

Michael Doody
Chairman of the Council

Council meeting: Wednesday, 12 August 2015

Notice is hereby given that an ordinary meeting of Warwick District Council will be held at the Town Hall, Royal Leamington Spa on Wednesday, 12 August 2015 at 6.05pm.

Emergency Procedure

At the commencement of the meeting, the Chairman will announce the emergency procedure for the Town Hall.

Agenda

1. **Apologies for Absence**
2. **Declarations of Interest**

Members to declare the existence and nature of interests in items on the agenda in accordance with the adopted Code of Conduct. Declarations should be entered on the form to be circulated with the attendance sheet and declared during this item. However, the existence and nature of any interest that subsequently becomes apparent during the course of the meeting must be disclosed immediately. If the interest is not registered, Members must notify the Monitoring Officer of the interest within 28 days.

Members are also reminded of the need to declare predetermination on any matter.

If Members are unsure about whether or not they have an interest, or about its nature, they are strongly advised to seek advice from officers prior to the meeting.

3. **Minutes**

To confirm the minutes of the meeting of the Council held on 24 June 2015 as set out on pages 1 to 8.

4. **Communications and Announcements**



5. **Petitions**

6. **Notices of Motion**

To consider a notice of motion from Councillor John Barrott, that:

"Last year, following a Notice of Motion from the Labour Group, Warwick District agreed to support the introduction of the National Living Wage for all its employees. Following work undertaken by officers of the Council to find out how many employees were paid below the National Minimum Wage and what the potential costs were, the Executive agreed to this introduction.

At the time of that motion, the Living Wage has been independently set nationally at £7.45p, but it is now set at £7.85p per hour.

Therefore I seek member's approval of the following motion:

"The Council will seek, through the procurement process, that its contractors and suppliers of goods and services pay their employees the National Living Wage. The Council asks its Executive and officers to begin this process by engaging in dialogue with all the relevant stakeholders and report back to Council with their findings and recommendations.""

7. **Public Submissions**

8. **Leader's and Portfolio Holders' Statements**

9. **Questions to the Leader of the Council & Portfolio Holders**

10. **Executive Report**

To consider reports of the Executive

(1) 1 July 2015

(Page 1 to 18)

(2) Excerpt of 29 July 2015

(Page 19 to 21)

11. **The Local Plan – The Way Forward**

To consider a report from Development Services **(Item 11 / Pages 1 to 16)**

12. **Public and Press**

To consider resolving that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following item by reason of the likely disclosure of exempt information within the paragraphs of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006, as set out below.

Minute No.	Para Nos.	Reason
13	1	Information relating to an Individual
13	2	Information which is likely to reveal the identity of an individual
13	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

13. **Executive Report**

To consider reports of the confidential report of the Executive on 1 July 2015
(Page 1 to 6) (Not for publication)

14. **Common Seal**

To authorise the affixing of the Common Seal of the Council to such deeds and documents as may be required for implementing decisions of the Council arrived at this day.



Chief Executive
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General Enquiries: Please contact Warwick District Council, Riverside House, Milverton Hill, Royal Leamington Spa, Warwickshire, CV32 5HZ.

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Enquiries about specific reports: Please contact the officers named in the reports.

Details of all the Council's committees, councillors and agenda papers are available via our website www.warwickdc.gov.uk/committees

Please note that the majority of the meetings are held on the first floor at the Town Hall. If you feel that this may restrict you attending this meeting, please call (01926) 353362 prior to this meeting, so that we can assist you and make any necessary arrangements to help you attend the meeting.

The agenda is also available in large print, on request, prior to the meeting by calling 01926 353362.

WARWICK DISTRICT COUNCIL

Minutes of the meeting held on Wednesday 24 June 2015, at the Town Hall, Royal Leamington Spa at 6.00pm.

PRESENT: Councillor Doody (Chairman); Councillors Ashford, Barrott, Boad, Mrs Bunker, Cain, Mrs Cain J.P., Coker, Cooke, Davies, Davison, Day, Edgington, Mrs Evetts, Mrs Falp, Gifford, Miss Grainger, Harrington J.P., Heath, Mrs Hill, Illingworth, Mrs Knight, Margrave, Mobbs, Murphy J.P., Naimo, Parkins, Phillips, Quinney, Rhead, Shilton, Stevens, Weed and Whiting.

11. **Apologies for Absence**

Apologies for absence were received from Councillors Bromley, Butler, Cross, D'Arcy, Mrs Gallagher J.P., Gill, Mrs Grainger, Howe, Mann, Morris, Mrs Redford, Thompson.

12. **Declarations of Interest**

Minute Number 20 – Devolution and Economic Growth – Options for a combined authority

Councillors Gifford and Shilton declared a personal interest because they were Warwickshire County Councillors.

13. **Minutes**

The Minutes of the meeting of the Council held on the 20 May 2015, were approved and signed by the Chairman.

14. **Communications & Announcements**

The Chairman took the opportunity to welcome all new Councillors to the Council and outlined some basic matters of protocols for the meeting.

The Chairman informed the Council that on the 15 July 2015 there would be a fundraising event in the Space at Riverside House to raise money for the Prostate Cancer Charity and Breast Cancer Charity.

The Chairman reminded Councillors about the forthcoming training/briefing sessions for all Councillors and encouraged them to attend as many as possible, especially the mandatory training session on 6 July, about Chairing Committee meetings which he would be attending.

The Chairman informed the Council that there was no business under; Item 5, petitions; Item 6, Notices of Motion; and Item 7, Public Submissions.

15. **Leader's and Portfolio Holders Statements**

The Leader, Councillor Mobbs, congratulated Councillors Doody and Mrs Knight on their appointments as Chairman and Vice-Chairman respectively. He offered special congratulations to Councillor Doody on becoming the first Councillor to be Chairman of the Council twice. He also offered a warm welcome to all Councillors in the first meeting of the Council.

The Leader informed Council that he was awaiting a response from the Secretary of State, to his letter about the local plan. However, he had discussed an outline timetable with fellow Leaders and Chief Executives for addressing the unmet housing need. A further discussion would take place at the 6 July Economic Prosperity Board.

The Leader informed the Council that he had been invited to a meeting on 25 June 2015 about combined authorities, which he would attend if Council agreed recommendations in the associated report on the agenda for this meeting.

The Leader thanked all Councillors for their participation in the most intensive start to a Council and encouraged all to attend as many briefings and training sessions as possible.

The Leader explained that he now wanted to progress key projects but these needed to be based on fact and this required sound scrutiny and robust debate. That said, he emphasised that Councillors must not hold Council back, the future health of the Council was key to delivering the service.

The Leader stated that all Conservative Councillors had signed up to the Code of Conduct and to observe the principles set out in a report to Council in February. The Leader asked all Councillors that if they had any questions about this to contact the Democratic Services Manager & Deputy Monitoring Officer.

The Portfolio Holder for Neighbourhood Services, Councillor Shilton, congratulated Councillors Doody and Mrs Knight on their appointments. He went on to explain that work had started on the refurbishment of Eagle Recreation Ground, including new equipment and a new safe surface. As a result of this, he was hoping to establish a friends of Eagle Recreation Ground. In addition, he announced that the tender had been awarded for Roxborough Croft with work due to take place during the school holidays.

16. **Questions to the Leader of the Council & Portfolio Holders**

Councillor Boad asked the Leader, if the list of expenditure over £250 should be more accessible to find on the Council's website. In response, the Leader, Councillor Mobbs, agreed with Councillor Boad and assured him that the Portfolio Holder for Finance was listening to this.

Councillor Boad, asked the Portfolio Holder for Housing, Councillor Phillips, if he thought it was acceptable that (a) earlier this month Councillor Boad had visited a Council high rise apartment block alarm, in the late afternoon, to find the fire alarm had a fault. The alarm says to call Fire & Rescue Service, which he did but after they did not attend for over twenty minutes he called the alarm provider who told him to call the Council. Later that day, Councillor Boad found that a tenant had called to report this fault at 8.15am but had been told by officers that they were not responsible for the matter; and (b) why do the Council accept that Ian Williams can leave wet paint signs up for weeks after the work has been completed?

In response, Councillor Phillips thanked Councillor Boad and asked him to provide him with the specific details of this case to enable him to investigate and report back on how it should work and why it did not on this occasion.

Councillor Barrott asked the Leader why he was making statements in the local newspapers such as "plans are in place to slash costs by moving Riverside House, outsource/privatise leisure centres and reduce costs by letting Pump

Rooms"; and "it's easier" because of the majority the Conservatives had on the Council; and therefore had some of these decisions already been made?

In response, the Leader assured Councillor Barrott that he did not use words like "slash" and that all Councillors knew it was possible to get misquoted in the press. This administration favoured economic growth, and want to work with all parties to increase investment in the area. He expected the Council to maximise income and reduce costs. There was an options appraisal on leisure services that would come back with a detailed report.

Councillor Barrott asked the Leader that if he had been misquoted why he did not ask for a correction to be published and did statements like this give the wrong view of the Council for residents, staff and councillors?

The Leader responded by explaining that he had responded in his regular article within the newspaper to another headline that "cuts are inevitable" which he also did not say but had said that government cuts in funding are inevitable. A letter on this matter had been made available on the intranet for members of staff.

17. **Executive Report**

The report of the Executive meeting on 16 June 2015 was proposed, duly seconded and:

Resolved that the Executive report of 16 June 2015, be approved.

18. **Employment Committee**

The report of the Employment Committee meeting on 17 June 2015 was proposed, duly seconded and:

Resolved that the Employment Committee report of 17 June 2015, be approved.

(The Chief Executive and Deputy Chief Executive & Monitoring Officer left the room while this item was considered because it related to their role at the Council)

19. **Appointments to Committees**

It was proposed by Councillor Mobbs duly seconded and

Resolved

- (1) to appoint Councillors Mrs Cain, Edgington & Thompson as substitutes for the Planning Committee;
- (2) to appoint Councillors Edgington & Hill as substitutes to the Licensing & Regulatory Committee;
- (3) to replace Councillor Miss Grainger, as a member of the Finance & Audit Scrutiny Committee, with Councillor Mann;

- (4) to replace Councillor Mann, as a member of the Overview & Scrutiny Committee, with Councillor Miss Grainger;
- (5) to change Councillor Miss Grainger so she is a substitute for Finance & Audit Scrutiny Committee instead of being a substitute for Overview & Scrutiny Committee; and
- (6) to change Councillor Mann so he is a substitute for Overview & Scrutiny Committee instead of being a substitute for Finance & Audit Scrutiny Committee.

20. **Devolution and Economic Growth – options for a combined authority**

The Council considered a report from the Chief Executive that set out information about the new Government's developing policy on devolution, growth and combined authorities and current proposals for the West Midlands. The report proposed responding to this rapidly moving agenda by entering into discussions with other local authorities and the Government to establish how the Council's objectives could be achieved through membership of a combined authority; requiring the Council Leader and Chief Executive to feedback on these discussions to Council.

There were two elements to this issue – one was the creation of a Combined Authority (a legal entity) and the other was the devolution package that could be negotiated with the Government on the back of creating a Combined Authority. The creation of a Combined Authority had to follow a number of steps including wide consultation, which was summarised at Appendix 2 to the report.

The new Government had quickly announced that it intended to pursue its policy of economic growth through devolution and had published the Cities and Local Government Devolution Bill to assist with this process. The first speech given by the Chancellor of the Exchequer after the election focused on the Northern Powerhouse and devolution.

In his speech the Chancellor had stressed the importance of the cities and their areas in the north to improve productivity and to rebalance the UK economy. This policy was based on the economic theory that significant increased in productivity required areas to work together at scale i.e. that there were real benefits to be had from economic agglomeration where places collaborate on key economic initiatives. The Chancellor promised greater powers and autonomy through devolution deals to cities with ambition elsewhere in the UK, particularly to those who chose to have an elected Metro mayor.

This offer from the Chancellor, along with the publication of the Cities and Local Government Devolution Bill, had added further impetus to the development locally of a combined authority for the West Midlands which was now the only metropolitan area in England that did not have a combined authority.

Combined authorities could be set up by one or more local authorities who wished to come together to promote economic growth on a sub-regional basis for their area so that they could address issues including transport, skills and economic regeneration. A combined authority must reflect the area's economic geography, provide a collective voice and enable collective decision making by

the local authorities that made up the combined authority. Combined authorities increasingly became the body of choice for the devolution of powers and funding from Government during the last Parliament.

Combined authorities were not intended to replace existing local authorities. Member councils would continue to deliver local services and retain civic responsibility for their areas. Nor were combined authorities a replacement for Local Enterprise Partnerships which were made up of local businesses and local authority representatives and which would continue to operate alongside combined authorities. Greater Manchester, regarded as the most advanced combined authority, was to be given powers over health and social care – although this was being linked to the creation of a Metro mayor for the area.

Initially seen as predominantly a vehicle for metropolitan areas for the city deals negotiated with the last Government, the last year had seen many areas looking to create a combined authority for a variety of city, county, district council or a mixture of these in areas across England.

Warwick District Council, the other Warwickshire Districts, Warwickshire County Council, Hinckley and Bosworth Borough Council and Coventry City Council were members of the Joint Committee for Coventry, Warwickshire and South West Leicestershire. This was formed early in 2014 as the first stage in the commitment that all of the local authorities in the sub region provided as part of the sign up to the Coventry and Warwickshire City Deal in 2013.

