

Coventry and Warwickshire Shadow Economic Prosperity Board

Monday 6th July 2015

C&W HMA Strategy to meet Housing and Employment needs: the implications of the Initial Hearings in to the Warwick District Local Plan

1. Introduction

1.1. Warwick District Council submitted its Local Plan for examination in January 2015. Initial hearing sessions were held between the 6th and 12th of May 2015 in order for the following issues to be considered: duty to co-operate; soundness in terms of overall housing provision; and soundness in terms of the supply and delivery of housing land. All C&W authorities were represented at these hearings.

1.2. The Inspector provided his response to these matters in a letter dated 1st June 2015. The Inspector's letter raises some very significant concerns with regard to the Warwick Local Plan that have implications for all C&W Authorities.

1.3. This report provides a summary of the Inspectors Letter before outlining the anticipated implications of this for C&W Planning Authorities. A timetable of future work is then outlined that it is hoped will address the concerns raised by the Inspector and allow C&W authorities to progress through the plan making process.

2. Warwick District Local Plan: Summary of the Inspector's Letter

2.1. The Inspectors Letter is attached to this report. The key points to note in the letter are:

- The Inspector is satisfied that Warwick District Council has fulfilled the legal Duty to Cooperate;
- The Inspector is concerned that there is an identified unmet housing need in Coventry and Warwickshire (at least 234 dwellings per annum) and is requiring this to be addressed (jointly with the other authorities in the Housing Market Area) before the Plan can proceed;
- He rejects the collaborative process that has been agreed by the authorities within the Coventry and Warwickshire Housing Market Area to address the unmet need – namely that the unmet need can be dealt with through adopting individual Local Plans and then undertaking early plan reviews. Instead he is asking for the unmet need to be addressed in the current plan making round. There are therefore implications for all of the Coventry and Warwickshire authorities in his findings.
- The Inspector is concerned that, regardless of whether Warwick District needs to provide more houses to contribute toward the unmet need across the HMA, the total supply of houses set out in the Plan is not sufficient to meet the Warwick District's housing requirement. In particular he argues that the allowance that has made for windfalls has not been fully justified. He also indicates that Warwick District needs to

provide some “headroom” above the minimum housing requirement in case some sites do not come forward.

- He therefore says the number of houses identified in the Plan needs to increase even without the need for the District to accommodate some of the unmet need within the Housing Market Area
- He recommends that the Plan is withdrawn to give Warwick District Council time to prepare new proposals

3. Implication of the Inspectors Letter for C&W Authorities:

3.1. The CSWAPO Policy Group met on Thursday 11th June and discussed the implications of the Inspectors findings for Coventry and Warwickshire HMA.

3.2. It was agreed by the Policy Group that the Inspector’s findings are hugely significant. The process and timetable of work previously agreed by the Shadow EPB in November 2014 and subsequently agreed by all authorities in Coventry and Warwickshire has failed to pass the soundness test in this instance. This indicates a clear risk that none of the authorities across Coventry and Warwickshire are likely to succeed through the plan making process before it can be demonstrated that the housing needs of the Coventry and Warwickshire can be met in full.

3.3. Warwick DC have responded to the Inspector and contacted the Secretary of State, requesting that the examination of the Local Plan is called in so that there is not delay to the process. At the time of writing a response to this request is awaited.

4. Suggested response:

4.1. As stated, Warwick DC has requested that the Local Plan is called in for consideration by the Secretary of State. This would be Warwick DC’s preferred outcome however given the severity of the Inspector’s findings for planning across the sub-region it was recognised by the Policy Group that a second option should be developed in parallel.

4.2. The Group was also in agreement that the withdrawal of the Warwick District Local Plan should be avoided if at all possible. A more favourable option is the suspension of the plan, whilst the authorities undertake further work.

4.3. Warwick DC Officers have confirmed that the issues relating to the supply of housing sites in the District can be resolved quickly, without the need for withdrawal of the plan.

4.4. The timetable of work already agreed by the Shadow EPB in November 2014 proposed a list of tasks that, if completed, would address the concerns raised by the Inspector about the meeting of housing needs across the HMA. The Group therefore discussed whether these tasks could be completed within a shorter timeframe than currently agreed in order to address these concerns within a suspension time period. An initial proposed timetable had been circulated in advance of the Policy Group meeting and this was discussed and refined at the meeting.

