

 Executive 3rd December 2008		Agenda Item No.
Title	Future Sub-Regional Strategy Development	
For further information about this report please contact	Chris Elliott Chief Executive (01926) 456000 chris.elliott@warwickdc.gov.uk Bill Hunt Interim Strategic Director (Housing and Development) (01926) 456014 bill.hunt@warwickdc.gov.uk	
Service Area	Corporate Management Team	
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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	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	n/a	
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No

Officer/Councillor Approval		
With regard to officer approval all reports <i><u>must</u></i> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Relevant Director	Co-author	Bill Hunt
Chief Executive	Co-author	Chris Elliott
CMT	13/11/08	
Section 151 Officer	16/11/08	Mary Hawkins
Legal	16/11/08	Peter Oliver
Finance	16/11/08	Mary Hawkins
Portfolio Holder(s)	24/11/08	Cllr. Doody
	15/11/08	Cllr. Hammon
	17/11/08	Cllr. Mrs. Grainger
Consultation Undertaken		
Final Decision?	No	

Suggested next steps (if not final decision please set out below)

Discussions to be held with partners, on future strategy development within the sub-region, via the Coventry, Solihull & Warwickshire (CSW) Partnership and Forum.

Discussions to be held with the West Midlands Regional Assembly, Government Office for the West Midlands and the Homes and Community Agency on potential housing market area boundary changes and with Advantage West Midlands on potential changes to their operational area boundaries.

A further report to be brought to Executive if any changes to the existing housing market area boundaries are proposed.

1. SUMMARY

- 1.1 This report highlights the increasing importance of sub-regional working to ensure effective strategy development and delivery for the emerging planning, economic development, skills, transport and housing agendas. Executive is asked to endorse the current work seeking a re-alignment of existing housing market area boundaries and Advantage West Midlands (AWM) operational area boundaries to mirror the sub-regional boundary and approve a draft Action Plan to develop sub-regional strategic development.

2. RECOMMENDATIONS

- 2.1 That Executive endorses the current moves to explore the potential to create a new housing market area, coterminous with the boundary of the Coventry, Solihull and Warwickshire (CSW) sub-region and for re-alignment of AWM operational area structures on the same basis and notes the letters sent to English Partnerships, the Government Office for the West Midlands and AWM to this effect, a sample copy of which is attached at Appendix One.
- 2.2 That Executive notes the success of the Coventry, Solihull and Warwickshire Partnership (CSWP), of which this Council is a member, in securing £100,000 of funding from AWM to conduct research into mechanisms for forward funding infrastructure provision in the sub-region.
- 2.3 That Executive notes that CSWP has agreed to commit £50,000 of its own funding towards research on the transport infrastructure needed to inform the development of Core Strategies by the 8 local authorities within the sub-region.
- 2.4 That Executive endorses the use of existing sub-regional structures to develop the strategy for implementing the housing growth proposed within the Regional Spatial Strategy (RSS).
- 2.5 That Executive considers the draft Action Plan, attached at Appendix Two, and delegates responsibility to the Corporate Management Team to agree a final version with the Coventry, Solihull and Warwickshire Association of Chief Executives group for presentation to the Public Service Board.
- 2.6 That Executive notes the merger of the Regional Forum of Leaders' (RFL) and the West Midlands Local Government Association to create a 'new' RFL with a membership that includes the Leaders of all councils in the region including our own.
- 2.7 That Executive notes the establishment of a Joint Strategy and Investment Board, which will include members of the RFL, as set out at Appendix Three. The Board will develop and deliver a Single Integrated Regional Strategy.

3. REASONS FOR THE RECOMMENDATION

- 3.1 The 8 local authorities in the CSW sub-region (Coventry City Council, Solihull Borough Council, Warwickshire County Council and the 5 Warwickshire district/borough councils) have been developing closer working relationships over a number of years on a range of related strategic issues. This sub-regional approach is a good fit with emerging regional policy development, driven by the central government Review of Sub-National Economic Development and Regeneration (SNR).