The City Deal area, along with Coventry and Warwickshire Local Enterprise Partnership, reflected the economic geography and functional market area of our sub-region. Economic analysis shows Warwick District had particularly close economic links with Coventry, Stratford and Rugby and to an extent Solihull and Birmingham.

Last November, Birmingham City Council and the four metropolitan district local authorities that made up the Black Country announced that they intended to create a combined authority for their area and invited other neighbouring authorities to consider joining them in a combined authority for the West Midlands. This precipitated discussions in the Coventry and Warwickshire sub-region which had taken place during the last six months.

Coventry City Council was currently a member of the West Midlands Joint Committee which had responsibilities for the oversight of the Police and Fire services for the West Midlands and was also a member of the West Midlands Independent Transport Authority (WMITA) which was responsible for the provision of public transport. This meant for Coventry there was not a status quo option.

As the West Midlands was the only metropolitan area in England without a combined authority, it was viewed as being behind other areas of the country. It was also perceived that the Midlands was at risk of missing out on the Government's devolution agenda – particularly as the Northern Powerhouse concept was developed and supported by Government including specific provision in the last budget and the creation of a minister responsible for the Northern Powerhouse in the new Government. In their recent visit to Birmingham on 1 June 2015, the Chancellor, along with Greg Clark, the Secretary of State for Communities and Local Government, and Lord Heseltine made it clear that there was an opportunity for the West Midlands to respond to the Government's devolution agenda but this required a speedy and ambitious

response from local councils. They urged engagement with the wider adjoining area including district councils.

Economic analysis undertaken by the metropolitan authorities had now led them to propose that a combined authority should be created for the West Midlands base on three Local Enterprise Partnership areas of Coventry and Warwickshire, Greater Birmingham and Solihull and the Black Country. It was proposed that these three functioning economic areas working together could provide fresh opportunities for businesses, job creation, transport improvements, skills programmes and housing investment.

Solihull Metropolitan Council had recently indicated that it was likely to join a West Midlands Combined Authority. Coventry City Council's Cabinet had agreed in principle to join a combined authority with a preferred option of councils from Coventry and Warwickshire (with Hinckley and Bosworth), Greater Birmingham and Solihull and the Black Country. However, it was highly likely that, should the Warwickshire authorities decide not to participate, Coventry would proceed with the West Midlands in any event. Consequently whilst the clear preference for this Council was for a Coventry and Warwickshire approach, there was presently no such proposal on the table to consider; the only one on the table to consider was for the wider West Midlands area.

The area proposed would be the biggest combined authority area in the country with a population of 4 million and would run from northern Worcestershire (Redditch and Bromsgrove) in the south to southern Staffordshire (including Tamworth, Burton on Trent) in the north. This would be a new West Midlands larger than the metropolitan area itself and considerably bigger than Greater Manchester. The Local Authorities that could be involved and their political control were listed at Appendix 4 to the report.

The issues and relative merits of a combined authority were previously considered by the Executive at its meeting on 11 March 2015. To respond to discussions that were taking place at that time locally, it was agreed that feedback would be sought from the Council's political groups to enable the Leader and Chief Executive to discuss with other local authorities options for potential membership of a combined authority.

Following feedback from the Council's political groups, a statement on combined authorities was drawn up, which was set out at Appendix 1 to the report. The statement set out the objectives that Warwick District Council would want to achieve by working together with other local authorities through a combined authority; and preferred governance arrangements, with a first preference for a combined authority based on the city deal area to include all the councils of Coventry, Warwickshire and Hinckley and Bosworth.

As the discussions around the creation of a combined authority were continuing, it was recommended that this statement was endorsed by Council as Warwick District to continue to provide the basis and direction for future discussions and negotiations.

The additional impetus provided by the election of a new Government, keen to promote economic growth and devolution through devolution deals, meant that the Council would need to be able to respond quickly to a rapidly moving agenda and so it was recommended that the Council continue to explore whether joining a combined authority would enable it to achieve its objectives.

In particular, it was recommended that the Council responded to the proposal from the West Midlands Metropolitan Councils to consider creating a combined authority for the West Midlands covering three Local Enterprise Partnerships which includes Warwick District. Although this was not the Council's preferred option, it was important to establish what the benefits of such an authority and subsequent devolution deal might be for Warwick District's communities and whether or not it was a viable option for the Council to consider.

Devolution discussions with the Government about what was best for the West Midlands were now beginning and it was recommended that Warwick District Council should look to take an active part in these to enable the Council to decide what the benefits to the businesses and residents of Warwick District might be from joining a combined authority and taking part in any devolution deal. The initial detail received was that the Government was looking for the Combined Authority to start at the beginning of next financial year meaning that consultation could begin at the end of this summer.

Clearly this agenda was moving at pace and it was recommended that authority should be delegated to the Leader and Chief Executive to take part in discussions so that these could be reported back to the Council so that any proposals could be considered and determined at the earliest opportunity. Other Officer and Executive Councillor time might also be required as was appropriate.

Resolved that the

- (1) statement on combined authorities, previously agreed under delegated authority by all four Group Leaders, be endorsed, including the Council's agreed objectives for entering a combined authority and devolution discussions and its preferred option of a combined authority for the city deal area of Coventry and Warwickshire (with Hinckley and Bosworth), as set out in Appendix 1, to the report;
- (2) Council continues to explore the opportunity to deliver its objectives, set out in Appendix 1 to the report, through the potential membership of a combined authority and that its objectives are used as the basis for the evaluation of any option before it;
- (3) preferred option of the Council is to enter discussions on forming a Combined Authority and entering devolution discussions for Coventry and Warwickshire;
- (4) Council should respond to the proposal to develop a combined authority for the three Local Enterprise Partnership (LEP) areas of Black Country, Greater Birmingham and Solihull, and Coventry and Warwickshire, by taking part in discussions and investigating with the other authorities included in that proposal and with the Government on the devolution proposals that could be associated with it;

- (5) authority be delegated to the Leader and Chief Executive to enter into discussions on behalf of the Council on a possible combined authority and devolution options so that proposals can be considered by the Council at the earliest opportunity; and
- (6) Council notes, the £50,000 previously agreed by the Executive to be allocated from the contingency budget to support this work will be retained for this purpose.

21. **Common Seal**

It was

Resolved that the Common Seal of Warwick District Council be affixed to such documents as may be required for implementing decisions of the Council arrived at this day.

(The meeting ended at 6.57 pm)

CHAIRMAN
12 August 2015

Executive

Minutes of the meeting held on Wednesday 1 July 2015 at the Town Hall, Royal Leamington Spa at 6.00 pm.

Present: Councillor Mobbs (Chairman); Councillors Coker, Mrs Gallagher, Phillips, Shilton and Whiting.

Also present: Councillor Barrott (Chair of Finance & Audit Scrutiny Committee), Councillor Mrs Knight (Labour Group Observer), Councillor Mrs Falp (Whitnash Resident's Association (Independent) Observer) and Councillor Howe (observing).

Apologies for absence were received from Councillors Cross, Mrs Gallagher and Mrs Grainger.

3. **Declarations of interest**

Minute Number 12 – Request for Funding for Improvements to King George's Playing Field at Barford

Councillor Barrott declared an interest because he was a resident of the village and a Trustee of a charity that had previously contributed to the scheme.

4. **Minutes**

The minutes of the meetings held on 11 March and 9 April 2015 were agreed as written and signed by the Chairman as a correct record.

Part 1

(Items on which a decision by Council is required)

5. **Housing Allocations Policy Review**

The Executive considered a report from Housing and Property Services which proposed a number of changes to the policy that the Council used for the allocation of housing in its own stock and for putting forward potential tenants to housing associations.

The changes were proposed in order to update the policy in line with recent changes in legislation and central Government guidance.

The report explained that the current Homechoice Allocation Scheme had been adopted in 2008. Since that date there had been several changes in central Government guidance in this area of policy and the introduction of the Localism Act had given the Council some additional discretion. The proposed amendments were intended to respond to this changed framework.

There would be a number of operational and IT changes required in order to implement the proposals and a reasonable timescale needed to be allowed for the new system to be put in place. Therefore, the report proposed that the revised policy would take effect from 1 April 2016 and the changes were set out in Appendix 2 to the report. A copy of the current Homechoice Allocation Scheme was attached at Appendix 1 to the report.

A summary of the proposed changes was laid out in section 8.3 of the report and covered a "transfer list" for council and housing association tenants, qualification criteria, prioritisation and property eligibility.

The proposals represented a significant change in policy and it was therefore recommended that the operation of the new system be reviewed after the first twelve months of operation.

An alternative option was to make no changes at all to the allocations policy. However, some of the changes were a response to central Government guidance, (to which the Authority was required to have regard) and failure to address these could increase the risks of legal challenge to the policy. Furthermore, the discretionary changes proposed were intended to improve the operation of the policy and provide greater choice for tenants and they had been consulted upon widely and received broad support.

The Overview & Scrutiny Committee noted the report.

The Portfolio Holder for Housing and Property Services, Councillor Phillips, endorsed the report and hoped that the revised policy would help better match tenants with available housing stock. In addition, he reminded Members that the policy would be implemented in April 2016.

The Executive therefore

Recommended to Council that

- (1) the changes set out in Appendix Two of this report be made to the Homechoice Allocation Scheme;
- (2) the revised policy will take effect from 1 April 2016;
- (3) a review of the operation of the new policy will be undertaken in April 2017.

(The Portfolio Holder for this item was Councillor Phillips)
(Forward Plan reference 607)

Part 2

(Items on which a decision by Council is not required)

6. Review of the Contaminated Land Inspection Strategy

The Executive considered a report from Health and Community Protection which invited them to adopt an updated Contaminated Land Inspection Strategy which would replace the original document published in 2001.

According to the Constitution, any decision on a function relating to contaminated land must be taken by the Executive.

The report explained that regulations under part 2A of the Environmental Protection Act 1990, required local authorities to produce a strategy to identify, inspect and remediate contaminated land within their area. The original strategy was adopted in 2001 and fairly lengthy. As a result, Internal Audit felt it could be shortened by focussing on the current approach and following an essential responsive regime linked to the planning process. This approach was adopted in 2011.

A number of external consultees were approached along with the Head of Development Services, whose comments had been incorporated into the new document.

The report advised that there were approximately 150 sites across the District which had been identified as potentially contaminated but none had been prioritised as posing a significant risk to public health. It was therefore considered that all these sites could be reviewed as they came forward for re-development.

No alternative options had been proposed because the new strategy reflected current good practice amongst other local authorities who had already updating theirs and given the Internal Audit report.

The Deputy Leader, Councillor Coker, endorsed the report and proposed the recommendations as laid out.

The Executive therefore

Resolved that the updated Contaminated Land Inspection Strategy as contained in Annex 1 to the report, be adopted.

(The Portfolio Holder for this item was Councillor Mrs Grainger)

(Forward Plan reference 702)

7. St Michael's Leper Hospital Contract and Bond

The Executive considered a report from the Deputy Chief Executive (AJ) which asked Members to release Coventry Turned Parts Limited (CTPL) and HSBC Bank PLC from a Bond entered into by the aforementioned parties and Warwick District Council (WDC) which was agreed following a

contract between CTPL and WDC. However, the contract could not be traced by either party so there was no understanding as to the precise terms of that contract.

The report advised that the Bond was only to be held whilst "refurbishment and redevelopment of the buildings and land known as The Leper Hospital Site Saltisford Warwick" took place and this work did not happen. In addition, Members were advised that there would be no loss suffered by the Council in releasing CTPL and HSBC from the Bond.

Following Executive approval on 18 April 2012, officers had been working with various stakeholders, consultants and the landowner to determine whether there was a viable and sustainable future for The Leper Hospital site and the two buildings known as Master's House and St Michael's Chapel which sat on the land. English Heritage had 80% grant funded work to produce a comprehensive specification with drawings to facilitate the repair of the Master's House to make it structurally stable and weatherproof.

The Council had no legal or equitable interest in the site but as a community leader it did wish to see the site brought back into use as it was a historically significant landmark which was currently an eyesore.

The report advised that the planning history of the site was long and varied but it appeared that an application made in November 2004 (W04/2132) and granted on 1 February 2007, led to discussions between the applicant and the erstwhile Head of Planning & Engineering, whereby a contract was entered into between CTPL (the landowner) and WDC.

Regrettably, the substance of that contract was unknown. Despite extensive searches, it could not be located and the officer who led on the creation of the contract has long since retired. The former-employee had been contacted but was unable to recall the detail of the contract. Neither could the contract be traced at CTPL.

What could be established from an e-mail on the planning history was that the contract required WDC's planning officers to be satisfied with the scheme envisaged by the planning application. However, the plans never moved to scheme development.

Officers had no understanding as to why a contract was agreed in the first instance. WDC had no interest in the land; did not provide a grant to the company to help with the proposed development; and there was no reference to any obligation to be entered into in the planning approval. However, as a consequence of the contract a Bond was entered into whereby a sum of £125,000 jointly and severally bound CTPL and HSBC bank "to cover the cost of carrying out the terms of the contract".

It would seem that the Bond was put in place to cover the cost of refurbishment and redevelopment of the site's buildings and that if the work was not completed to the satisfaction of the Council's officers then the Bond would need to be paid to WDC.

CTPL had approached the Council to see if it would release the company from the Bond as it wanted to change its banking arrangements but could not do this whilst HSBC was still jointly and severally liable under the terms of the Bond. The Deputy Chief Executive (AJ) had spoken with the bank's representative and had confirmed this was the position and it did not hold a copy of the contract either.

