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Warwick District Local Plan - Proposed Modifications to the Publication Draft Local Plan (Part 1)

Statement on behalf of Barwood Development Securities

April 2016

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SHADOW ECONOMIC PROSPERITY BOARD**

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1 INTRODUCTION

- 1.1 HOW Planning LLP (“HOW Planning”) has been instructed by Barwood Development Securities (“Barwood”) to prepare and submit representations to the Warwick District Local Plan Proposed Modifications to the Publication Local Plan (Part 1) (“the Warwick Local Plan Proposed Changes”). This statement should be read in conjunction with Barwood’s Hearing Statements, previously submitted to the Inspector, and representations made to the Publication Local Plan of June 2014, including all relevant appendices. Direct reference to these previous submissions is made for ease of reference.
- 1.2 The purpose of this representation is to detail Barwood’s response to the Warwick Local Plan Proposed Changes to the following policies, with specific reference to the soundness of the Plan as detailed in paragraph 182 of the National Planning Policy Framework (NPPF):
- Strategic Policy DS2: Providing the Homes the District Needs;
 - Policy DS6: Level of Housing Growth;
 - Policy DS7: Meeting the Housing Requirement;
 - Policy DS10: Broad Location of Allocated Housing Sites;
 - Policy DS11: Allocated Housing Sites;
 - Policy DS15: Comprehensive Development of Strategic Sites;
 - Policy DS19: Green Belt;
 - Policy DS20: Review of the Local Plan;
 - Policy DS NEW1: Directions for Growth South of Coventry; and
 - Policy DS NEW2: Safeguarded Land.

2 THE DEVELOPMENT STRATEGY

- 2.1 This section details Barwood's response to the Warwick Local Plan Proposed Changes and should be read in conjunction with Barwood's previous representations to the Publication Draft Local Plan (April 2014), as amended by the Focused Consultation (October 2014) and Barwood's Hearing Statements (Ref ID. 12821) of April 2015.

Mod 1 & Mod 2 - Strategic Policy DS2: Providing the Homes the District Needs

- 2.2 Proposed Modification Mod 1 seeks to update Strategic Policy DS2 to advise that full housing provision will be provided for the Objectively Assessed Housing Need (OAHN) for the District *"and for unmet housing need arising from outside the District where this has been agreed."* HOW Planning support the principle of Mod 1, however consider that as drafted the policy is too vague. The policy should be amended to specifically reference the Housing Market Area (HMA). HOW Planning suggest the following wording:

"We will provide in full for the Objectively Assessed Housing Need of the District and for unmet housing need arising from the Housing Market Area, as detailed within the agreed Memorandum of Understanding..."

- 2.3 Mod 2 updates the justification text to Strategic Policy DS2, advising:

"A key element in this is developing an evidence base to objectively assess housing need and ensuring that this Objectively Assessed Need is met in full for both market and affordable housing in the housing market area. This means that all the Councils within the Housing Market Area need to work together, in line with the Duty to Co-operate, to ensure the housing need is met in full. This in turn means that the Council needs to play its part in meeting unmet housing need arising from outside the District. In this respect, the Council is party to a Memorandum of Understanding, agreed in October 2015, to accommodate some of Coventry's housing need within the District."

- 2.4 The *Memorandum of Understanding (MOU) Relating to the Planned Distribution of Housing within the Coventry and Warwickshire Housing Market Area* was considered by the Coventry, Warwickshire and South Leicestershire Shadow Economic Prosperity Board on Tuesday 29 September 2015, and is included at **Appendix 1**. Based on the 2015 update to the Strategic Housing Market Assessment (SHMA), it seeks to agree a need for 88,160 dwellings within Coventry and Warwickshire between 2011 and 2031 (4,408 dwellings per annum), and proposes that these dwellings are distributed as set out at Table 1.