4.5. In line with the existing agreement, the CSWAPO Policy Group are suggesting that the tasks to be completed are:

- An agreed methodology for the distribution of unmet housing need across the C&W HMA:
 - The Shadow EPB agreed timetable states that this work will be undertaken now so this is not a change to the agreed task, simply the timescales in which it can be done.
 - This task can be completed in house by the Local Authorities.
- Confirmation of housing need across the HMA and at an individual level and alignment with employment needs:
 - This work will involve the pulling together of existing evidence on employment and housing need across the HMA.
 - GL Hearn produced both the 2013 SHMA and 2014 SHMA Annex and have also produced evidence for several of the authorities individually. GL Hearn have therefore been commissioned to complete this task.
- Confirmation of each authority's capacity for housing:
 - The Shadow EPB agreed timetable required the CSWAPO Policy Group to develop a C&W Joint SHLAA Methodology to ensure consistency in approach to this important piece of evidence across the HMA. This joint methodology has been drafted and agreed.
 - Those authorities that need to update the SHLAA's are preparing updates in line with the recently agreed methodology so that there is an up to date picture of capacity across the HMA.
- The outcome is the identification of aligned housing and employment need across the HMA alongside a proposed distribution of that need across the HMA, addressing the any capacity issues faced by Coventry City Council or other authorities.

4.6. The outcome of the fourth task will then be presented to the Shadow EPB in September and if agreed, each authority will then be able to progress its individual Plans under this agreement.

4.7. The CSWAPO Policy Group agreed that it can do the technical work required to achieve this aim within the timetables suggested. The Group recognise, however, that liaison with Councillors is essential, throughout this timetable, if we are going to reach agreement across the HMA. The group suggests, therefore, that it will require extra political support throughout this process. A 'Political Working Group' is therefore proposed. This will be an informal group that will meet fortnightly with Planning Officers in order to be updated on the work undertaken and debate the issues arising from that. It is hoped that this group will recommend a strategy for distribution to the Shadow EPB at the close of this timetable.

4.8. The timetable below chronologically outlines how the tasks above could be undertaken and completed, alongside consultation with a 'Political Working Group' at regular intervals. The table also contains Shadow EPB meetings and the Cabinet/Council timetables of authorities that have strategically important meetings during this time.

Table 1: Timetable for agreed C&W HMA Strategy to meet housing and employment needs

JUNE	11 th June – 6 th July	DtC Group	<ul style="list-style-type: none"> • Drafts report for sEPB seeking agreement to timetable; • Commissions GL Hearn to undertake work identifying OAN for HMA and individual authorities and aligning that with employment growth; • Begins to develop spatial options of distribution for assessment.
JULY	6 th July	s EPB	Agreement to timetable of work and schedule of political meetings and agendas.
	6 th – 17 th July	DtC Group	<ul style="list-style-type: none"> • Completes assessment of spatial options and selects a preferred option to be presented to the Working Party. Commences a debate about extent to which increases in OAN at an individual level may cause uplift in the HMA OAN. The resolution of this issue can then be reported to SDC when it considers its emerging Core Strategy.
	Friday 17 th July	Political Working Party	<ul style="list-style-type: none"> • Introductions • Introduction to the principals of the timetable and process • Preferred distribution option is presented, debated and agreed.
	16 th – 31 st July	DtC Group	<ul style="list-style-type: none"> • Receives findings of GL Hearn work and finalises report.
	20 th July 2015	Stratford DC	Considers consultation version of emerging Core Strategy, including amended housing requirements.
	Friday 31 st July	Political Working Party	Findings of GL Hearn work are presented. OAN for HMA and individual authorities is agreed.
AUGUST	3 – 14 th August	DtC Group	SHLAA work, which has been running concurrently since June, is completed and agreed by the DtC Group before presentation to the Working Party. Coventry CC begin to present SHLAA findings to Warwickshire authorities to allow for detailed discussion of this work.
	Friday 14 th August	Political Working Party	Capacity of each authority is reported and agreed.
	17 th – 28 th August	DtC Group	Taking the findings of all of the above, the DtC group come up with a proposed distribution across the HMA.
	Thursday 27 th August	Political Working Party	Options for the distribution of housing and employment across the HMA are debated

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SEPTEMBER	1 st – 11 th September	DtC Group	Considers feedback provided by the Working Group and develops the preferred distribution
	11th September	Working Party	Preferred distribution strategy is presented and debated with an aim to seek agreement on the preferred strategy for recommendation to the sEPB.
	14 th – 18 th September	DtC Group	Drafts an MoU following the Working Party meeting and accompanying sEPB report.
	23rd September	Lead Officers Group	Considers MoU and reports any amendments back to DtC Group.
	29TH September	sEPB	MoU that outlines the agreed distribution of housing and employment across the HMA is agreed.

OCTOBER/ NOVEMBER/DECEMBER	All authorities	Seek formal agreement of the MoU through individual political processes.
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5. Recommendation

5.1 The Shadow EPB is recommended to:

5.2 **Recommendation 1:** Agree the process and timetable set out in the table above;

5.3 **Recommendation 2:** Commit to supporting the CSWAPO Policy Group through the establishment of Political Working Group meetings attended by all authorities;

5.4 **Recommendation 3:** Discuss and agree to consider a proposed Memorandum of Understanding at its meeting on 29th September 2015.