Officers had worked very closely with the landowner and his representative over the last three years and there was no reason to believe that there was any bad faith being displayed and so consequently it was recommended that WDC's legal officers were instructed to agree with the relevant parties for release from the Bond.

An alternative option was not to agree the release but given the circumstances and risks involved this was not proposed as a reasonable way forward.

The Whitnash Residents' Association (Independent) Group observer, Councillor Mrs Falp felt that the building had fallen into disrepair and welcomed any renovation opportunity.

The Deputy Leader, Councillor Coker supported the recommendations in the report and the Executive

Resolved that Coventry Turned Parts Limited and HSBC Bank PLC are released from a Bond (see attached at Appendix A and dated ??/??/2005 - actual date unknown) with Warwick District Council (WDC) in respect of The Leper Hospital Site, Saltisford, Warwick and that the terms of the release be delegated to Deputy Chief Executive (AJ) in consultation with Warwickshire County Council (WCC) legal services.

(The Portfolio Holder for this item was Councillor Mrs Gallagher)
(Forward Plan reference 703)

8. **Authority to Sign Deeds of Easement**

The Executive considered a report from Health and Community Protection which sought delegated authority for officers to sign deeds of easement with the respective landowners in order to protect the Cubbington Flood Alleviation Scheme.

Work on the Cubbington Flood Alleviation Scheme had been completed. The scheme was funded by a £1.2million grant from the Environment Agency together with £100,000 from Warwick District Council and £5,000 from Cubbington Parish Council. The project had seen the construction of a large underground culvert to take water from a catchment area above Mill Lane in the village and to discharge into the Pingle Brook adjacent to

Thwaites factory. It would now become the responsibility of this Council to maintain it.

To protect the Council's interests and ensure the effective operation of the scheme, deeds of easement were considered necessary. This would allow the Council ready access for maintenance and also ensure the land immediately above the culvert was protected from development. An easement width of 10 metres (5 metres each side of the culvert line) was proposed and Warwickshire Legal Services had drafted the documents which had now been agreed with the respective landowners – Sir Thomas White Charity and Thwaites Ltd.

The Council's solicitors advised that there was no delegated authority to officers in relation to easements over private land and therefore Executive approval was required before they could formally be signed and registered.

An alternative option was that authority was not delegated, however, without a deed of easement, there would be no formal provision for emergency access and no protection from future development immediately above the site. By delegating authority to the Head of Health and Community Protection, each time access was required to private land for routine maintenance and repair, it could be achieved through the service of notices seven days beforehand.

The Deputy Leader, Councillor Coker explained that this issue needed addressing following the creation of the Cubbington Flood Alleviation Scheme and would enable officers to access the land straight away.

The recommendations were proposed as laid out and the Executive

Resolved that authority be delegated to the Head of Health and Community Protection to sign and register deeds of easement with the respective landowners in order to protect the Cubbington Flood Alleviation Scheme.

(The Portfolio Holder for this item was Councillor Mrs Grainger)
(Forward Plan reference 704)

9. **The Introduction of a Pre-application Charging Regime for development proposals**

The Executive considered a report from Development Services which sought authority to proceed with the implementation of a regime which introduced financial charges for the provision of pre-application planning advice, following the consideration of the consultation responses received from key external stakeholders.

The report explained that pre-application advice was increasingly becoming a key element in the provision of a rounded and effective development management service.

Unlike many other Local Planning Authorities across the sub-region Warwick District Council had resisted the introduction of a similar regime, due to concerns about the extent to which potential users may be discouraged by the requirement to pay for such a service.

It was widely acknowledged that the benefits of effective pre-application services were generally welcomed within the development industry and that developers were willing to pay for that service, subject to it being provided in a timely and transparent manner.

The report, therefore, proposed a pre-application service incorporating a charging regime and this was attached at Appendix 2 to the report. Key stakeholders had been consulted as part of the process and a summary of the responses received, with any revisions included as a result of the consultation highlighted, were included in Appendix 1.

The successful provision of the service carried with it a need to increase resourcing within the Development Management Team by 1 x FTE Planning Officer. The total cost of the post including overheads was approximately £40,000 per year, which was proposed to be funded from the income received, with any shortfall provided from the Planning Reserve.

The report highlighted the risk that the introduction of a charge for pre-application advice would result in a reduction in the level of demand for that service, which in turn would impact upon the level of income derived from that service.

Consideration had been given to the additional resourcing of the service without the introduction of a pre-application charging regime. However, in view of the annual cost of approximately £40,000 involved; the current financial climate including the need to make ongoing savings; and the potential opportunity for introducing a self-financing initiative, at this stage this had been discounted.

The Finance & Audit Scrutiny Committee supported the recommendations in the report, however, Members had concerns about the wording of the exemptions paragraph at the bottom of page 9. Members suggested that that discretion could be used when dealing with some of the larger charitable organisations and the final reference to the LEP should read 'or' not 'and'. It was also hoped that listed buildings and heritage assets would be identified as an exemption.

The recruitment of agency staff to the Planning Officer vacancy was supported on this occasion to afford some protection to the Planning Reserve.

In addition, it was suggested that interim, quarterly reports could be submitted to measure take up of the service.

The Finance and Audit Scrutiny therefore formally recommended that the Executive make the following amendments to the recommendations:

2.1 ii) to include an additional FTE Senior Planning Officer **by flexible recruitment**; and

2.1 iii) to review the operation of the regime on a quarterly basis.

The Overview & Scrutiny Committee agreed to have a report back, to them, six months after introduction of the scheme, on how it was operating. However it had no comments on the report at this stage.

In response, the Executive took the comments on board and suggested that when the regime was formalised, officers could emphasise the Council's support of small, local charities. It was proposed that Appendix 2 could be reviewed by officers in consultation with the Portfolio Holder to address the discrepancies relating to the concessions section.

Councillor Mobbs suggested that the regime may like to focus on who the applicants were and not what the development was.

There was some disagreement between Members as to how to staff the vacancy. Some felt this should be done through an agency but were mindful that this was not an ideal solution. Alternatively, some felt that it was necessary to assess the success of the scheme before filling the vacancy. Following advice from officers, it was accepted that the department was unable to staff the regime with its existing resources.

Members were satisfied that with the reduction to the time period in recommendation 2.1 i) of the report to 12 months; the Chief Executive would be able to intervene using delegated powers, should the need to end the contract prematurely, arise.

In addition, Members agreed that a review of the regime was needed earlier than 12 months, and as a compromise between the suggestions of the two scrutiny committees, proposed that this be in six months time. The scrutiny committees would also be encouraged to include this in their workplans on a quarterly basis thereafter.

The Executive therefore agreed to amend the wording of recommendations 2.1 i) and 2.1 iii) and

Resolved that

- (1) authority is delegated to officers, in conjunction with the Portfolio Holder to plan and introduce an appropriate pre-application charging regime to be undertaken for an initial period of 12 months;
- (2) officers are authorised to fund any shortfall of the initial resourcing of this proposal (arising from the level of income received) to provide the equivalent of an additional FTE Senior

Planning Officer over that period from the Planning Reserve;

- (3) officers are authorised, in consultation with the Development Services Portfolio Holder and the Leader of the Council, to review the operation of that regime after 6 months, and quarterly thereafter, by both scrutiny committees, to determine whether to permanently retain it in its existing or a modified form, or whether to discontinue its operation.

(The Portfolio Holder for this item was Councillor Cross)
(Forward Plan reference 708)

10. Funding for Bishop's Tachbrook Community Centre

The Executive considered a report from the Chief Executive which sought a decision to agree a submitted business plan to provide funding and to underwrite other funding in order to allow the construction of a community centre in Bishop's Tachbrook village to proceed. The report also sought to address other concerns that had been raised by some members of the local community.

The report advised that in November 2014 the Executive had agreed the following request for funding:

That the Executive determines whether it wishes to meet the request of St Chad's Trust with the support of Bishop's Tachbrook Parish Council to provide £300,000 of funding and to underwrite a further £150,000 in order to allow the construction of a community centre in the village of Bishop's Tachbrook.

The report included a list of reasons why the above recommendation was agreed and these were outlined in Appendix 1 to the report.

There were two reasons why the agreed delegation had not been carried through. Firstly, since November the Parish Council had agreed to all the conditions and a number of iterations of the business plan had been submitted and its most recent iteration was attached at Appendix 2 to the report. Officers were still scrutinising that version and there were issues that were still to be resolved or clarified.

Working with the representatives of the St Chad's Trust, the proposed builder had agreed to hold his estimate for the works, so reducing one of the risks of delaying the release of monies toward the scheme. However, some grant applications to a value of £100,000 had been made but were still to be determined, and so the previous condition of requiring all decisions to be made on grant applications before the Council released any of its money was suggested to be relaxed. This would allow construction to begin this summer and offset the risk that the contract value currently agreed may expire and inevitably increase.

An alternative option was that Members could choose not to support the funding request in which case it may be some time before the local community could raise enough funds to build the community centre.

The Finance & Audit Scrutiny Committee supported the recommendations in the report. Members did raise concerns about funding aspects, the information still being awaited on the Business Plan and appreciated the timing issues relating to the building contractor.

The Portfolio Holder for Finance, Councillor Whiting, addressed Members and reminded them that this had been a long running issue. He assured them that any financing would consist of phased funding and the Council would not be handing over the full amount all at once. He agreed that work was still required on the business plan and highlighted the risks outlined in paragraph 6.2 of the report.

Resolved that

- (1) authority is delegated to the Chief Executive, Heads of Finance and Health/Community Protection, in consultation with the Portfolio Holders of Finance and Health/Community Protection, to determine the submitted business plan ensuring and detailing how the future running costs will be met and how genuine community access is ensured, whilst adhering to the following details, agreed at the 5 November 2014 Executive meeting:
 - The funding is made available from the New Homes Bonus Scheme award received in 2015/16 and that no more than the requested will be forthcoming in the event of any cost overrun;
 - The funding is only available for 24 months (from the date of this Executive) before being drawn down in whole;
 - Payments are only to be made on supply of verified invoices of work in proportion to Council/overall funding;
 - the current RUCIS funding commitment to the scheme of 27% of the overall project costs up to a maximum of £50,000, is withdrawn and returned to the RUCIS pot;
 - The funding from this Council is only approved once it is agreed by the Parish Council and St Chad's Trust that public acknowledgement of the Council's support for the scheme is given in publicity about the scheme at all stages;

- The funding is approved only when a full acceptable Business Plan for the centre is received, detailing how the future running costs will be met and how genuine community access is ensured;
 - The funding is approved only when all other funding bids have been completed and determined so enabling confirmation of how the capital costs of the project will be met;
- (2) upon the business plan being agreed as provided for above, the Council makes £300,000 available for the Community Centre as a grant and that the underwriting of £150,000 is also made available in lieu of impending grant applications to allow construction to begin this summer;
 - (3) following the completion of the community centre building, the St Chad's Trust submit to the District Council an annual report on financial and community usage performance for 3 years. The report should be reported to a Council Scrutiny Committee to monitor that the intent of the business plan and its delivery is being met. This is a condition of giving the grant in 2.2 above.
 - (4) the issues raised by members of the community and the responses to these be noted.

(The Portfolio Holder for this item was Councillor Coker)
(Forward Plan reference 709)

11. **Warwick Town Centre Action Plan**

The Executive considered a report from Development Services which detailed the results of the 'Options and Preferred Options' Consultation and requested approval for the cessation of work on the Warwick Town Centre Area Action Plan.

Area Action Plans were introduced in 2004 as part of the Local Development Framework by the Planning and Compulsory Purchase Act. The Framework replaced Structure Plans, Local Plans and Unitary Development Plans in an attempt to speed up the adoption of development plans across all local authority areas.

Work on the Warwick Town Centre Area Action Plan had been held in abeyance since it could not proceed until the Warwick District Local Plan had been adopted.

This work ceased in 2013 and events had overtaken the proposals put forward through the Plan process, including the development of many of the sites which were considered through the Plan.

The remaining work to complete the Plan would be in writing policies. The Local Plan, which was at an advanced stage, contained all the policies needed for the town centres within the district. In spite of a setback to the programme for the Local Plan, these policies would be taken into account when planning applications were considered, along with those saved in the previous Plan.

Additional work and resources spent on a Plan which was clearly now outdated would seem wasteful, especially when an application for a Neighbourhood Plan Area designation was expected from Warwick Town Council in the near future; this now being a more appropriate vehicle to carry town centre proposals through and met the objectives of the Localism Act 2011.

The Council could carry on with the production of the Warwick Town Centre Area Action Plan but this did not seem to present a sustainable use of time and resources given the stage reached by proposals for the majority of the sites and the progress at examination of the Local Plan.

Additionally, there were indications that Warwick Town Council was preparing to submit the area for designation for Neighbourhood Plan status. If this was the case, the Neighbourhood Plan would quickly outdate the Area Action Plan and although it would not have the same status, the Local Plan assured that town centre policies were put in place to control and develop that area. A Neighbourhood Plan was therefore considered to be the preferable approach at this stage, supporting the objectives of the Localism Act 2011.

Having considered the recommendations in the report, the Executive

Resolved that

- (1) the results of the 'Options and Preferred Options' Consultation are noted; and
- (2) the cessation of work on the Warwick Town Centre Area Action Plan is approved.