Table 1: HMA Distribution of Development

| District | District OAN (Average Annualised Total) | MOU Total Per Annum | MOU Total 2011-2031 |
|------------------------------------------|-----------------------------------------------|------------------------|------------------------|
| Coventry | 2,120 | 1,230 | 24,600 |
| North Warwickshire | 237 | 264 | 5,280 |
| Nuneaton & Bedworth | 502 | 703 | 14,060 |
| Rugby | 480 | 620 | 12,400 |
| Stratford-on-Avon | 659 | 659 | 13,180 |
| Warwick | 600 | 932 | 18,640 |
| Coventry & Warwickshire Total | | 4408 | 88,160 |

- 2.5 At paragraph 8 of the Report to the Coventry, Warwickshire and South West Leicestershire Shadow Economic Prosperity Board, it is explained that with regards to Coventry, the 2015 SHLAA demonstrates that the City is unable to meet its housing requirements within the City boundary and that the shortfall is to up 17,800 units. The report continues, at paragraph 13, to state that Officers considered that a 'functional relationship' should be used to shape the MOU, as this best reflected existing patterns of movement, provided a robust and objective methodology and retained local sovereignty in terms of the spatial approach to be used by each District to meet the resulting housing requirements. Interestingly, the report states that the functional relationship approach indicates that Warwick and Nuneaton and Bedworth have the strongest relationship with Coventry and therefore the following percentages set out in Table 2 were applied as the basis for the redistribution approach.

Table 2: HMA Coventry Functional Relationship

| District | Functional Relationship Percentage (Commuting and Migration) |
|-----------------------|-----------------------------------------------------------------|
| North Warwickshire | 5.15 |
| Nuneaton and Bedworth | 32.30 |
| Rugby | 16.51 |
| Stratford-on-Avon | 6.51 |
| Warwick | 39.37 |

- 2.6 The Inspector's attention is drawn to paragraph 21 of the report, which states:

"At this point in time, the evidence shows that there is some uncertainty about the ability of Nuneaton and Bedworth BC to meet the whole of the additional requirement that the evidence suggests should be allocated within the Borough. Nuneaton and Bedworth BC is still in the process of updating its SHLAA to assess whether there will be a resulting further unmet need and if so what the scale of this will be. The MoU recognises this position in clause 4 by providing for

an early review in the event that updated SHLAA work indicates that the redistricted housing requirement cannot be met in full.”

- 2.7 The updated evidence undertaken by the HMA has identified that Nuneaton and Bedworth has a strong functional relationship with Coventry, however as set out at paragraph 2 of Warwick Council’s letter to the Inspector, dated 29 January 2016 (Doc Ref. EXAM 28), Nuneaton and Bedworth Borough Council still do not support the MOU, and whilst the Council’s letter advises that *“they have made considerable progress with their SHLAA and expect to share the initial results of this in February 2016”*, HOW Planning seriously contest this statement as at the time of the Council’s letter (and at the time of preparing these submissions) Nuneaton and Bedworth’s capacity to provide for Coventry’s unmet housing need is uncertain, as no updated evidence has been produced, and this matter is still outstanding. The approach promoted within the MOU is therefore flawed as the proportion of Coventry’s OAN redistributed to Nuneaton and Bedworth may not be delivered.
- 2.8 There is no meaningful MOU and there is no agreement to apportionment of the HMA’s OAHN. It is fundamental that this is resolved so that the evidence base to support the Local Plan can be developed. Without a supporting evidence base, the Local Plan cannot progress as the sites allocated and the policies detailed within the Local Plan are not positively prepared and the Local Plan is therefore not justified. The present agreement between the HMA authorities will result in a significant shortfall of unmet need and therefore the approach taken by the Local Plan Proposed Modifications in relation to overall housing provision remains to be not positively prepared, not justified, not effective and not consistent with national policy. Fundamentally, the approach is not consistent with paragraph 47 of the National Planning Policy Framework (NPPF) as the approach will not ensure that full, objectively assessed needs for market and affordable housing in the housing market area is met. As such, the Plan remains to be unsound as the Inspector’s key concern regarding the Local Plan’s fundamental flaw in terms of the HMA’s OAN have not been addressed.

Mod 4 & Mod 5 – Policy DS6: Level of Housing Growth

- 2.9 Proposed Modification Mod 4 updates the Local Plan policy to increase the level of housing growth from 12,860 to 16,776 units. HOW Planning recommend that in order for Policy DS6 to be consistent with the NPPF, notwithstanding the comments provided below, the policy should be amended to identify that 16,776 units is the *minimum* requirement.
- 2.10 The Council’s justification to the update advises that the policy has been updated to align with updated housing needs evidence and with the Coventry and Warwickshire MOU. Notwithstanding HOW Planning’s comments set out in response to Strategic Policy DS2 earlier in this statement,

and the flawed approach of the MOU, Barwood's appointed consultant, PBA, has assessed in greater detail the appropriateness or otherwise of the proposed level of housing growth as set out at the Mod 4. PBA's note is included at **Appendix 2** to these submissions and should be reviewed in its entirety.