- 3.2 A joint sub-regional spatial strategy has been agreed and has now been incorporated within the draft West Midlands Regional Spatial Strategy (RSS). This sub-regional approach is designed to manage the predicted levels of housing growth across the whole sub-region which serves to even out the high levels of growth that could otherwise be anticipated in the south and east of the sub-region including Warwick district. Continuing with the sub-regional approach is considered to be the most effective means of protecting the district from a level of housing growth potentially significantly higher than that proposed in the draft RSS.
- 3.3 All the local authority partners, together with a wide range of other agencies, support the CSWP, a body which focuses on economic development and through which a joint Economic Development Strategy for the sub-region is being finalised.
- 3.4 An Action Plan setting out how sub-regional joint working can be further strengthened and developed has been developed by the CSW Chief Executive Group and is attached at Appendix Two. This has been put out for debate amongst the 8 local authorities, pending consideration of their responses by the Public Service Board. The action plan envisages the spread of joint policy and strategy development into the fields of transport, environment, skills and housing.
- 3.5 The development of this work will be strengthened by the success of the CSWP in securing funding from AWM to research infrastructure provision and its commitment to also allocate some of its own monies to research the transport infrastructure that would be required to deliver the Core Strategy's of all the local authorities within the sub-region.
- 3.6 However, the current configuration of housing market areas within the West Midlands region is a potential barrier to the development of a housing strategy that is fully integrated with the sub-regional spatial planning, regeneration, transport infrastructure and skills agendas.
- 3.7 Stratford and Warwick districts are in a housing market area with all the Worcestershire local authorities while the rest of the CSW councils are in a housing market area that includes Birmingham, Walsall and the Black Country, Wolverhampton, parts of Staffordshire and Telford & Wrekin. The housing market areas effectively create sub-regions for housing purposes, through which housing strategy is developed, which have significantly different boundaries to the sub-regions through which the other strategic agendas are being developed.
- 3.8 The CSW Executive Group, chaired this year by our own Chief Executive, has written to the Government Office of the West Midlands (GOWM) and the Regional Director of English Partnerships (who will shortly assume a new role as the Regional Director of the new Homes and Community Agency) to explore the possibility of the creation of a proposed new housing market area coterminous with the CSW sub-region boundary, to overcome this current mismatch of sub-regional boundaries. A copy of one of these letters is attached at Appendix One for information. However, unless and until any future re-alignment of boundaries WDC will continue to actively participate in the housing market area of which it is currently a member.
- 3.9 Discussions have also begun to explore the possibility of formal recognition of the CSW sub-region by AWM and re-alignment of their operational structures to reflect its boundary. AWM currently have one senior officer responsible for Coventry and

Solihull and another with responsibility for Warwickshire. This makes it difficult to have a single conversation let alone a single investment plan and hinders the development of a strong sub-regional economic development strategy.

- 3.10 The need to strengthen sub-regional working is further highlighted by developments at the regional level. The Regional Forum of Leaders (RFL) has recently merged with the West Midlands Local Government Association to create an organisation to provide a single and strong voice for local government.
- 3.11 The 'new' RFL has agreed to set up a smaller group of its members to work with colleagues from AWM. This body, to be known as the Joint Strategic Investment Board (JSIB), will be responsible for the development and delivery of a Single Integrated Regional Strategy (SIRS).
- 3.12 It is therefore crucial that the CSW sub-region is able to effectively influence the development of the SIRS in a way that reflects the needs of all 8 authorities within the CSW sub-region.

4. ALTERNATIVE OPTION CONSIDERED

- 4.1 One alternative option would be to discontinue the current sub-regional joint working. This would significantly weaken our position in relation to strategy development across all the policy area mentioned in section 3. This could have a significantly detrimental impact in terms of the development of the draft RSS, leaving us vulnerable to any proposal to increase the levels of housing numbers allocated to the district.
- 4.2 Another alternative option would be to not pursue the potential for creating a new housing market area. This would do nothing to address the issue of housing strategy being developed across a different sub-region meaning it would potentially not be adequately integrated with spatial policy and the other strategic agendas.
- 4.3 However, it is recognised that any re-alignment of existing housing market area boundaries would be a significant decision for this Council. A further report would be brought to Executive if the current exploratory discussions indicate that the formation of a new housing market area is a realistic and viable option.

5. BUDGETARY FRAMEWORK

- 5.1 There are currently no budgetary implications other than the need to commit officer time to the finalisation of the action plan and to the progression of the wider sub-regional strategic policy development agenda.
- 5.2 If future sub-regional strategy development work requires a budget commitment a further report will be brought to Executive.