(The Portfolio Holder for this item was Councillor Cross)
(Forward Plan reference 653)

12. Request for funding for improvements to King George's Playing Fields at Barford

The Executive considered a report from the Chief Executive which set out a proposal developed by the local community within the joint parish of Barford, Wasperton and Sherbourne for improvements to the King George Playing Fields in Barford village. The report sought a decision from the

Council to fund the remaining gap of £96,000 which would allow a contract to be entered into allowing for the completion of the works by the end of the year (2015). The proposal was set out in Appendix 1 to the report.

The funding could be provided by advancing money that was due to be forthcoming to the Council via a Section 106 agreement tied to a development in Barford of 60 homes, and by allocation of New Homes Bonus Scheme (NHBS) money also to be generated from the development in Barford. This approach was consistent with national policy about the purpose of NHBS and this Council's own policy of reinvesting in the communities that had accepted development.

The report recognised in the Council's Playing Field Pitch Strategy that the King George's playing fields in Barford were in need of improvement and that the Section 106 money should go to that location. The payment of the S106 monies was dictated by the speed of construction of the new homes rather than a calendar date and therefore it was uncertain when the payment would be made.

However, the Council could advance that sum from reserves to the Parish Council, knowing that in a relatively short space of time it would be made up by the S106 monies owed, with little impairment.

An alternative option was that the Council had the option of putting no further funding into the scheme. The consequence of this would be a delay to the scheme which in turn may lose the scheme some of its existing funding. Given that the funding the Council could put forward was in effect 'forward funding', it should be able to make good the impact on its reserves in a short period of time and allow significant community benefit to be realised. Therefore, this option was not recommended.

The Finance & Audit Scrutiny Committee supported the recommendations with an amendment to the figure in bullet point 2 of recommendation 2.1 – this should read £81,000 not £71,000, & the subsequent changes to paragraphs 3.4 & 5.3 of the report.

Having read the report and subject to the amendments to the figures detailed above, the Executive

Resolved that

- (1) the scheme set out in Appendix 1 to the report is supported; the extent of public involvement and fund raising is noted and, the necessary sum will be funded by:
 - forward funding £85,000 from reserves against a provision of £85,000 that is due via a S106 agreement for the development of 60 homes in Barford (noting that the parish council

has accounted for £40,000 of this as having been received but has not);

- forward fund £81,000 from reserves against an expected sum of £403,000 over six years of this Council's share of New Homes Bonus Scheme money to be generated by the development of 60 homes in Barford.

(2) the existing commitment of £30,000 from the Council's RUCIS scheme is withdrawn and returned to be used elsewhere.

(The Portfolio Holder for this item were Councillors Cross, Mrs Gallagher, Mrs Grainger, Shilton and Whiting)

13. **Housing Advisory Group – Terms of Reference**

The Executive considered a report from the Democratic Services Manager and Deputy Monitoring Officer which informed the Executive of an urgent decision taken by the Chief Executive to increase the size of Housing Advisory Group by one Warwick District Councillor so that it was politically proportionate to the Council.

The Terms of Reference for the Housing Advisory Group had been approved by the Executive in March 2015 and proposed a membership of the Group as ten Warwick District Councillors.

Following the Warwick District Council election, ten members did not truly reflect the political proportionality of the Council and would exclude one of the recognised Political Groups on the Council from the Housing Advisory Group.

A notice of Motion was received from Councillors, Mobbs, Illingworth, Boad, Mrs Gallagher, Gifford, Shilton, Mrs Cain, Howe, Cain and Mrs Stevens. The Notice of Motion stated:

"That, we the undersigned Councillors, ask the Executive to amend the membership of the Housing Advisory Group so that it comprises of 11 Councillors allocated by the Group Leaders on a proportionate basis (including the Portfolio Holder)"

The Executive was not due to meet to consider formal business until 1 July and officers were keen to get the new Housing Advisory Group up and running as soon as possible. It was for this reason that the Chief Executive looked to take this as an urgent decision. He consulted with Group Leaders on the proposal and no objection was received.

No alternative options were proposed because the decision had already been taken and the report was for information only.

Resolved that the urgent decision taken by the Chief Executive, on 4 June 2015, under delegated authority CE(4), to amend the Housing Advisory Group Terms of Reference, from 10 Warwick District Councillors to 11 Warwick District Councillors, is noted.

(The Portfolio Holder for this item was Councillor Mobbs)

14. **Rural / Urban Capital Improvement Scheme (RUCIS) Application**

The Executive considered a report from Finance which provided details of a Rural/Urban Capital Improvement Scheme grant application by Cubbington Village Hall to renovate and extend the hall to achieve a more substantial, safe, warm and welcoming building which would enable more usage all-year round and require less maintenance.

The Council operated a scheme to award Capital Improvement Grants to organisations in rural and urban areas. The grant recommended was in accordance with the Council's agreed scheme and would provide funding to help the project progress.

The report advised that Cubbington Village Hall had submitted a RUCIS application to renovate and extend the hall and section 8.1 of the report provided a breakdown of the various works being proposed. The application was for 50% of the total project costs up to a maximum of £7,640.

The village hall had previously had a successful RUCIS application but met the criteria whereby an organisation had to wait for a minimum of two years before re-applying for a new grant.

The report therefore recommended that the Executive approve an award of a Rural/Urban Capital Improvement grant to Cubbington Village Hall of 50% of the total cost of the project including VAT subject to a maximum of £7,640.

The Council only had a specific capital budget to provide grants of this nature and therefore there were no alternative sources of funding if the Council was to provide funding for Rural/Urban Capital Improvement Schemes. However, Members could choose not to approve the grant funding, or to vary the amount awarded.

Having considered the recommendations in the report, the Executive

Resolved that a Rural/Urban Capital Improvement Grant from the rural cost centre budget for Cubbington Village Hall of 50% of the total project costs to renovate and extend the hall, is agreed up to a maximum of £7,640 inclusive of VAT.

(The Portfolio Holder for this item was Councillor Whiting)

15. **Baginton, Bubbenhall, Stoneleigh & Ashow Neighbourhood Plan Designation**

The Executive considered a report from Development Services which set out the process for the formal designation of a new neighbourhood plan area. This neighbourhood plan area related to the parishes of Baginton, Bubbenhall, Stoneleigh and Ashow. This joint parish plan area would replace the previously approved neighbourhood plan area for Stoneleigh and Ashow, refused by Executive on 5 November 2014 but replaced and approved as a revised neighbourhood plan boundary at that meeting, conforming to the new parish boundaries approved by the Boundary Commission in January this year.

Nine Neighbourhood Plan Areas had been designated to date and these were detailed in paragraph 3.1 of the report.

A joint application had been received from Baginton, Bubbenhall, Stoneleigh and Ashow Parish Councils dated 21 November 2014 in accordance with the Town and County Planning England: Neighbourhood Planning (England) Regulations 2012 and under the statutory regime for neighbourhood planning, introduced by the Localism Act 2011.

The report advised that a public consultation was held for a period of six weeks, ending on 27 March 2015. A total of seven comments were received; three were in favour and one against with three being mixed responses. The objections received were against the inclusion of Stoneleigh Park in the Neighbourhood Plan Area; considering instead that it should be designated a 'business area'.

An alternative option was that the Executive could decide not to designate this new neighbourhood area, but this would leave a designated area inconsistent with new parish boundaries and would not allow these four parishes to work together as they wished, which would be contrary to the spirit of the Localism Act 2011.

The request to remove Stoneleigh Park and Coventry Airport from the designation area because they were business areas could be considered and these parts of the parishes could be excluded. However, National Guidance stated that when designating a neighbourhood area a local planning authority should not make assumptions about the neighbourhood plan or order that will emerge from developing, testing and consulting upon the draft plan.

Having considered the recommendations in the report, the Executive

Resolved that

- (1) the designation of the new neighbourhood plan area as submitted in the joint application by the parishes of Baginton, Bubbenhall, Stoneleigh and Ashow attached at Appendix 1 to the

report, is approved, having regard to the representations made and replacing the previously designated Stoneleigh and Ashow neighbourhood plan area;

- (2) the funding available from the Department for Communities and Local Government for the financial year 2015/16 as set out in the Budgetary Framework section of this report, is noted.

(The Portfolio Holder for this item was Councillor Cross)
(Forward Plan reference 693)

16. **Public and Press**

Resolved that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following items by reason of the likely disclosure of exempt information within the paragraphs of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006, as set out below.

Minute No.	Para Nos.	Reason
18	1	Information relating to an Individual
18	2	Information which is likely to reveal the identity of an individual
17 & 18	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

The full minute for the following items would be set out in the confidential minutes of the meeting.

Part 1

(Items on which a decision by Council is required)

17. **Disposal of WDC owned land at Station Approach in Leamington Spa**

The Executive agreed the recommendations as written.

(The Portfolio Holder for this item was Councillor Cross)
(Forward Plan reference 692)

Part 2

(Items on which a decision by Council is not required)

18. **Discretionary Relief Application (Council Tax)**

The Executive reached a decision which would be detailed in full in the confidential minutes.

(The Portfolio Holder for this item was Councillor Whiting)

19. **Minutes**

The confidential minutes of the meetings held on 11 March and 9 April 2015 were agreed as written and signed by the Chairman as a correct record.

(The meeting ended at 7:03 pm)

Executive

Excerpt of the Minutes of the meeting held on Wednesday 29 July 2015 at the Town Hall, Royal Leamington Spa at 6.00 pm.

Present: Councillor Mobbs (Chairman); Councillors Cross, Coker, Gallagher, Grainger, Phillips, Shilton and Whiting.

Also present: Councillors Ashford and Mann (observing).

Apologies for absence were received from Councillor Barrott, Chair of Finance & Audit Scrutiny Committee, Councillor Boad, Chair of Overview & Scrutiny Committee and Councillor Mrs Falp, Whitnash Resident's Association (Independent) Observer.

Prior to the commencement of the meeting, the Leader acknowledged the apologies from the Scrutiny Chairs and reminded those present that the scrutiny comments provided would be given due weight.

20. **Declarations of interest**

There were no declarations of interest relevant to this excerpt.

Part 1

(Items on which a decision by Council is required)

22. **Budget Review to 30 June 2015**

The Executive considered a report from Finance which updated Members on the latest financial position. The Council's Medium Term Financial Strategy had been updated since the 2015/16 Budget was agreed in February of this year in light of later Government announcements and other known changes. Various changes to 2015/16 budgets had been identified and were now presented to Members for approval.

The Council needed to find financial savings of £1.1m over the next five years for the General Fund as detailed elsewhere in the report. Officers reviewed current year budgets on a monthly basis at the same time as considering implications for the medium term. As a consequence, Members were updated on a quarterly basis.

The report outlined the latest variances to the General Fund 2015/16 that had been identified by managers. Where the variance was not self-explanatory, further detail was provided and included information on salaries and the New Homes Bonus returned monies.

The report went on to explain the details of the current year Contingency Budgets and the balance remaining and were shown in Appendix A to the report.

Information relating to the salary vacancy factor, Revenue Slippage-Earmarked Reserves, the Housing Revenue Account and Capital budget was provided in section 3 of the report.

The Medium Term Financial Strategy (MTFS) was addressed in section 3.7 of the report and encompassed Business Rated Retention, New Homes Bonus Returned, Revenue Support Grant (RSG) and other funding liabilities.

Monitoring expenditure and income and maintaining financial projections was good financial management and part of good governance. Therefore, no alternative options had been considered.

Rather than fund most of the projected revenue shortfall for the current year now, using the £250,800 appropriated as part of the Final Accounts, it was possible to continue to leave this shortfall unfunded. However, given the size of the shortfall and the main driver (NHB Returned), this position was not likely to change and to leave it may be regarded as imprudent.

The Council could choose to leave the Coventry and Warwickshire Business Rates Pool. This would stop the Council from benefiting from any future benefit from the additional retained levy, and the Council would need to repay the Safety Net payment.

The Council could choose to leave the Council's credit ratings criteria un-amended. This would limit the Council's future investment opportunities and potentially reduce the investment returns.

The Finance & Audit Scrutiny Committee noted the report.

The Portfolio Holder for Finance, Councillor Whiting, addressed Members, highlighted a number of sections of the report and advised that performance was broadly in line with expectations.

He reminded Portfolio Holders of the significance of recommendations 2.5 and 2.6, advising that finances were set to deteriorate significantly. As a consequence, he reminded them to work with their relevant Heads of Service to plan accounts and remain vigilant with their budgets, encouraging a focus on 'buildings, equipment and ICT'.

Councillor Whiting also stated the importance of remaining in the Coventry and Warwickshire Business Rates Pool for 2016/17, which allowed the Council to pay back a lower proportion of business rates as a result. Councillor Whiting proposed the recommendations as laid out.

