complete. Failure to do this will indicate to an inspector that the Council has not fulfilled its Duty to Cooperate and will leave us vulnerable to an inspector asking us to withdraw our Plan regardless of the level of growth we are planning for. It remains unclear what will happen if we take part in constructive cooperation but cannot agree a way forward and it is likely that this will be dependent on the reasons why agreement cannot be reached. Crucial to this will be the extent to which Warwick District Council is taking a reasonable approach to playing its part in meeting the sub-regional housing requirement – even if others are not.
- 3.4 **Recommendation 2.3: That the preparation of the Submission Draft Local Plan is delayed until the work on the JSHMA is complete and constructive and effective dialogue has been undertaken.** The level of growth for which we are planning is central to the development of the whole Local Plan. Without clarity on this, it is not possible to fully establish the location of development sites, employment land requirements and infrastructure requirements. It will not therefore be possible to prepare a fully evidenced Plan which we believe is robust until after the JSHMA is complete and until after the work on constructive and effective cooperation is concluded. The consequence of this is an inevitable delay. At this stage, it is hard to predict how long this delay is likely to be. Clearly it is in our interest to minimise this delay. To do this the following steps are being taken:
- The procurement process for the JSHMA is being progressed as fast as possible. Cooperation from all the Councils in Coventry and Warwickshire has already been established and a procurement brief has already been prepared for tenders. It is hoped that initial findings relating to the sub-regional housing requirement and its breakdown across the Districts can be established by the summer.

- Work on preparing the JSHMA is focused and uses existing data as much as possible. The initial work of the JSHMA will use existing data to focus on the sub-regional housing market so that housing numbers can be established as quickly as possible.
- Early engagement (e.g. before the JSHMA has reported) with the other Councils involved at a senior political level and amongst officers is being proposed to ensure that potential areas of tension can be understood and addressed early.

3.5 **Recommendation 2.4: That a further report is considered by Council on 4th June setting out a revised development strategy for the Local Plan for further consultation during June and July 2013.** Any delay to the Local Plan leaves the Council vulnerable to applications for development that do not meet the aspirations of the emerging Local Plan, particularly as we do not currently have a 5 year housing land supply. In these circumstances, it is appropriate that the Council is proactive in supporting development which meets its aspirations and which helps deliver land for housing supply. It is suggested that as part of this an interim Local Plan document (a revised development strategy for the Local Plan) is prepared which sets out our aspirations and which clarifies the circumstances in which development proposals are likely to align with our aspirations.

3.6 This revised development strategy for the Local Plan should reflect both the 2012 Preferred Options consultation and the most up to date evidence. This will provide a further opportunity for interested parties to make representations on our emerging proposals and will send out a clear message to developers about how our preferred approach has changed since the consultation during the Summer of 2012. In particular, the revised development strategy for the Local Plan will address the following aspects of the Plan:

- Development Strategy (Level of growth for housing and employment; proposals broad location of growth)
- Strategic Development Sites and Infrastructure (location of housing; location of new employment (including Gateway); rural settlement hierarchy and housing allocations; key supporting infrastructure requirements; trajectory/phasing).

3.7 The representations made during the 2012 Preferred Options consultation have been published online. A summary of the representations, including how we are responding, will be prepared and reported to Council on 4th June.

3.8 Since the Preferred Options were published, further studies have provided updated evidence which should also be taken into account in preparing a revised development strategy for the Local Plan. This evidence includes:

- Report on study undertaken by GL Hearn in to Economic and Demographic Forecasts, December 2012
- Report on Warwick District's Employment Land Review, by GL Hearn, March 2013 (not yet finalised and published)
- Warwick Strategic Transport Assessment (Phase 2), February 2013
- Considerations for Sustainable Landscape Planning – RMA, November 2012
- Studies relating to the Coventry and Warwickshire Gateway application
- Updated Strategic Flood Risk Assessment, 2013 (not yet published)

- Retail Study, 2013 (not yet published)