6. POLICY FRAMEWORK

- 6.1 Sub-regional strategy development supports the following 2007-11 Corporate Strategy objectives:
 - to improve the efficiency of service delivery to the Council's customers
 - to improve housing services efficiency to meet the housing needs of the district

7. BACKGROUND

- 7.1 A range of groups currently operate at sub regional level. The most important in terms of strategy development are the Coventry, Solihull and Warwickshire Partnership (CSWP) and the Coventry, Solihull and Warwickshire Forum (CSWF).
- 7.2 CSWP Ltd. is a company limited by guarantee with a membership comprising all of the 8 CSW local authorities, the Learning & Skills Council, the two Universities, Colleges, private businesses, community and voluntary organisations, AWM (the Regional Development Agency for the West Midlands region), the Health Sector and Coventry and Warwickshire Chamber and Business Link.
- 7.3 This private/public partnership brings together key partners to focus on economic development policy and strategy. In addition Connexions also currently form a division of CSWP, serving both Coventry and Warwickshire.
- 7.4 The partnerships core objectives are:
- To represent and promote the economic interests, development and regeneration across the Coventry, Solihull and Warwickshire sub region
 - Enabling private, public, education and voluntary agencies to work together for the growth and prosperity of Coventry, Solihull and Warwickshire and the one million people who live here.
 - To provide a platform for joint cross-partner policy decisions.
 - To deliver a range of funded projects which fulfil CSWP objectives
 - To speak out loudly and clearly for the sub-region, giving people a strong voice in their future prosperity
- 7.5 CSWP effectively acts as AWM's programme office in the sub-region, through which it channels 2 separate funding streams. The first is via the Regeneration Zone (broadly covering Nuneaton, Bedworth and North and East Coventry) which aims to redress the economic imbalance that exists in terms of prosperity between the Zone and the remainder of the sub-region.
- 7.6 The other is the High Technology Corridor (extending from Nuneaton, through Coventry to Warwick and Leamington) which is of significant importance to this district. The Corridor is one of three High Technology Corridors in the West Midlands which were established to accelerate the modernisation and diversification of the region's economy, stimulate new enterprise and attract new investment. It has huge potential to contribute to diversifying the local business base and encourage business start-ups and growth, as it is able to capitalise on the presence of the University of Warwick, Coventry University, Warwick Science Park and a host of other research organisations, in addition to it sitting within an area of strong, established high-technology transport and ICT businesses.
- 7.7 Over £30 million is being invested in the Corridor, with £5.8 million coming from AWM and the rest from the EU, partner organisations and the private sector. The long term vision is that it will be the catalyst for the CSW sub-region developing a globally significant and self-sustaining cluster of innovative, knowledge-based high technology businesses, with particular specialisms in ICT, motor sport, product engineering & design and medical technologies.
- 7.8 Whilst the CSWP has delivery functions as well as strategy and policy development responsibilities, the Forum (CSWF) is an advisory forum of 20 members drawn from the 8 local authorities in the sub-region.

- 7.9 Its purpose is to advise the constituent authorities and other bodies, including the West Midlands Regional Assembly and GOWM, on strategic planning and related spatial matters of common interest to the authorities.
- 7.10 Coventry City Council, Solihull and Warwickshire County Council each have 4 representatives on the CSWF with the 5 Warwickshire district/boroughs having 2 each. WDC's representatives are Councillor Hammon and Councillor Edwards.
- 7.11 In addition to the CSWP and CSWF there are a number of other bodies currently operating on a sub-regional level including:
- Destination Management Partnership (DMP) - a body that brings Councillors and the private sector together to discuss issues relating to the Visitor Economy, currently hosted by CSWP
 - Tourism Officers Group (TOG) – A group of local authority officers who meet to support the DMP and to discuss and agree action.
 - Economic Development Officers Group (EDOG) – Local authority officers who meet to discuss economic development matters.
 - Warwickshire Inward Investment Partnership (WIIP) – Local Authority officers (largely WCC) who respond to enquiries from business. However, this is not a fully integrated function across the sub-region as Coventry also has its own Inward Investment team.
 - Coventry, Solihull Warwickshire Association of Planning Officers (CSWAPO) - the sub-regional professional officer group comprising senior planning officers from each of the 8 CSW authorities who meet on a regular basis to consider issues of joint concern, principally and as far as possible, the provision of a seamless planning service across the sub-region. CSWAPO has four main sub-groups focussing on development planning, development control, information & monitoring and regional & sub-regional coordination. It is the last sub-group, the RSS Coordination Officers' Group, made up of the eight chief planners who produce the bulk of technical reports for CSWF.
 - CSW Transport Strategy Group - a de facto group of senior transport & highways planning officers from Coventry, Warwickshire, Solihull, CENTRO and the Highways Agency. The impetus for the recent formation of this group has come from the CSWF's advice on growth in the sub-region which has been taken on-board by the Regional Assembly in its draft RSS Phase 2 Revision. It is intended to work in tandem with, and include/co-opt district planning officers from, the RSS Coordination Officers' sub-group of CSWAPO.
 - CSW Habitat/Bio Diversity Group – an officer group concerned with biodiversity issues and natural habitat.
 - Warwickshire Waste Forum – an informal body with Councillor representatives of all Warwickshire Local Authorities that aims to develop a coherent Waste Strategy and co-ordinate activity. An officer team supports the Forum. A Joint Committee has been agreed in principle.