This was duly seconded and the Executive therefore

Recommended to Council that


- (1) the latest projected variance for the General Fund for 2015/16 of £270,600 adverse, is noted and the budget changes detailed in

paragraph 3.1 of the report, in respect of the General Fund totalling £270,600, funding of £250,800 from the General Fund Balance, are agreed and that £19,800 will currently be unfunded;

- (2) the changes to the HRA budget, outlined in paragraph 3.5 of the report, are agreed, and the contribution to the Housing Revenue Account Capital Investment Reserve is reduced;
- (3) the slippage in the Other Services Capital Programme as outlined in paragraph 3.6.2 of the report, is agreed;
- (4) the changes to the Housing Investment Programme outlined in paragraph 3.6.3/3.6.4 of the report, financed from the Major Repairs Reserve, are agreed;
- (5) the updated Medium Term Financial Strategy and the forecast required recurrent savings of £1.1m for the General Fund which will be addressed in a further report to Executive in September, are noted;
- (6) Portfolio Holders and Heads of Service review all planned and potential demands for future revenue or capital funding so that the Council's financial projections are as inclusive and accurate as possible;
- (7) the Council should remain in the Coventry and Warwickshire Business Rates Pool for 2016/17 and that the Head of Finance, in consultation with the Finance Portfolio Holder, agrees any change to the Memorandum of Understanding; and
- (8) the Council's use of Support and Viability ratings in determining suitable credit rating criteria for its investment counterparties is discontinued with immediate effect and that the current Treasury Management Practices are suitably amended. All other credit rating criteria to remain as approved in the 2015/16 Treasury Management and Annual Investment Strategies.

(The Portfolio Holder for this item was Councillor Whiting)
(Forward Plan reference 694)

(The meeting ended at 6.56 pm)

 Council 12th August 2015		Agenda Item No. 11
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	28 th January 2015 Minute number 65	
Background Papers	Inspector’s Letter to the District Council (June 2015); Member Briefing Note on Inspector’s Letter (June 2015); Letter to Greg Clark from Leader of the Council (June 2015); PAS Advice; Ministerial Letter to PINS (July 2015). Productivity Plan (July 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	29/7/15	Chris Elliott/Bill Hunt/Andy Jones
Head of Service	29/7/15	Tracy Darke
CMT	29/7/15	Chris Elliott, Bill Hunt, Andy Jones
Section 151 Officer		Mike Snow
Monitoring Officer	29/7/15	Andy Jones
Finance	03/08/15	Mike Snow
Portfolio Holder(s)	30/7/15	CLlr Stephen Cross
Consultation & Community Engagement		
N/A		
Final Decision?	No	

1. Summary

- 1.1 This report updates Council on the latest position with regard to the Local Plan and sets out options for the way forward for the Plan.
- 1.2 The Local Plan Inspector wrote to the Council on 1st June 2015. His letter is shown in **Appendix 1**. This followed 5 days of initial hearings in May 2015, during which he considered Duty to Cooperate, overall housing requirements in the District and overall supply of housing. A briefing note prepared shortly after receiving the Inspector's letter is shown in **Appendix 2**.
- 1.3 Since then the Leader of the Council has written to the Secretary of State for Communities and Local Government asking that he considers intervening in the Local Plan examination due to the important implications that are likely to arise as a result of the Inspector's findings. The Secretary of State has responded via a recent meeting with the Deputy Leader of the Council and the Chief Executive at which he indicated that he does not intend to intervene at this stage but he suggested that the Council respond directly to the Inspector.
- 1.4 As a result of this, the Council now needs to decide how to respond to the Inspector. This report considers three options and recommends that the Council writes to the Inspector requesting that he agrees to suspend the Plan with the Examination recommencing in March 2016.
- 1.5 The report also seeks agreement from the Council to the timetable agreed with the Coventry and Warwickshire Joint Committee for Economic Growth and Prosperity (CWJCEGP) for resolving the issue of unmet housing need arising in Coventry.

2. Recommendations

- 2.1 That the Local Plan Inspector's Interim Findings as set out in **Appendix 1** are noted.
- 2.2 That the Council endorses the timetable for resolving the issue of unmet housing need arising in Coventry set out in the report approved by the Coventry and Warwickshire Joint Committee for Economic Growth and Prosperity on 6th July 2015 as shown in **Appendix 3**.
- 2.3 That Council agrees to write to the Local Plan Inspector to request that the Examination is suspended whilst the Inspector's concerns are addressed, in line with a timetable, to be agreed with the Inspector, as indicated in para 7.3.7.
- 2.4 That a contingency budget of £30,000 be allocated from the Planning Appeals Reserve to support the work required to achieve the timetable set out in para 7.3.7 and delegated authority is approved for the Head of Finance and Head of Development Services, in consultation with their

respective Portfolio Holders, to approve any minor extra funding from the same Reserve, if required to achieve the stated work.

3. **Reasons for the Recommendations**

3.1 **Recommendation 2.1:** The Inspector's findings followed detailed consideration of three key matters with regard to the Submitted Local Plan: Duty to Cooperate, overall housing requirements in the District and overall supply of housing. It should be noted that the hearings did not therefore consider all aspects of the Plan, including the allocation of specific sites.

3.2 His letter concludes "*I do not consider that a suspension of the examination is appropriate in this case, it would take too long, is likely to result in a plan substantially different from that submitted and in any event is unlikely to facilitate the adoption of a sound local plan in a timetable that is significantly shorter than the other options open to the Council*"

"Under the circumstances my advice to the Council is that there are realistically only two options. Firstly the Council could choose to receive my formal report. Given my findings, I will only be able recommend non-adoption of the Local Plan. Alternatively the Council may choose to withdraw the Plan under S22 of the Planning and Compulsory Purchase Act 2004 (as amended).

3.3 His conclusions have far reaching implications for the Council and indeed other local authorities in Coventry and Warwickshire. It is therefore important that his letter is formally noted as part of the process of considering how to proceed. The full letter is set out at Appendix 1.

3.4 **Recommendation 2.2:** At its meeting on the 6th July 2015 the Coventry and Warwickshire Joint Committee for Economic Growth and Prosperity (CWJCEGP) agreed a revised timetable for the Coventry and Warwickshire local authorities to address the unmet housing need arising in Coventry. The revised timetable was prepared in response to the Warwick Local Plan Inspector's interim findings, specifically his view that the issue of unmet need should not be addressed through Plan reviews but should be addressed through the current round of Plan-making across the sub-region. This conclusion totally undermined the process and timetable, for early Plan reviews, agreed by the CWJCEGP in November 2014 and endorsed by Warwick District Council in January 2015. It will almost certainly delay not only Warwick District's Local Plan but also all those currently being prepared by all the other Councils in the Coventry and Warwickshire sub region. This does not accord with the Government's aspirations to put local plans in place as soon as possible and would be an undesirable outcome.

3.5 The report agreed by the CWJCEGP on the 6th July 2015 is attached at Appendix 3. It sets out a timetable to:

- Clearly establish the scale of unmet need across the sub-region by:
 - Clarifying the overall scale of housing need across the Coventry and Warwickshire Housing Market Area
 - Clarifying the development capacity of each authority

- Agree the scale and distribution of the identified unmet through a formal Memorandum of Understanding.

In order to achieve this, the report sets out a governance framework to drive forward the work involved to ensure the tight timescales are met.

- 3.6 In officers' view the rapid progress that has been made with this initiative following the publication of the Inspector's letter indicates that there is a reasonable prospect of identifying Coventry's unmet housing need and reaching an agreement on where it ought to be met without causing undue delay to the Local Plan process. This could allay the inspector's first concern that a suspension would take too long and would be no quicker than withdrawing the Plan and starting again.
- 3.7 Officers' have also scoped the potential additional housing requirement that might be generated by unmet need in Coventry and which might have to be accommodated in Warwick, and considered whether additional land might be found without the need to revisit the sustainable development strategy. Their preliminary conclusions are that the demands of Coventry are not likely to be so great as to require such a substantial alteration of the Plan that withdrawal is necessary, especially if further work is carried out on an early review policy. That may overcome the Inspector's third remaining concern about the merits of a suspension.
- 3.8 Once the Memorandum of Understanding has been agreed by the CWJCEGP, each Council will need to consider and formally endorse its contents. However, in the meantime it is important that each Council formally commits to the process and timetable set out in the CWJCEGP report to provide confidence to external parties that an agreed process is available to address the issues affecting the whole sub-region.
- 3.9 **Recommendation 2.3:** Given that the Secretary of State has indicated he will not intervene but, instead, has suggested a direct response is made to the Inspector by the Council, it is important that the Council consider the options available to it as to how best to respond to the Inspector's concerns. Three options have been carefully assessed and these are set out in Section 7 below. All these options carry risks as well advantages. However, a balanced appraisal of the options suggests that writing to the Inspector to seek a suspension to the Examination (Option 2, as set out in paragraph 7.3) would offer the most appropriate way forward.
- 3.10 **Recommendation 2.4:** In the event that the Inspector agrees to a suspension of the examination, the timetable set out in para 7.3.7 is challenging but achievable. Whilst it is anticipated that the work can be achieved from within existing resources, it is the nature of this kind of work that unforeseen issues can arise. It is therefore proposed that a contingency budget of £30,000 is put in place to support the work that needs to be carried out during the period of suspension. This contingency budget will significantly reduce the risk that the timetable slips further as it will allow additional resources and expertise to be bought in if required. In the event that this money is not required it will be returned to the Planning

Appeals Reserve for other purposes. Potentially, this budget could be used for the following purposes:

- Paying for expertise required to provide specialist technical evidence (for example ecological assessment of sites; assessment of infrastructure requirements; legal advice on process and regulatory issues; or local analysis of demographic projection or employment forecasts.
- Paying for additional resources to support the Planning Policy Team during potential pinch-points in the work such as sites assessment work; preparation of modifications and the delivery and organisation of the consultation process.

However, it is worth stressing that this is a contingency budget and if unspent any remaining balance would be transferred back to the Planning Appeals Reserve.

- 3.11 Equally, whilst officers consider that a contingency of £30,000 is sufficient, this could prove not to be the case. To ensure that the challenging timetable is not compromised it is recommended that a delegation is put in place to draw-down minor extra funding (up to an additional £20,000) to undertake the necessary tasks.

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. However, as set out in recommendation 2.4 above, there may be some additional costs of up to £30,000 during the period of suspension.

- 5.2 A further budgetary implication associated with suspension is the potential cost of preparing a “site allocations” Development Plan Document (DPD) for meeting that element of Coventry’s unmet need to be accommodated within the district, if this is the approach we decide to take (see para 7.3.5). At present it is not known whether this will be necessary nor how much this will cost as it is dependent on whether it is done jointly with other Councils in the HMA. This will need in any case to be the subject of a separate report.
- 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. If necessary, more detail will be provided on this as part of a future report.

6. Risks

- 6.1 An assessment of the risks associated with each option is set out in section 7 below.

7. Alternative Option(s) considered

7.1 Context

- 7.1.1 Three options for progressing the Local Plan have been assessed (see below). In assessing these options it is important to consider a number of contextual issues.
- 7.1.2 **Sub-regional work to assess the scale and distribution of Coventry’s Unmet Need: Appendix 3** shows the process and timetable being followed to address Coventry’s unmet need. The Memorandum of Understanding which will be the outcome of this work will specifically identify the amount of the unmet need across the sub-region that needs to be provided for within Warwick District. However at this stage, whilst it is safe to surmise that an element of the sub-regional total will need to be provided for within the district (as highlighted by the Inspector) the actual level of the need is an “unknown”. The assessment of the options below, therefore, assumes that the allocation of this unmet need within the district can be addressed without substantially changing the Plan’s Spatial Strategy (as set out in Policy DS4 of the submitted Local Plan – see **Appendix 4**). It also assumes that the timetable set out in the report agreed by the CWJCEGP on 6th July is adhered to by all the Councils. Clearly it is possible that these assumptions will prove to be wrong. In this event, it may

necessary to report back to the Council recommending a different course of action (see para 7.36).

7.1.3 Planning Advisory Service (PAS) Guidance on Local Plans: The PAS guidance on withdrawing or suspending Plans is:

"If major additional work needs to be carried out on a Plan, it is likely that the submitted Plan was not sound at submission and the LPA should withdraw the Plan. Where an LPA is aware that the examination is identifying unsoundness in relation to its Plan, it is inappropriate generally for the LPA to try to short-circuit the process by seeking to rectify a seriously flawed document through suspension".

7.1.4 The PAS Guidance goes on to indicate that suspension is generally appropriate where three tests can be met:

- **What is the scale and nature of the work required to overcome the perceived shortcoming of the Plan?** If the scale of the work requires a significantly new evidence base then suspension may not be appropriate as the resulting consequences cannot be predicted and there is therefore no assurance that the issue can be resolved quickly and without a substantial change to the Plan;
- **How long will it take to do the work?** The additional work required can be undertaken quickly and that the period of suspension is no more than 6 months (although there are exceptions);and
- **What will the further work lead to?** The consequences of the additional work are unlikely to lead to a substantially revised Plan compared with the one submitted.