- 2.11 In summary, PBA's assessment of the Council's approach to Policy DS6 reiterates comments made by HOW Planning and PBA on behalf of Barwood in the April 2015 Hearing Statements. The Council's identification of 600 dwellings per annum as the justified OAN for Warwick is understated as it does not take proper account of proposed market signals, as required by national planning guidance.
- 2.12 Based on the analysis set out in PBA's note, HOW Planning consider that Warwick's market signals justify an uplift of 15% above the 'demographic starting point' of 600s dwelling per annum, therefore bringing the district's OAN over the Plan period to 690 dwellings per annum. Added to the agreed import from Coventry of 332 dwellings per annum, notwithstanding comments made in response to Strategic Policy DS2, this means that Warwick's total requirement should be 1,022 dwellings per annum, equating to 18,396 units over the Plan period. These comments are made notwithstanding any further increase required to meet the unmet needs from the Greater Birmingham area, which remains uncertain following the recent issue of the Birmingham Local Plan Inspector's Report.
- 2.13 As such, proposed modification Mod 4 is not positively prepared as the Plan is not based on a strategy which seeks to meet objectively assessed development requirements and therefore the Plan is unsound.

Mod 6 – Policy DS7: Meeting the Housing Requirement

- 2.14 Proposed Modification Mod 6 identifies how the Council anticipate to deliver the identified housing requirement which, as set out in the response to DS6 above, is considered to be unsound. The Council advises that Policy DS7 has been updated to reflect: the most recent data on completions and permissions; a revised windfall allowance to reflect revised assumptions in line with the Inspector's findings; update of the SHLAA based on the 2015 Call for Sites exercise; and revised allocations based on the updates.
- 2.15 The Inspector's interim findings clearly identified that the Council's approach to windfall sites is a key concern, concluding that in the terms sets out at paragraph 48 of the NPPF, the Council had not identified compelling evidence that windfall sites will continue to provide a reliable source of

supply on the scale envisaged. As such, the windfall allowance of 2,485 dwellings (138 dwellings per annum) was neither justified nor reliable.

- 2.16 Policy DS7 identifies that 1,134 units will be delivered via windfall allocations over the period April 2015 to March 2029, equating to 81 dwellings per annum. There is no updated evidence to support this approach to windfall development. As set out in detail within Barwood's representations to the Publication Draft Local Plan (June 2014), allocated housing sites were virtually exhausted by the middle of the last decade and not replaced by new allocations and therefore the District's housing delivery was almost wholly dependent on windfall sites thereby skewing the Council's windfall evidence base. The Warwick Local Plan Proposed Changes allocates new sites to deliver the District's growth to 2029. As new allocations have been provided to deliver the needs of the Borough, the Council cannot assume that the historic rate of windfall development will continue.
- 2.17 The yield from windfalls in the first few years of the plan period will come mostly from sites with planning permission (which are part of the identified supply) rather than from as yet unidentified windfall sites. Consequently, at the start of the assessment period it is doubtful whether the full averaged annual allowance of 81 additional windfall dwellings will be delivered.
- 2.18 Barwood are of the opinion that the Council's modified approach to windfall sites remains to be not justified and not realistic.
- 2.19 The 'sites allocated in this Plan' category is discussed in response to Policy DS11.

Mod 8 – Policy DS10: Broad Location of Allocated Housing Sites

- 2.20 Proposed Modification Mod 8 updates the broad locations for allocated housing sites and identifies specific locations in accordance with the spatial strategy. The policy is updated at set out at Table 3.

Table 3: Policy DS10 Proposed Modification Comparison

| Broad Location | Submission Local | Proposed |
|------------------------------------------------------------------|------------------|--------------|
| | Plan | Modification |
| Urban Brownfield Sites | 1,535 | 1,208 |
| Greenfield sites on the edge of Kenilworth | 853 | 1,500 |
| Greenfield sites on the edge of Warwick, Leamington and Whitnash | 3,167 | 3,270 |
| Greenfield sites on the edge of Coventry | | 2,245 |
| Sites within Growth Villages and the rural area | 744 | 1,146 |
| TOTAL | 6,299 | 9,369 |