- CSW Association of Chief Executives (CSWACE) – the regular meeting of Chief Executives, formerly just from the 6 Warwickshire councils but now expanded to include Coventry and Solihull.
- County Leaders Group – regular meeting of all Council Leaders in Warwickshire.
- Warwickshire Direct Partnership (WDP) – all Warwickshire Local Authorities are involved at Councillor and officer level to take forward issues of joint customer access and shared technology.
- Warwickshire Observatory – an officer team within WCC that collects and provides research data to inform a variety of strategies.

7.12 There are also a whole series of bilateral groups and meetings which take place. In addition, there are a range of partnerships at a very local level such as Town Centre partnerships, BID Companies, Tourism Companies etc, that add to the mix of provision within the sub region but which are unlikely to be brought into the sub regional fold at this stage.

8 Review of Sub-National Economic Development and Regeneration (SNR)

8.1 The SNR is a joint initiative between the Treasury, Department of Communities and Local Government (CLG) and the Department of Business, Enterprise and Regulatory Reform (BERR).

8.2 The SNR is designed to achieve a framework to enable central government, local government and other partners to work together to help maximise prosperity in all parts of England and tackle issues of social deprivation and inequality.

8.3 In essence, the SNR proposes that:

- The existing Regional Assemblies will ‘not continue in their current form’ after 2010 with their planning and housing powers being handed to the Regional Development Agencies (RDAs);
- The RDAs will work towards the integration of planning, housing and economic development strategies (amongst others) into a Single Integrated Regional Strategy (SIRS) by 2010;
- The SIRS will amalgamate the Regional Spatial Strategy with the Regional Economic Strategy and will be agreed in consultation with the Council leaders of the region;
- The RDAs will delegate activities and funds to Unitaries/County Councils or to sub regions;
- Unitary Authorities and County Councils will have a duty relating to economic development (and in County areas there will be a requirement to involve the District and Borough Councils) but planning and housing powers will remain as they are now, largely vested in Unitary Authorities and in District and Borough Councils.

8.4 Consultation on the SNR has now closed and ministers are currently the options for implementation which will be published in the coming months.

- 8.5 To steer the implementation of SNR within the region a West Midlands Strategic Transition Group (STG) has been established with representation from local authority leaders, GOWM, AWM (who are this region's RDA), the existing Regional Assembly and business. The STG is currently scoping the work required to develop the evidence base for the SIRS and looking at the means by which activities and funding can be delegated from the regional to the local/sub-regional level.
- 8.6 The future delegation of these activities and funding streams through the implementation of the SNR demonstrates the importance of the sub-regional agenda for this Council. Our ability to exert greater influence over sub-regional, as opposed to regional, strategy development will enhance our ability (and that of the other 7 local authorities in the CSW sub-region) to deliver the Corporate Strategy agenda, the Sustainable Community Strategy and the targets within the Local Area Agreement.

9 Housing Market Areas (HMAs)

- 9.1 The West Midlands Regional Assembly is currently responsible for the development of a regional housing strategy. The current strategy was developed in 2005 and identifies and prioritises regional housing issues for capital investment in the period 2008-11. Included within the core aims of the strategy are specific references to:
- Assisting the delivery of the West Midlands RSS' policies of urban and rural renaissance
 - Influencing the future development of new housing provision to facilitate the economic development of the region
 - Improving the inter-relationship in strategy and investment between housing and economic development to achieve a synergy for urban and rural renaissance
- 9.2 The housing strategy is implemented through 4 sub-regional housing market area (HMA) partnerships. These market areas are designed to group together localities that share housing market characteristics.
- 9.3 Warwick District, along with Stratford District, is part of the Southern Housing Market Area (SHMA) which also includes the 6 local authorities within Worcestershire. The shared housing characteristic defining the SHMA is the affordability issue with high land and property prices, a low base of existing affordable housing and low levels of development of new affordable housing.
- 9.4 The remaining districts within Warwickshire, along with Coventry and Solihull, are within the Central Housing Market Area (CHMA) which also includes Birmingham and the urban Black Country local authorities, Lichfield, Tamworth, Cannock Chase, South Staffs and Telford and Wrekin.
- 9.5 Whilst the potential for creating a new East HMA, with a boundary coterminous with the CSW sub-region, is currently being explored as set out in Section 3, there are no plans to unilaterally leave the SHMA as this could potentially jeopardise our ability to access funding for affordable housing.
- 9.6 The Housing Corporation currently allocates funding for affordable housing to each HMA (a function soon to transfer to the HCA as detailed in Section 10 below). The SHMA's allocation is based on a detailed housing market needs assessment produced to inform the development of a sub-regional housing investment strategy.