7.1.5 The Government's Productivity Plan: The Productivity Plan announced in July 2015 includes a number of measures which directly affect the preparation of Local Plans. The main thrust of the Productivity Plan in so far as Local Plans are concerned is to ensure that Plans are put in place as quickly as possible to provide certainty around the plan-led approach to be adopted in a locality. As a result of this, the Secretary of State for Communities and Local Government has provided a written ministerial statement and has written to Simon Ridley, the Chief Executive of the Planning Inspectorate on 21st July 2015 setting out the approach the Government would like the Inspectorate to take when considering Local Plans. This letter provides some relevant context to the next steps in our Local Plan process, in particular:

- *"The Government accords great importance to authorities getting up-to-date Local Plans in place and to supporting them in doing so as a priority."*
- *"...there is a real value in getting a Local Plan in place at the soonest opportunity, even if it has some shortcomings which are not critical to the whole plan. We have acknowledged this in planning guidance by setting out that Local Plans may be found sound conditional upon a review in whole or in part within five years of adoption."*
- *"I will also clarify how early review may be used as a way of ensuring that a Local Plan is not unnecessarily delayed by seeking to resolve matters which are not critical to the plan's soundness or legal compliance as a whole."*

- *"The Planning Inspectorate plays an important role in examining plans impartially and publicly to ensure that they are legally compliant and sound, and many inspectors have already demonstrated commendable pragmatism and flexibility at examination to enable councils to get plans in place. I have, however, seen recent examples where councils are being advised to withdraw plans without being given the option to undertake further work to address shortcomings identified at examination. In order to maintain plan-making progress and to recognise the cost and time to a council prior to submitting a plan, it is critical that inspectors approach examination from the perspective of working pragmatically with councils towards achieving a sound Local Plan. We will shortly make a Ministerial Statement on this issue, including the importance of inspectors highlighting significant issues to councils very early on, and of giving councils full opportunity to address issues."* (Officer underlining)

7.1.6 The Ministerial statement also indicates the Government's intention to publish league tables setting out local authorities' progress on their local plans and in cases where no local plan has been produced by early 2017 - five years after the publication of the National Planning Policy Framework - it will intervene to *"arrange for the plan to be written, in consultation with local people, to accelerate production of a local plan"*.

7.1.7 The Statement also underlines the importance the Government is placing on the duty to co-operate stating: *"Local authorities cannot plan in isolation. They must work together to provide the land for the housing needed across housing market areas. The NPPF is clear that where local authorities cannot meet their housing needs in full, they should co-operate with other local authorities to do so. We will strengthen planning guidance to improve the operation of the duty to co-operate on key housing and planning issues, to ensure that housing and infrastructure needs are identified and planned for. It is particularly important that this co-operation happens where our housing needs are greatest."*

7.1.8 **Issues regarding housing delivery and supply:** To be found sound, the Local Plan should provide for a 5 year housing land supply upon adoption. It is also necessary to demonstrate that proposed housing supply (i.e. the allocated sites) can be delivered within the Plan Period. These requirements are likely to have significant implications for the assessment of site options. For instance, a single large site may have significant infrastructure requirements before house building can start which can significantly undermine its potential to deliver housing completions within 5 years. It is also more difficult to deliver the whole of a large site within the Plan Period given that a single house builder generally completes 40-80 dwellings per year on a specific site. So, if 4 house builders are active on a large site, an annual delivery of 200-300 dwellings per year is likely. Conversely, several smaller sites may have reduced direct infrastructure requirements enabling development to commence more quickly and can be built out within a shorter time period. These issues mean that in thinking about any additional site allocations, the Council will need to ensure there is a mix of

sizes and locations to increase delivery potential and maximise the contribution to 5 year land supply.

7.2 Option 1: Withdraw the Submitted Local Plan and prepare and submit a new revised plan.

7.2.1 Description of Option: this option involves withdrawing the Submitted Local Plan thereby agreeing to end the examination process that started in January 2015. This option would involve preparing a new Local Plan (albeit with the potential to draw heavily on the emerging Plan's proposals) to fully address the concerns raised by the Inspector.

7.2.2 Withdrawing the Plan would provide the time to fully address the following:

- To identify the part of Coventry's unmet need that needs to be met in Warwick District and include this in the Local Plan's housing requirement.
- To either allocate land to address Warwick District's part of the unmet need and plan for the infrastructure and associated uses to support the allocation(s) or to prepare a Joint Allocations Plan with Coventry and other authorities in Warwickshire to allocate the necessary land and plan for the infrastructure.
- To allocate land and amend the Infrastructure Delivery Plan to ensure the Plan includes sufficient land to meet its housing requirement and to ensure that a 5 year housing land supply will be in place on adoption.
- To review evidence and revise policies accordingly.

One implication of withdrawing the Plan is that the revised submission and later adoption dates will mean the Plan period will need to be extended from 2029 to at least 2031 to give the Plan a reasonable time horizon on adoption. This would, in itself, increase the amount of housing that the District needed to allocate regardless of any additional numbers arising from the sub-regional distribution of Coventry's unmet need.

7.2.3 Process and potential timeline:

August 2015: write to the Inspector to withdraw the submitted Local Plan.

Summer 2015: joint working/cooperation to agree the scale and distribution of unmet housing need across Coventry and Warwickshire.

Summer 2015: undertake site assessment work to identify options to address the inspector's concerns regarding the submitted Plan's windfalls allowance.

Summer/Autumn 2015: review evidence and if necessary undertake studies to update the evidence base.

September 2015: JCWJCEGP to agree Memorandum of Understanding (MoU) for the distribution of unmet housing need across Coventry and Warwickshire.

Autumn 2015: based on the site assessment work and the contents of the MoU, review the housing trajectory and 5 year housing land supply position to ensure that there is a sufficient supply on adoption.

October to December 2015: endorsement of MoU by each Council.

September to December 2015: complete technical work (including site assessments, sustainability appraisal, Habitat Regulations Assessment and other evidence updates), to identify additional site allocations and to identify other changes to the Plan.

January 2015: informal briefings on additional site allocations and any policy amendments.

February/March 2016: Publication Draft of revised Local Plan considered by Council.

April/May 2016: Consultation on Publication Draft Local Plan.

June/July/August 2016: analysis of consultation responses and consideration of potential modifications as result.

Sept 2016: Local Plan submission considered by Council.

September 2016: submission of Local Plan and commencement of Examination process.

Summer/Autumn 2017: Potential date for Local Plan adoption.

7.2.4 **Advantages and Opportunities:**

- Withdrawing the Plan allows more time to address the Inspector's concerns and in particular reduces the risk that the emerging Memorandum of Understanding will not be supported by all Councils within the required timescales. In this option, there is time to revisit the Memorandum of Understanding should problems arise.
- This option aligns with the Inspector's recommendation in his letter and will therefore be supported by Planning Inspectorate.
- This options provides opportunity to consult on additional site options in advance of resubmission and to allocate sites to meet the agreed proportion of Coventry's unmet need that is allocated to the district.

7.2.5 **Disadvantages:**

- The main disadvantage is that withdrawing the Plan will result in a longer delay than the option of suspending the Plan (see below). Until the Plan is adopted, the risks set in 7.2.6 below will be more significant and so a delay to the Plan will mean these risks are present for a longer period of time.
- The review of evidence required to ensure that the submitted Plan is up to date is likely to result in additional costs in commissioning studies to underpin evidence (see para 5.2 above). These costs are likely to be substantially more than if the Examination continues

- The delay to the Local Plan will lead to a delay to the introduction of a Community Infrastructure Levy (CIL) scheme as no such scheme can be adopted until the Local Plan is itself adopted. This will make funding for the Infrastructure Delivery Plan more complicated in the interim.
- A new set of household projections are likely to be published late in the Summer or in the Autumn of next year (the 2014-based SNPP). That would be likely to significantly complicate and lengthen the assessment of housing need and result in substantial re-work.
- The benefits of the Submitted Local Plan having some weight attached to it by virtue of part completion of the Examination process (e.g. passing the Duty to Co-operate test) would be lost, meaning that some policies that might be relevant for the consideration of some planning applications could not be applied.

7.2.6 **Risks:** The main risks associated with this option relate to the extended delay that is likely to result. The risks of extended delay are:

- **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 (the Coventry & Warwickshire Gateway) 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 we do 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 we do not have 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 forthcoming 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.

- **Infrastructure Delivery:** The delivery and funding of Infrastructure will be more difficult to achieve for two reasons. Firstly we 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 our ability to adopt a CIL Scheme. This will increase the risk that we will not be able to justify Section 106 contributions 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.

7.2.7 In addition to the risks associated with delay, there is no guarantee that the Plan will be found sound even after delay given the complexity of the system and the difficulties associated with reaching robust agreements through Duty to Cooperate (although this risk applies to all options to a greater or lesser degree).

7.2.8 The officers have considered the balance of risks that will affect the continuing process of delivering effective planning for this District. The conclusion reached by Officers, is that the withdrawal of the Plan will significantly undermine that process and have therefore not recommended this option.

7.3 **Option 2: Request that the Examination of the Local Plan is suspended** pending work to address the concerns raised by the Inspector, before continuing with the Plan’s examination subject to the submitted modifications.

7.3.1 **Description of Option:** This option involves sending a carefully justified letter to the Local Plan Inspector requesting that he agrees to a suspension of the Plan’s examination.

7.3.2 A suspension would mean that the examination of the submitted Local Plan can continue but that the next stages of that examination are deferred until the Council has addressed the concerns raised by the Inspector in his Interim Findings.

7.3.3 It would therefore be important that the letter sent to the Inspector demonstrates that the issues he has highlighted can be addressed within a reasonable timescale. Whilst the guidance indicates this should generally not be more than 6 months, there are several recent examples where a suspension of 8 to 9 months has been agreed, including in respect of Stratford District Council’s Local Plan.

- 7.3.4 The letter would also need to demonstrate that the resulting changes are unlikely to lead to a substantial change to the Plan's strategy. To do this we will need to show that accommodating additional housing to meet Coventry's unmet need can be done without a significant change to the Plan's spatial strategy. The Plan's spatial strategy is set out in Policy DS4, which is shown in **Appendix 4**.
- 7.3.5 If the Inspector agrees to a suspension, it would be important that we prepare proposals that are soundly based on evidence to fully meet Warwick District's portion of Coventry's unmet need. Ideally, this would involve proposing site allocations to meet that need and officers will seek to achieve this. However, it is recognised that if these sites abut a neighbouring authority (for example sites on the edge of Coventry) and if other Districts in the Housing Market Area are also considering sites on the edge of the City, then complex work is likely to be necessary to coordinate infrastructure requirements, particularly in the City itself. In this case, it may be necessary that sites are allocated for later in the Plan Period and that an infrastructure DPD to support sites is produced. This work may extend beyond time period of a suspension. However, officers are of the view that a robust process for addressing this is for the Local Plan to commit to preparing a separate Development Plan Document (DPD) to allocate land to meet Coventry's need and that this could be done within the scope of the Local Plan's spatial strategy. This could be prepared jointly with Coventry City and if necessary other District's in the Housing Market Area. If this approach is pursued, it will be necessary to prepare a clear and robust road map for the DPD to demonstrate that the Plan will be prepared in sufficient time and with sufficient rigour to enable the delivery of sites within the Plan Period.
- 7.3.6 In the event that the Inspector refuses the Council's request to suspend the Plan, a further report would be brought to Council to formally consider the withdrawal of the Plan and to set out a timetable for preparing fresh proposals for submission along the lines set out in option 1 above.
- 7.3.7 **Process and potential timeline**
- August 2015: write to the Inspector requesting the examination is suspended to provide time to address points of concern.
- Summer 2015: joint working/cooperation to agree the scale and distribution of unmet housing need across Coventry and Warwickshire.
- Summer 2015: undertake site assessment work to identify options to address the Inspector's concerns regarding the submitted Plan's windfalls allowance.
- September 2015: CWJCEGP to agree Memorandum of Understanding (MoU) for the distribution of unmet housing need across Coventry and Warwickshire.

October 2015: Identify sites to ensure sufficient housing land supply to provide a 5 year land supply on adoption and establish an approach to the preparation of a site allocations DPD if necessary.

December 2015: Council report to endorse MoU and to agree proposed modifications to the Plan, including revised housing requirement, approach for identifying sites to address unmet need arising in Coventry and allocation of additional sites to address windfalls/supply issues.

January/February 2016: if requested by the Inspector, undertake a consultation on proposed modifications to the Plan and organise responses for the Inspector's consideration.

March 2016: submit proposed modifications and consultation responses to the Inspector and recommence the Local Plan examination.

December 2016: potential date for Local Plan adoption following consultation on any modifications.

7.3.8 Advantages and Opportunities:

- The process results in an overall delay of less than 9 months (June 2015 to March 2016) and potentially provides the quickest route to adoption (subject to the Inspector finding the Plan sound). This aligns with recent Government announcements about providing impetus to local plans and minimises the risks associated with delay to the adoption of the Plan.
- The process focuses on modifications required to address the specific concerns raised by the Inspector and therefore does not re-open debate about the whole of the Plan.
- The benefits of the Submitted Plan having some weight attached to it by virtue of part completion of the Examination process (e.g. passing the Duty to Co-operate test) would be retained, meaning that some policies that might be relevant for the consideration of some planning applications could be applied.
- A suspension produces the best return on the resources invested in the Plan to date and minimises re-work.
- The early adoption of a Plan following suspension will allow the Council to make progress with the adoption of a CIL charging schedule.
- The early adoption of a plan will minimise the period during which there is "planning by appeal" in the district. That will save substantial costs.

7.3.10 Disadvantages:

- Suspension may not be supported by the Inspector meaning that we may need to withdraw the Plan anyway, particularly if he believes the modifications will result in a Plan that is substantially different than the one submitted. However it is hoped that this will not lead to further delay beyond that which is set out in option 1.
- It is still possible that the Inspector will agree to suspension but will still find the Plan unsound either because he is not satisfied with the approach we have taken to addressing the concerns he has raised or because he identifies soundness issues with regard to aspects of the

Plan that he has not yet examined. This would lead to a more significant delay.