- 2.21 The Council's revised strategy for Policy DS10 has been to direct a significant amount of new development to greenfield sites on the edge of Coventry. HOW Planning's detailed response in respect of this approach is set out in response to Policy DS New 1 Directions for Growth South of Coventry, detailed later in this statement, and in response to Policy DS19: Green Belt.
- 2.22 HOW Planning acknowledge and support, to an extent, the increased level of growth directed to the Growth Villages, however the Council's distribution of the updated OAN requirement to Growth Villages does not go far enough. Bishop's Tachbrook has been identified by the Council as a Growth Village, therefore being recognised as a sustainable location for new development, which will be further enhanced by the infrastructure provided by the developments permitted to the west of Europa Way. On behalf of Barwood, HOW Planning has promoted through the Local Plan process a site located at Mallory Road, Bishop's Tachbrook, which is considered to be a significantly more sustainable development option than releasing Green Belt land to the south of Coventry, which is not based upon a robust evidence base.
- 2.23 Barwood consider that as drafted, Policy DS10 is not justified as the approach to the release of a significant amount of land from the Green Belt is not based upon a robust evidence base.

Mod 14 – Policy DS15: Comprehensive Development of Strategic Sites

- 2.24 Proposed Modification Mod 14 requests the submission of either a Development Brief or a Layout and Design Statement as appropriate to the Local Planning Authority. HOW Planning consider that the policy should be updated to ensure clarity that the Development Brief or Layout and Design Statement are to be submitted the Local Planning Authority as part of any planning application submission for an identified Strategic Site. This ensures that the policy is not ambiguous, as at present the policy serves to complicate matters and delay development.

Mod 16 – Policy DS19: Green Belt

- 2.25 Proposed Modification Mod 16 identifies a number of sites which are to be removed from the Green Belt to reflect Green Belt allocations and proposed Safeguarded Land areas identified in the amendments to Policy DS11 and Policy DS New 2.
- 2.26 The NPPF (paragraphs 82 to 85) confirms that once established, Green Belt boundaries should only be altered in exceptional circumstances, through the preparation and review of the Local Plan. Furthermore, the NPPF requires Local Planning Authorities to ensure that Green Belt boundaries should have permanence in the long term and be capable of enduring beyond the Plan period. As identified within HOW Planning's submissions to the Publication Draft Local Plan, Green Belt release around the villages in the north of the Borough is supported, to an extent, as

this allows the local development needs of the north to be met and therefore could be considered to constitute “exceptional circumstances” sufficient to justify alterations of the Green Belt through the preparation of the Local Plan. Whilst HOW Planning has been supportive of the release of Green Belt land to support local housing needs in the north of the borough, the approach taken by the Council in Mod 16, which allocates greater growth to the Green Belt constrained northern villages is not justified. The release of Green Belt land is based on no and, at fundamentally, flawed evidence. The evidence published alongside the Local Plan Proposed Modifications does not provide a robust evidence base to justify the quantum of Green Belt to be released or the sites selection for release.

- 2.27 The approach taken by the Council promotes a materially different strategy to that promoted within the Warwick Local Plan Submission Version, which was a concern raised by the Inspector in his findings on the initial matters and issues in his letter of 1 June 2015. As set out above, the approach of the Warwick Local Plan Submission Version was to release Green Belt land surrounding identified Green Belt constrained Growth Villages to meet identified local needs, however the approach taken by Warwick Council in the Proposed Modifications is to allocate a greater number of large scale development sites within the Green Belt at the edge of Coventry (as set out at Policy DS11). The Council’s revised approach seeks to increase the quantum of development on the edge of Coventry from 20 units to 2,245 units, which is a momentous amendment. The approach is unsound in two respects: firstly, the Proposed Modifications seek to introduce a strategy that is materially different to that promoted through the Warwick Local Plan Submission Version and promotes sites which have not been subject to previous public consultation or Sustainability Appraisal; secondly, the Council’s evidence base does not support the Council’s approach, this is set out in further detail below.
- 2.28 The Council’s Joint Green Belt Study, prepared for the HMA authorities by LUC in June 2015, assesses Green Belt land parcels against the five purposes of the Green Belt. The Joint Green Belt Study recommends that the lowest performing parcels of Green Belt, or parts of them, could be considered for removal from the Green Belt. The Joint Green Belt Study, however, provides an important caveat that the HMA authorities should consider the following, prior to identifying which parcels of Green Belt land are suitable to be removed from the Green Belt:
- Demonstration of exceptional circumstances, such as unmet housing or employment land needs, that cannot be met elsewhere; and
 - Consideration of the need to promote sustainable patterns of development, considering a range of local, regional and national issues such as economic growth, health and wellbeing, accessibility and biodiversity, cultural heritage and climate change resilience, as well as an assessment against Green Belt purposes.