- 9.7 The current needs assessment demonstrates a shortfall of 3,625 affordable homes required each year across the SHMA but in the period 2007-11 only 17% of this total is likely to be delivered. In Warwick district the position is bleaker still with an estimated 785 new affordable homes required each year but less than 14% likely to be delivered (assuming we meet our target of 100 completions per annum). It is interesting to note that within the SHMA no other district exceeds our total of new homes required per annum with the closest being Worcester City with 525 new units required per annum.
- 9.8 Given our high need, identified by the SHMA needs assessment, we are theoretically well placed to receive an adequate level of funding for new affordable housing developments. In reality the lack of available sites and the Managing Housing Supply SPD (moratorium) militate against this, issues that would still be relevant were to join a new HMA.
- 9.9 Were a new East HMA to be formed we would need to ensure that our ability to draw down funding for affordable housing was not compromised from the levels that we could potentially achieve by remaining within the SHMA. A further report will be brought to Executive on this issue depending on the outcome of the exploratory discussions currently underway.
- 9.10 In the meantime we will continue to be an active member of the SHMA and will be co-operating with its other local authority members in lobbying the Homes and Community Agency to ensure that the current allocation of funding for affordable housing across the housing market area is not reduced as previously threatened.

10 Homes and Community Agency (HCA)

- 10.1 The HCA will be a single, national housing and regeneration agency for England and will bring together English Partnerships, the Housing Corporation's investment arm (which currently allocates the funding for affordable housing across the housing market areas) and the Academy for Sustainable Communities.
- 10.2 The HCA will also take on some of the delivery functions of the department of Communities and Local Government (CLG). The CLG is currently responsible for the delivery of the policies for growth, housing market renewal and the decent homes programme and these functions will all transfer to the HCA.
- 10.3 The HCA is currently operating in shadow form but is likely to become fully operational in December 2008. Once fully operational the delivery of affordable housing will firmly become the responsibility of the HCA.

11 Regional Forum of Leader's (RFL)

- 11.1 A 'new' RFL has recently been created through a merger with the West Midlands Local Government Association. The leader of every council in the region will now be a member of the RFL, including our own leader, Councillor Doody.
- 11.2 The RFL will provide a single and strong voice for councils, become the principal body for developing the collective view for West Midlands' local government and ensure that democratically elected leader's continue to play a key role in ensuring that improvements to the economic and social vitality of the communities they represent are achieved.

11.3 The RFL has two key tasks that need to be achieved by 2010:

- Preparing for the demise of the Regional Assembly by ensuring that all appropriate arrangements are in place for the transfer of any functions that need to be passed on to sub-regional bodies or individual councils
- Ensuring that the RFL has a strong input into the development of the Joint Strategic Investment Board and the Single Integrated Regional Strategy

12 **Single Integrated Regional Strategy (SIRS) and Joint Strategic Investment Board (JSIB)**

- 11.1 The RFL has recently endorsed terms of reference for the Joint Strategy and Investment Board (JSIB), as set out at Appendix Three. The formation of the JSIB is the region's response to the requirements of the SNR and it will be the vehicle that develops and delivers the Single Integrated Regional Strategy (SIRS).
- 11.2 The SIRS will cover economic development and regeneration throughout the West Midlands region.
- 11.3 The JSIB will include a number of council leaders, selected by the RFL, who will feed back to the main group, ensuring that the SIRS is 'signed-off' by the region's council leaders.
- 11.4 How the CSW sub-region will feed, via its leader's role within the RFL, into the JSIB and therefore what degree of influence it will exert over the formulation of the SIRS is critical to this district and will influence future strategy development across the whole sub-region.
- 11.3 Equally important is an understanding of the role that the HCA, with its remit for linking the housing and regeneration agendas, will play in formulation of the SIRS. This is as yet unclear but clearly has a bearing on any proposals to change the existing HMA boundaries.