- 7.3.11 **Risks:** The risks associated with this option predominantly concern the fact that the Inspector has indicated that he thinks the Plan should be withdrawn and that the timescales associated with suspension mean momentum needs to be maintained. So the risks are:
- The Plan is still found unsound even after the modifications are made
 - If a consultation is undertaken, this may generate a substantial number of objections and associated concerns for members
 - The momentum required to achieve the timelines associated with this option rely to an extent on the Memorandum of Understanding. Failure to reach agreement on this has the potential to delay the process. However, ensuring that Warwick accommodates its portion of Coventry's unmet need and retaining an early Plan review policy as a contingency would go a long way towards mitigating this risk.
 - This option may require a further site allocation DPD to be prepared in conjunction with some of the other Councils in the Housing Market Area. The timeline for this will need to be prepared with the partner authorities. This has the potential to be a complex process.
 - If the cumulative scale of modifications required to make the Plan sound (either as result of modifications being considered now or modifications that may be required in the future) are such that the Plan is considered to be substantively different then it is still possible the Plan may need to be withdrawn or that the Plan could be subject to legal challenge

7.3.12 Even though there are risks associated with this option, it is considered that it has the potential to deliver a sound Local Plan in the shortest time. Therefore, given the risks associated with delaying the Plan, officers consider this is the best available option.

7.4 Option 3: Request that the Examination of the Local Plan continues without further changes to address Coventry's unmet housing need (subject to modifications to address the Inspector's concerns regarding the windfalls allowance and supply of housing land)

7.4.1 **Description of Option:** In this option we would request that the Inspector completes the examination of the Plan largely as submitted. Modifications could be undertaken to address the Inspector's concerns about the windfalls allowance and housing supply, but the Inspector would be asked to reconsider the soundness of the Plan Review policy to address Coventry's unmet need.

7.4.2 **Assessment of Option 3:** Legally this option is possible and officers have given it consideration. However there are three significant issues which officers consider mean that this option cannot be pursued:

- a) This option would put us out of step with the work being carried out by the other Councils in the Housing Market Area as agreed by the shadow CWJCEGP on 6th July. If we pursued this option, it is possible that one or more of the Councils within the Housing Market Area could object and/or that our Plan fails the Duty to Cooperate test

- b) The Inspector has already given careful consideration to the validity of the Plan review policy to address Coventry's unmet need. He is very unlikely to change this view unless strong reasons can be provided as to why he should. Whilst recent government announcements (as set out in 7.1.5 above) suggest that an early Plan review policy could be supported, officers do not consider that this change of emphasis is sufficient to result in a change of approach from the Inspector, particularly as the Secretary of State's letter caveats his support for early Plan reviews with the phrase "*matters which are not critical to the plan's soundness or legal compliance as a whole*". Clearly the Inspector does consider that this is a critical issue.
- c) The approach would be time consuming (it would add at least a year to the process even if a legal challenge succeeded), carry some significant risk and add to the cost of the process.

7.4.3 For these reasons, officers consider that this option cannot realistically be pursued.



Dave Barber
Planning Policy Manager
Warwick District Council

Our Ref:

PINS/T3725/429/5

Date:

1 June 2015

Dear Mr Barber,

**Examination of the Warwick District Local Plan:
Inspector's findings regarding initial matters and issues**

1. Further to the initial hearing sessions held between the 6th and 12th of May 2015, I set out below my findings in respect of the duty to co-operate (Matter 1), soundness in terms of overall housing provision (Matter 2) and soundness in terms of the supply and delivery of housing land (Matter 3). I also explain the consequences for the examination.

Duty to co-operate

2. There are a number of strategic matters which required co-operation during the preparation of the Local Plan. The overall provision for housing is of particular importance however, given that Warwick District forms part of the wider Coventry and Warwickshire Housing Market Area (the HMA), the links between authorities in terms of migration, commuting and housing markets and the interrelationship between Warwick District and Coventry City.
3. I am satisfied that the Council has engaged actively with the other authorities in the HMA and beyond throughout the plan preparation process in terms of overall housing provision. The key question is whether engagement has been constructive and the extent to which co-operation has maximised the effectiveness of the preparation of the Local Plan.
4. The duty to co-operate does not bring with it a specific requirement to have reached agreement on the level of housing need and how this will be met across the HMA however. It is the actions and approach of the Council which are critical to my consideration of this matter. I have also taken account of the position taken by other authorities, none of which raise concerns over the level of housing provision proposed in the Local Plan or the Council's compliance with the duty to co-operate.
5. The Council acknowledges that co-operation between the HMA authorities received greater impetus following the findings of the Inspector examining

Coventry's Core Strategy in 2013. This led to joint working on a Strategic Housing Market Assessment (the 2013 SHMA) and an Addendum in 2014 (the 2014 SHMA Addendum), along with other collaboration in terms of evidence. The 2013 SHMA set out figures for objectively assessed need (OAN) for housing across the HMA as a whole and for individual authorities. The overall provision for housing in the Local Plan is based on the 2013 SHMA.

6. Joint working and co-operation continued after the publication of the 2014 SHMA Addendum, notably through the Economic Prosperity Board which met in October and November 2014 and subsequent formal endorsement by each authority. In essence there is an agreement that the OAN for the HMA is 4,004 dwellings per annum. There is recognition that Coventry City will not be able to accommodate the higher level of OAN indicated in the 2014 SHMA Addendum (1,811 dwellings per annum) and agreement that the figures for each authority set out in the 2013 SHMA represent a starting point for distribution of housing across the HMA and that this will accommodate some of Coventry City's needs subject to additional work on capacity being undertaken. It was also recognised that additional work on capacity may identify a further shortfall from the Warwickshire Districts. A process and timeline for evidence gathering and plan review was also agreed, culminating in a joint Core Strategy or co-ordinated review of plans during 2017-19.
7. At the time the Local Plan was submitted, there was no agreement between the authorities in terms of the distribution of the full OAN for the HMA (4,004 dwellings per annum). This remains the case. On the basis of individual authority figures agreed as a starting point, there would be a shortfall of 234 dwellings per annum.
8. The issue of meeting OAN across the HMA in full has not been resolved and I deal with this in relation to soundness below. However in terms of the duty to co-operate, considerable effort has been made by the Council, in conjunction with the other HMA authorities to attempt to address the issue in a constructive fashion through agreement and commitments to continued joint working. The Council submitted a Local Plan based on overall housing provision of 714 dwellings per annum (as in the Publication Draft Plan), despite the fact that the 2014 SHMA Addendum indicated that a lower figure of 606 per annum was required in the District. Whilst I have concerns as to the specific basis for 714 dwellings per annum and whether it is necessarily the appropriate level of provision, the Council has clearly accepted the need to make a significant contribution to accommodating unmet needs from elsewhere in the HMA in principle.
9. The Council has demonstrated constructive, active and ongoing engagement with local authorities and relevant organisations on the other strategic matters. The issues have been resolved effectively and there are no concerns from these authorities and organisations regarding compliance with the duty to co-operate.
10. Taking all of the above factors into account I am satisfied that the Council has engaged constructively, actively and on an ongoing basis in terms of overall housing provision and indeed other strategic matters. I conclude therefore that the Council has complied with the duty to co-operate.

Soundness – overall housing provision

11. I am satisfied that the 2014 SHMA Addendum, when read alongside the 2013 SHMA, provides a robust assessment of OAN for the HMA. It is based on the most up to date national projections available at the time and in my view uses reasonable assumptions to arrive at a demographically led figure of 4,004 dwellings per annum between 2011 and 2031.
12. Whilst the 2014 SHMA Addendum does not include a specific uplift for market signals, affordability or economic growth, it recognises the case that higher household formation rates for younger households and higher jobs growth would indicate a higher figure. It makes it very clear that the figure of 4,004 dwellings per annum should be regarded as a minimum.
13. The 2012-based household projections published in February 2015 indicate the need for 4,100 dwellings per annum across the HMA between 2011 and 2031 (taking account of allowances for vacancy rates). These are the most up to date projections currently available and give further weight to the findings of the 2014 SHMA Addendum, although again they would suggest that the figure of 4,004 dwellings per annum should very much be seen as a minimum.
14. Although the 2014 SHMA Addendum sets out figures for each authority, it regards these as indicative given the sensitivity to variable migration levels. It also recommends further work by individual authorities in terms of economic growth prospects.
15. The HMA authorities confirmed at the initial hearing sessions that they regard 4,004 dwellings per annum as the minimum figure for OAN in the HMA. On the basis of the evidence before me, I share that view.
16. Other than Stratford-on-Avon District Council, the authorities in the HMA confirmed that they consider the individual authority figures in the 2014 SHMA Addendum as a reasonable basis for OAN in their areas. Stratford-on-Avon District Council considered it to be higher (at least 565 dwellings per annum compared to 508 per annum in the SHMA Addendum) and were undertaking further work in the light of the interim conclusions of the Inspector carrying out the examination of their Core Strategy. It is unclear at this stage to what extent any increase in the figures for individual authorities should be absorbed within the overall HMA total or added to it.
17. The figures from the 2012-based household projections for individual authorities are broadly comparable with the figures from the 2014 SHMA Addendum although it is notable that the figure for Coventry City is 144 dwellings per annum higher.
18. It may be that some of the authorities in the HMA could be asked to accommodate unmet needs from the Greater Birmingham area in due course. If this was the case it is likely to require a further re-assessment of the distribution and overall level of housing provision in the HMA. Whilst the situation in this respect is not yet clear, it seems to me likely that if anything, there would be further upward pressure on the figures for the HMA and individual authorities.

19. Within the HMA itself, there is a particular issue with Coventry City where the agreed figure of 1,180 dwellings per annum based on the 2013 SHMA falls well short of the figure of 1,811 from the 2014 SHMA Addendum. Coventry City Council is in the process of preparing a new Local Plan and has recently undertaken a Strategic Housing Land Availability Assessment (SHLAA) with a draft produced in September 2014. This indicates capacity within or adjacent to the urban area for some 16,500 dwellings and up to a further 7,100 dwellings within the Green Belt (total 23,600). The City Council is yet to make any decisions in terms of releasing land from the Green Belt however. In any event, the maximum capacity would appear to be some 12,500 dwellings below the need indicated by the 2014 SHMA Addendum and accepted by the City Council as a reasonable basis for OAN.
20. Given the evidence currently available, there is likely to be a substantial unmet need of at least approximately 12,500 dwellings in Coventry City between 2011 and 2031. The Council argues that on the basis of the agreement reached, the net shortfall would only be some 4,680 dwellings (234 per annum) and that in the context of total needs over the whole plan period this would be relatively modest.
21. I do not share this view. The shortfall is likely to arise in Coventry and would need to be met in the other authorities. Relative to the indicative OAN for these other authorities, I consider this to be a significant figure. It must also be seen in the context of the OAN of 4,004 dwellings being regarded as a minimum and potential further upward pressure on this figure. There is no substantive evidence and indeed the HMA authorities do not argue that there are constraints which prevent the OAN for the HMA overall being met in full. Under these circumstances I see no basis in the National Planning Policy Framework (NPPF) for an approach which having identified the OAN for the HMA, does not meet it in full.
22. Whilst I appreciate that the HMA authorities regard the figures as a starting point, I also have significant concerns in relation to the basis for the agreed distribution of housing. The figures for individual authorities are those from the 2013 SHMA which set out a lower overall figure for the HMA and a substantially lower figure for Coventry City. Whilst perhaps understandably the authorities have sought to continue with the figures previously agreed, it is not necessarily the case that they remain appropriate in the light of evidence provided by the 2014 SHMA Addendum. The figures for individual authorities were not originally derived on the basis of accommodating unmet need from Coventry. The 2014 SHMA Addendum affected the figures for individual authorities in different ways. I am not aware of any detailed analysis which has assessed the contribution that each authority should make in the light of this updated evidence. The authorities in Warwickshire have different relationships with Coventry and it is not clear how this has been taken into account in agreeing the figures.
23. In the case of Warwick District specifically, the Council considers the OAN to be 606 dwellings per annum based on the 2014 SHMA Addendum and has agreed a figure of 720 dwellings per annum as its contribution to meeting overall needs in the HMA. On the face of it this would make a contribution of some 114 dwellings per annum towards unmet needs from elsewhere within the HMA.

Other than the fact that this was a previously agreed figure, I see no basis however to suggest that this is necessarily the appropriate contribution to unmet needs, relative to other authorities.

24. Therefore we have a situation where the agreement between the HMA authorities would leave what I consider to be a significant shortfall of unmet need. This is in the context of what is clearly regarded as a minimum figure for OAN. In addition there is insufficient justification for the specific contribution to unmet need proposed from Warwick District.
25. It is not the case that the Local Plan should necessarily accommodate all of the residual unmet need from the rest of the HMA. However, the Council has submitted a plan in the absence of a clear strategy to meet the OAN for the HMA in full.
26. I consider therefore that in relation to overall housing provision, the Local Plan is not positively prepared, justified, effective or consistent with national policy. It is not sound.
27. I have taken account of the arguments put forward by the Council and the other HMA authorities in terms of the merits of having an adopted plan in place as soon as possible and the scope to deal with issues of unmet need through a review of the Local Plan. I note examples from other examinations where Inspectors have taken this view. Of course the circumstances relating to each examination vary and there are other examples, such as Aylesbury Vale, where Inspectors have not accepted that a review mechanism is appropriate. In this case, there is clear and up to date evidence regarding OAN, produced jointly by all of the authorities concerned. There has also been the opportunity to consider the evidence on OAN and put forward a strategy to meet it in full. There is clear evidence that there are likely to be substantial unmet needs from Coventry City and a good indication at least of the scale of these unmet needs.
28. Whilst there are clearly benefits in having an adopted Local Plan in place as soon as possible, this cannot be at the expense of having a sound plan which effectively deals with key strategic matters. Realistically, even if the examination were to progress to further hearing sessions, the earliest the Local Plan could be adopted is likely to be late 2015 or early 2016. I deal with housing supply below but if further work were to be undertaken in this respect, it is likely to add further to the timescale for adoption. Joint working between the HMA authorities is already underway and further work planned to an agreed timetable. With renewed impetus, it seems to me that the evidence base and agreement between authorities could be in place to put forward a plan which effectively deals with the issue of housing provision within the next year or two.