- 2.29 With regards to the first bullet point, and as set out in HOW Planning's response to Strategic Policy DS2, the unmet housing need of the HMA remains uncertain as Nuneaton and Bedworth have not signed up to the MOU and it remains unclear as to the quantum of development which could be delivered by the authority. As such, whilst the HMA Authorities have produced a review of the Green Belt, assessing specific land parcels in terms of their contribution to the Green Belt, the overall strategic development strategy for the HMA remains uncertain and therefore the Council cannot present an approach to the release of Green Belt sites which has, with any certainty, been based on a justified evidence base.
- 2.30 The Joint Green Belt Study identifies the following land parcels as 'higher-performing Green Belt parcels':
- Parcels of Green Belt land that contribute to the gaps between the large built-up areas, which generally perform well against the Green Belt purposes: **WA2**
 - Parcels bordering the southern and western edges of Coventry contribute significantly to the purposes of the Green Belt, some of which have good intervisibility with the historic core of Coventry: **C14**
 - Parcels with good views into the historic core of Royal Leamington Spa and/or Warwick: **RL1, RL2, RL3, WA6, LW2, LW3, WA1, WA2 and HM1**.
- 2.31 A review of the sites identified within Policy DS19: Green Belt, which are proposed to be released from the Green Belt has been undertaken against the classification of the Green Belt parcel identified within the Joint Green Belt Study. The Inspector's attention is specifically drawn to Site H43: Kings Hill as the site is located within parcel C14, which has been identified by the Joint Green Belt Study as a 'higher-performing Green Belt parcel'.
- 2.32 Appendix 1 to the Joint Green Belt Study sets out detailed proforma assessments for each land parcel. Land parcel C14 scores a total of 15 out of a maximum of 20, thereby highlighting the parcel's importance. The parcel is specifically important in respect of "*to preserve the setting and special character of historic towns*" and "*to assist in urban regeneration by encouraging the recycling of derelict and other urban land*". As such, given the identification of Site H43 as a 'higher-performing Green Belt parcel', the allocation of the site within Policy DS11: Allocated Housing Sites as an allocation is contrary to the Council's evidence base. This is also the case for Site H44, located within Green Belt parcel H44, which scores 14 out of a maximum of 20 and is considered to be important in terms of: "*to check the unrestricted sprawl of large built-up areas*", "*to prevent neighbouring towns merging into one another*", "*to assist in the safeguarding of the countryside from encroachment*" and "*to assist in urban regeneration by encouraging the recycling of derelict and other urban land*". Of specific importance to this site is the site's role in preventing Warwick adjacent to the southern edge of the parcel from merging with the small village of Old

Milverton in the northern half of the parcel, as the distance between the two settlements is less than 1km in the eastern half of the parcel.

- 2.33 Given the availability of better sites, such as Land at Mallory Road, Bishop's Tachbrook, which does not lie within the Green Belt but within an identified Growth Village, and the lack of exceptional circumstances to justify their release, HOW Planning are of the opinion that no decisions, by either the Council or the Inspector, can be made on the release of Green Belt unless or until the evidence is produced. At present, there is no agreed evidence in respect of the amount of growth that is to be promoted through the Warwick Local Plan, given the uncertainties regarding the delivery of the HMA's OAN and, furthermore, the requirement to accommodate unmet needs from Greater Birmingham area. Without knowledge of the quantum of land required to meet housing needs, a robust assessment of the release of Green Belt land cannot be undertaken and as such the exercise undertaken by the Council is superficial and does not evidence the release such a quantum of Green Belt land. HOW Planning has demonstrated within previous submissions, and again reiterated within this response, that there are more suitable and sustainable locations to direct growth to, such as the Growth Village of Bishop's Tachbrook.
- 2.34 In summary, HOW Planning consider that Policy DS19, as modified by Proposed Modification Mod 16, is unsound as the approach is not justified. Specifically, the sites identified above should not be carried forward and the requirement of 2,300 dwellings should be accommodated elsewhere in the district.