- 3.10 These studies, combined with the consultation responses suggest that the proposed development strategy needs to be amended. These proposed amendments will be considered by Council on 4th June, prior to a six week period of consultation. Further details of key dates in preparing the proposed amendments are shown in Appendix 2.
- 3.12 This approach will provide a clear signal of our intentions and will provide a framework for discussion with developers and other interested parties on how to bring forward developments.
- 3.13 **Recommendation 2.5: That alongside the revised development strategy for the Local Plan, proposals are brought forward to Council on 4th June for consultation on allocation of sites for Gypsy and Travellers.** There is a requirement to identify sites for 31 pitches for Gypsies and Travellers and for 25 of these to be provided during the next 5 years. Work is currently underway to identify potential sites to meet this requirement. It will be necessary to consult on these site options before preparing a site allocations Plan. It is also vital that genuine progress is made on identifying sites to ensure that failure to address this issue does not put the soundness of the Local Plan at risk and to ensure the housing needs of this part of the community are being met. The proposals to consult on site options will ensure momentum is maintained on this and will pave the way for a site allocations document which can be prepared alongside the Local Plan.
- 3.14 **Recommendation 2.6: That a Preliminary Draft Charging Schedule for the Community Infrastructure Levy (CIL) be developed for consideration by Council on 4th June and that this is consulted on in parallel with the focussed changes to Local Plan.** The adoption of a CIL scheme for Warwick District cannot be completed until the new Local Plan has been adopted. The effect of the Coventry's Inspector's decision is therefore to also delay our CIL scheme. This will mean there is a gap between the introduction of the more restrictive approach to Section 106 agreements and the Council's CIL scheme adoption. During this period, infrastructure provision will need to be funded through Section 106 agreements. However, it is important that we are able to progress towards the adoption and operation of an effective CIL scheme as soon as possible after the adoption of the Local Plan. For this reason, it is recommended that momentum on the development of CIL is maintained. Hence the proposals to develop and consult on a Preliminary Draft Charging Schedule during June and July 2013
- 3.15 **Recommendation 2.7: That the Local Development Scheme is revised to reflect these changes and is formally considered for revisions by Council on 4th June, including bringing forward proposals for a revised Statement of Community Involvement.** The Local Development Scheme needs to be revised to reflect the changes to the Local Plan timetable set out in this report. It is also suggested the as part of the Local Development Scheme, revisions are made to the Statement of Community Involvement which sets out the framework for how the Council will consult and engage with people in preparing Development Plan Documents. The current SCI is becoming out of date having been prepared prior to the 2011 Planning Regulations which have changed the requirements on Plan consultation.

4. **POLICY FRAMEWORK**

- 4.1 **Policy Framework** – This report involves changes to the Local Plan, both in terms of the timetable for submitting and adopting the Local Plan.
- 4.2 **Fit for the Future** – The proposals in this report have been designed to ensure the Local Plan supports the delivery of the Sustainable Community Strategy. The Local Plan will be developed in parallel the development of the Sustainable Community Strategy (SCS) Delivery Plans. The delivery of the Local Plan also remains a key element in Fit for the Future.
- 4.3 The revised proposals resulting from the Coventry Inspector's decision will have an impact on the timetable for delivering Fit for the Future and the SCS Delivery Plans.

5. **BUDGETARY FRAMEWORK**

- 5.1 There are no direct budgetary implications associated with this report, although it should be noted that involvement in the JSHMA is likely to cost in the region of £45,000 to £50,000 in total, equating to approximately £8,000-£10,000 for Warwick District Council. In addition, the costs of the proposed additional consultation period are likely to be in the region of £5,000-£7,000. This additional cost can be met from within the reserve set aside for the Local Plan. However, when the costs of the Examination(s) in Public are more clearly identified, it is possible that there could be a future shortfall for which further funding from the Planning Appeals Reserves (which currently has a balance of £397,000) will need to be drawn down.

6. **ALTERNATIVE OPTION(S) CONSIDERED**

- 6.1 Option 1: Consideration has been given to not participating in the JSHMA and using our existing evidence base to progress the Local Plan according to the timetable previously agreed. Whilst we could have chosen to proceed in this way there is a strong likelihood that our Local Plan would fail the Duty to Cooperate as the Coventry Inspector is clear that it is not possible to meet the requirements of the Duty to Cooperate without having an understanding of the sub-regional housing requirements. Counsel advice has supported this view and it is likely that such an approach would have ultimately lead to a longer delay as we would need to take significant steps back to fulfil the Duty, but would have missed the opportunity to participate in the JSHMA. This option has therefore been rejected.
- 6.2 Option 2: A variant to Option 1 would be to proceed with our Local Plan according to the timetable previously agreed at the same time as participating in the JSMA in parallel. However, it would be very difficult to proceed on this basis as a central piece of evidence (namely our housing requirement as identified through the JSHMA) would not be available in preparing the submission draft. As the housing requirement impacts on many aspects of the Plan, it would render our Plan unsound and would be seen by developers open to challenge on this basis. At best, the result of this would be a need to revise and re-consult on the submission draft once the JSHMA and the follow up negotiations are completed. It would therefore have no advantages over the recommended approach, but could have significant implications in Duty to Cooperate by closing down some options early in the process and in cost/resources. This option has therefore been rejected.

- 6.3 Option 3: We could delay Local Plan until JSHMA and the follow up negotiations are completed without taking any interim steps. This would be a practical process for the Local Plan and would be less resources intensive than other options. However, this would leave the Council vulnerable to planning applications for development that do not meet the aspirations of the emerging Local Plan, particularly as we do not currently have a 5 year housing land supply. This option does nothing to address this and although little formal weight can be given to a consultation draft as recommended, it does provide a clear signal of our intentions and provides a framework for discussion with developers and other interested parties on how to bring forward developments. This would be lacking in this option. This option has therefore been rejected.

APPENDICES

Appendix 1: Letter of the Coventry Core Strategy Inspector relating to Duty to Cooperate

Appendix 2: Local Plan Preparation – Key Dates