Soundness - the supply and delivery of housing land

29. In considering this matter I have taken account of the information set out in the Council's written statement for the hearing session, discussions on the day, the notes subsequently provided by the Council in relation to the housing trajectory (EXAM 19) and the windfall allowance (EXAM 20) and further clarification dated 22nd May 2015 in response to my questions. I am grateful to the Council for the clarification provided and appreciate the willingness to address specific concerns

raised in a pragmatic fashion. I take the Council's position in respect of a windfall allowance and the supply and delivery of housing land generally to be that set out in the post-hearing notes as further updated by the response to my questions.

30. Notwithstanding my concerns regarding the overall provision for housing in the Local Plan, I have considered the approach towards the supply and delivery of housing land in the context of the Council's view that there is a requirement for 720 dwellings per annum between 2011 and 2029 (12,960 dwellings in total). Updated Table 3.8 (in the response to my questions) summarises the Council's position in terms of housing supply. This indicates a total supply of 12,711 dwellings, some 249 short of the requirement. Even on the basis of the Council's own assessment, the Local Plan will not deliver the housing requirement.
31. The merits of individual site allocations and the assumptions about delivery have not been subject to detailed scrutiny at this stage in the examination. Nor has there been detailed scrutiny of individual sites with planning permission. However, for the purposes of reaching conclusions on the initial matters and issues and subject to the caveat that further scrutiny may well have lead to a different conclusion, I am prepared to accept the Council's position with regard to the supply and timing of delivery from these sources. Likewise, I am prepared to accept the Council's view of potential supply and timing of delivery from the consolidation of existing employment areas and canal-side regeneration.
32. My key concern is with the allowance for windfall sites. I note that the Council has now incorporated potential supply from SHLAA sites (300 dwellings in total) into this category. The Council's latest position is that windfalls would contribute 53 dwellings in 2015/16, 123 dwellings in 2016/17 and 175 dwellings each year from 2017/18 onwards (2,276 dwellings in total over the remaining 14 years of the plan period to 2029). This would equate to approximately 19% of the residual dwelling requirement as of 2015/16. I appreciate that windfalls have consistently played a substantial part in housing supply in the District and I accept that they are likely to continue to come forward in reasonably significant numbers. Given the nature of the District, past trends and the scope of the SHLAA, I am satisfied that the specific estimates (set out in EXAM 20) for annual average windfall completions from rural sites, conversions and changes of use and urban sites of less than 5 dwellings are reasonable.
33. The SHLAA includes urban area sites for 5 or more dwellings. It was published relatively recently (May 2014) and the site identification process appears to have been carried out robustly and comprehensively. The Council estimates capacity from such sites (excluding those large enough to allocate) as 316 dwellings of which it considers 300 could be expected to be delivered in the plan period. This leaves a significant allowance (in the order of at least 900 dwellings) for as yet unidentified urban area sites of 5 or more dwellings.
34. The Council has a reasonably up to date SHLAA which sought to identify such sites and has had the opportunity to allocate sites in the emerging Local Plan. Whilst additional urban area sites for 5 or more dwellings are likely to continue to come forward, I see insufficient basis to suggest that this will be on the scale

anticipated with any degree of certainty. Previously (see H005 and the Council's written statement for the hearing session) the Council had not included an allowance for completions from urban area sites for 5 or more dwellings up to 2019, in recognition of the overlap with specific sites identified in the SHLAA. Whilst this category has now been merged in the Council's latest assessment, I see no basis for including an allowance for unidentified urban area sites for 5 or more dwellings in addition to specific SHLAA sites in this period.

35. I note that you accept that the Council's trajectory set out in EXAM 20 included double counting with the anticipated completions in 2015/16 and 2016/17 from sites already with planning permission.
36. In the terms set out in Paragraph 48 of the NPPF, I do not consider that there is compelling evidence that windfall sites will continue to provide a reliable source of supply on the scale envisaged. I find therefore that the overall windfall allowance is not justified or realistic.
37. Solely on the basis of the Council's own estimates there would be a shortfall in provision of some 249 dwellings over the plan period compared to the requirement. Even this relies on a windfall allowance which I consider to be unjustified. It also provides no flexibility should site allocations not come forward as expected. I consider that the supply of housing land for the plan period as a whole would fall short of that necessary to meet requirements and provide even a modest level of flexibility by several hundred dwellings.
38. Actual completions since 2011 have totalled 1,180 dwellings (up to 28/2/15). I accept that an allowance can reasonably be made for the net effect of additional care home bedspaces and that on this basis completions since 2011 can be regarded as 1,265 dwellings. Compared with an annual requirement of 720, there has been a shortfall in delivery of 1,615 dwellings in the first four years of the plan period.
39. I accept that previous constraint policies (applied between 2005 and 2009) and wider economic conditions from 2007 onwards are likely to have had an effect on the level of housing completions in the District. I also acknowledge that completions each year between 2001 and 2006 exceeded regional strategy requirements, although this was clearly in the context of more buoyant economic circumstances.
40. However, completions in each of the first four years of the plan period since 2011 have been very significantly below the annual requirement. As noted above, giving a shortfall of 1,615 dwellings already. There has been under delivery in each of the last six years and in seven out of the last ten years. Since 2005 there has been an overall shortfall of some 1,700 dwellings. Despite higher levels of completions between 2001 and 2006, there has been an overall shortfall of approximately 500 dwellings between 2001 and 2015. Warwick District had a separate housing target from Coventry City during this period and it is this against which performance should be judged. On the basis of the above I consider that there has been persistent under delivery of housing.

41. In terms of a five year supply of housing sites, a buffer of 20% should be applied therefore. This buffer should be applied once the shortfall from the plan period so far has been added to the basic requirement of 720 dwellings per annum.
42. In light of the above I consider the five year requirement as of 1/4/15 to be 6,258 dwellings. The Council's position (as clarified in the response to my questions) is that the five year supply at this point would total 5,968 dwellings. This includes an allowance for 701 dwellings from windfall sites which as set out above I consider to be unjustified. The Local Plan would not provide for a five year supply of housing at the outset and is not likely to until at least 2017/18.
43. I consider therefore that in relation to the supply and delivery of housing land, the Local Plan is not positively prepared, justified, effective or consistent with national policy. It is not sound.
44. I have taken account of the Inspector's report on the North Warwickshire Core Strategy and the Inspector's interim conclusions on the Stratford-on-Avon Core Strategy. There are some significant differences in circumstances compared with the Local Plan however. The Inspector's report for North Warwickshire was clearly produced in advance of the publication of the 2014 SHMA Addendum and the subsequent agreement between the HMA authorities. The specific issue of unmet need from within the HMA and in particular Coventry City was not apparent at that time. It also appears that the Inspector did not have specific concerns regarding the supply of housing land.
45. In the case of Stratford-on-Avon, the District clearly has a different relationship with other authorities compared with Warwick District. Much of the focus of the Inspector's interim conclusions relates to the relationship with Greater Birmingham, where the situation regarding unmet need is still to be clarified, rather than Coventry. In Stratford-on-Avon the Core Strategy is to be followed by a separate site allocations document which provides the scope for reserve sites to provide additional flexibility and respond to evidence of unmet needs elsewhere. Again it appears that the Inspector does not have the same concerns regarding the supply of housing land.

Overall findings

46. I am satisfied that the Council has complied with the duty to co-operate, however I consider that the Local Plan is not sound in terms of overall housing provision and the supply and delivery of housing land.
47. As set out above, whilst I recognise the benefits of having an adopted Local Plan in place as soon as possible, this cannot be at the expense of having a sound plan. Adopting a plan with a commitment to a review mechanism would not resolve the key strategic matter of housing provision and as explained above is in reality unlikely to bring significant benefit in terms of timescales for adoption. In any case, it would not address the serious concerns relating to housing supply.
48. I have considered the potential to address the issues of soundness through a suspension of the examination. There is significant work still to be undertaken

jointly with the other HMA authorities in terms of assessing the capacity to accommodate housing, Green Belt, and agreeing a distribution of the OAN for the HMA in full. The timetable for this would put it well beyond a reasonable period of suspension. It may also result in a significantly different approach to accommodating housing development in Warwick District. In order to address the serious issues with housing supply both for a five year period and the plan period as a whole, additional housing land on a significant scale would need to be identified. This is likely to take considerable time given that options would need to be properly considered and assessed. It is also likely to require a review of the spatial strategy and potentially the approach to the Green Belt. The Council acknowledges this in EXAM 20 in respect of the implications of seeking to identify broad locations for growth or significant additional site allocations.

49. Taking all of these factors into account, I do not consider that a suspension of the examination is appropriate in this case, it would take too long, is likely to result in a plan substantially different from that submitted and in any event is unlikely to facilitate the adoption of a sound local plan in a timetable that is significantly shorter than the other options open to the Council.
50. Under the circumstances my advice to the Council is that there are realistically only two options. Firstly the Council could choose to receive my formal report. Given my findings, I will only be able to recommend non-adoption of the Local Plan. Alternatively the Council may choose to withdraw the Plan under S22 of the Planning and Compulsory Purchase Act 2004 (as amended).
51. I appreciate that you will be disappointed by my findings and will need time to consider them. However, I would be grateful if you could confirm the Council's position via the Programme Officer as soon as possible. A copy of this letter should be placed on the Council's website and made available on request.

Yours sincerely

Kevin Ward

INSPECTOR

Local Plan Inspector's Findings: Briefing Note
3rd June 2015

We have now received the Local Plan Inspector's findings regarding the topics covered in the initial hearings that took place last month. The letter is attached to this email. The letter raises some very significant concerns with regard to our Local Plan, and officers will need time to consider options, before we come back to members with recommendations on how to proceed. The letter will be published tomorrow (Wednesday) and we will be undertaking a media briefing tomorrow.

The key points to note in the letter are:

- The Inspector is satisfied that the 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 we have agreed with the other authorities within the Housing Market Area to address the unmet need – namely that the unmet need can be dealt with through adopting this Local Plan 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 we need to provide more houses to contribute toward the unmet need, the total supply of houses set out in the Plan is not sufficient to meet the Plan's housing requirement. In particular he argues that the allowance we have made for windfalls has not been fully justified. He also indicates that we need to provide some "headroom" above the minimum housing requirement in case some sites do not come forward.
- He therefore says we need to increase the number of houses identified in the Plan even without the need to the District to accommodate some of the unmet need within the Housing Market Area
- He recommends that the Plan is withdrawn to give us time to prepare new proposals

In short, the Inspector has taken a tough stance on the Plan and unless his approach can be challenged in some way, this will lead to a substantial delay, requiring us to take some steps back to enable us to make some very significant additional site allocations.

As explained above, officers are currently giving further consideration to the Inspector's letter and are considering options regarding the way forward. It is therefore too early to offer substantive analysis of the Inspector's findings. Having said that it is worth noting the following:

- He has taken a surprisingly hard line against the sub-regional approach which will make it difficult to fix the issues quickly and painlessly
- He is clear that we need to be planning for more houses, not less, to make plan sound and the further work is required to assess how many more houses are needed
- There are likely to be significant implications for the other authorities in Coventry and Warwickshire as a result of his findings and these will need to be addressed through further duty to cooperate discussions
- Whilst there are a number of detailed points that officers have issues with, it is important that we stay focused on finding ways to resolve the strategic issues he has raised

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

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

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.

Local Plan Submission Draft – Extract

STRATEGIC POLICY DS4: Spatial Strategy

Allocated Housing and Employment will be distributed across the District to take account of the following:

- a) in the first instance, allocations will be directed to previously developed land within the urban areas and in particular those areas where there is greatest potential for regeneration and enhancement;
- b) where greenfield sites are required for housing, they should generally be located on the edge of urban areas in sustainable locations close to areas of employment or where community facilities such as shops, bus services, medical facilities and schools are available or can be made available.
- c) Where greenfield sites are required for employment, they should only be allocated in locations which are suitable for the needs of 21st century businesses, accessible via a choice of transport modes and are in close proximity to existing or proposed housing subject to ensuring there is no undue impact on residential amenity ;
- d) limiting development on sites which would lead to coalescence of settlements to ensure settlement identity is retained;
- e) sites which have a detrimental impact on the significance of heritage assets will be avoided unless the public benefits of development outweigh the harm;
- f) areas assessed as high landscape value or other highly sensitive features in the natural environment will be avoided; and
- g) taking the national Green Belt policy into account, sites that are currently in the green belt will only be allocated where exceptional circumstances can be justified. The following will be taken into account in considering exceptional circumstances:
 - i. the availability of alternative suitable sites outside the Green Belt;
 - ii. the potential of the site to meet specific housing or employment needs that cannot be met elsewhere;
 - iii. the potential of the site to support regeneration within deprived areas; and
 - iv. the potential of the site to provide support to facilities and services in rural areas.