Mod 17 & Mod 18 – Policy DS20: Review of the Local Plan

- 2.35 Whilst Proposed Modifications Mod 17 and Mod 18 seek to update Policy DS20 in light of the Inspector's initial comments, which considered the approach to Policy DS20 within the Warwick Local Plan Submission Version to be unsound. The Council's amended Policy DS20 continues to promote a review mechanism policy. HOW Planning acknowledge that the Government has suggested the inclusion of the commitment to an early review of the Local Plan can be considered appropriate provided that the shortcomings of the Local Plan are not critical to the whole plan. The issue of OAHN is clearly critical to the whole plan.
- 2.36 Policy DS20 advises that the Plan will be reviewed (either wholly or partially) prior to the end of the Plan Period in the event of one or more of the following circumstances arising:
- a) Through the Duty to Cooperate, it is necessary to accommodate the development needs of another local authority area within the District and these development needs cannot be accommodated within the Local Plan's existing Strategy;

- b) Updated evidence or changes to national policy suggest that the overall development strategy should be significantly changed;
- c) The monitoring of the Local Plan (particularly the monitoring of housing delivery) demonstrates that the overall development strategy or the policies are not delivering the Local Plan's objectives and requirements;
- d) Development and growth pressures arising from the specific circumstances in the area to the south of Coventry (as identified in Policy DS New 1);
- e) Any other reasons that render the Plan, or part of it, significantly out of date.

2.37 Barwood's comments to each of the criteria are below.

- a) *Through the Duty to Cooperate, it is necessary to accommodate the development needs of another local authority area within the District and these development needs cannot be accommodated within the Local Plan's existing Strategy;*

2.38 As set out in response to Strategic Policy DS2, whether the HMA authorities will deliver the development needs for the HMA is uncertain as Nuneaton and Bedworth have not agreed to the MOU, therefore identifying that the growth proposed to be redistributed to Nuneaton and Bedworth from Coventry remains unmet. As such, should Nuneaton and Bedworth remain removed from the MOU, and the HMA distribution of development remain as set out at Table 1, then on adoption the Local Plan would immediately trigger an early review.

- b) *Updated evidence or changes to national policy suggest that the overall development strategy should be significantly changed;*

2.39 HOW Planning consider that this element of the policy provides a pragmatic solution for the review of the Local Plan should updated evidence, such as official demographic projects, are released result in an updated development strategy which will be materially different to that of the adopted Local Plan.

- c) *The monitoring of the Local Plan (particularly the monitoring of housing delivery) demonstrates that the overall development strategy or the policies are not delivering the Local Plan's objectives and requirements;*

2.40 As per HOW Planning's response to Clause (B), the continued monitoring of the Local Plan ensures that should the Local Plan not be delivering the stated objectives, then a review will allow for the Local Plan's strategy to be reviewed and updated if necessary. Whilst the principle of this clause is supported, HOW Planning consider that it would be beneficial if the policy contained a trigger mechanism, specifically in respect of the monitoring of housing delivery, to ensure that the policy is not ambiguous.

d) Development and growth pressures arising from the specific circumstances in the area to the south of Coventry (as identified in Policy DS New 1);

2.41 HOW Planning consider that as drafted, Clause (D) is not meaningful and should be reviewed in order to provide a clear policy.

e) Any other reasons that render the Plan, or part of it, significantly out of date.

2.42 The inclusion of this clause is unnecessary. The continued monitoring of the Local Plan will allow the Council to review the delivery of the Local Plan against key objectives and provide updated guidance or policy as necessary. Should the Council's monitoring highlight that the shortcomings are critical to the whole Plan, then a review may be considered necessary and other trigger mechanisms within Policy DS20 allow for this.

Mod 20 – Policy DS NEW 1 Directions for Growth South of Coventry

2.43 Proposed Modification Mod 20 seeks the inclusion of a new policy to provide a comprehensive approach to the planning for the area of growth south of Coventry. As acknowledged in response to Policy DS10, the Council's updated spatial strategy seeks to direct the significant amount of new development to the south of Coventry. The Council's justification for the identification of growth in this location is to 'meet local and sub-regional housing needs', however as this spatial approach was not promoted previously by the Local Plan, it can be assumed that the Council's justification for the location of this growth is to meet the sub-regional housing needs. Proposed Modification Mod 21 confirms at paragraph New1.2 that to address the need generated by Coventry, an area adjacent to the boundary with the City has been identified as a suitable prospect for delivering part of the housing required.

2.44 The Planning Practice Guidance (PPG) defines a Housing Market Area (HMA) as:

*"A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work."*¹

2.45 The Coventry and Warwickshire HMA, which Warwick is part of, includes the following Local Planning Authorities: Coventry, North Warwickshire, Nuneaton and Bedworth, Rugby, Stratford-on-Avon, and Warwick. It is therefore agreed by all the authorities that they form part of the same HMA. Warwick has been evidenced to have the greatest functional relationship Warwick, and HOW Planning agree with this evidence, however the Council's justification that the delivery of the housing growth redistributed from Coventry has to be physically adjacent to the City is

¹ Paragraph: 010, Reference ID: 2a-010-20140306

incorrect and rather should be based upon an approach lead by Warwick's previously identified spatial distribution of development.

- 2.46 As discussed in relation to Policy DS19: Green Belt, the Council's justification for the release of such a quantum of Green Belt land is not justified and, furthermore, the parcels identified to be removed from the Green Belt are assessed as providing a great contribution to the role and function of the Green Belt.
- 2.47 HOW Planning consider that the Council's approach to Policy DS New 1 Directions for Growth South of Coventry should be reconsidered in light of the comments provided to Strategic Policy DS2, Policy DS6, Policy DS7, Policy DS10, and Policy DS19. The inclusion of this policy, and the subsequent updates to those policies which seek to identify development site, materially change the Local Plan's strategic and spatial strategies and therefore cannot be considered to be an update to the Local Plan.

Mod 22 – Policy DS NEW 2 Safeguarded Land

- 2.48 Proposed Modification Mod 22 seeks the inclusion of a new policy to identify a Green Belt release for beyond the Plan period to reflect longer term opportunities. There appears to be no evidence to justify the Council's approach to the quantum of Safeguarded Land to be allocated within the Local Plan. As such, there is no available evidence to confirm whether the proposed amount and timescale of Safeguarded Land is sufficient, soundly based and fully justified.
- 2.49 The NPPF (at paragraphs 79, 83-85) sets out the approach to identifying Safeguarded Land, to ensure that Green Belt boundaries can endure beyond the Plan period and longer-term development needs can be met without altering the Green Belt at the end of the current Plan period. As set in response to Policy DS19, HOW Planning contest the removal from the Green Belt of sites south of Coventry due to the materially different strategy which this promotes from the Warwick Local Plan Submission Version and, furthermore, as the technical evidence base does not support the removal of the sites identified at paragraph 2.24 of this statement. As such, the evidence base to justify the allocated of Safeguarded sites is absent.

Mod 10 – Policy DS11: Allocated Housing Sites

- 2.50 Proposed Modification Mod 10 lists the sites allocated for housing by the Local Plan. As set out in response to Policy DS19 earlier in these representations, HOW Planning suggest that the policy should be updated to delete the sites proposed to be released from the Green Belt as the evidence base to justify this approach is not available. Furthermore, in response to the revised OAN promoted by the Local Plan Proposed Modifications, Policy DS11 seeks to allocate a number of new sites not previously proposed for allocation, however a clear evidence base setting out the

justification for the allocation of such new sites is absent. Without the publication of clear evidence base setting out which sites have been considered by the Council and why sites have been discounted is paramount to understand the Council's approach. The Council should undertake the approach recommended by the Inspector of the Cheshire East Local Plan Strategy, which develops a transparent Site Selection Methodology, to assess the selection of all sites within the Local Plan. The production of a Site Selection Methodology, which is prior consulted with key stakeholders, will ensure that the overall approach is coherent, consistent, objective and comprehensive and, fundamentally, clearly related to the Council's evidence base. In the absence of an approach that provides a soundly based framework of evidence for identifying and selecting sites, in line with the NPPF and PPG, the Council's approach within the Proposed Modifications is unsound.

- 2.51 During October 2015, the Council undertook a 'Call for Sites' exercise and, on behalf of Barwood, HOW Planning submitted details on the land at Mallory Road, Bishop's Tachbrook site. In summary, HOW Planning's submission set out the following justification as to why the Bishop's Tachbrook site is suitable for allocation within the Local Plan.

Land at Mallory Road, Bishop's Tachbrook

- 2.52 The site was included in the Council's 2012 Strategic Housing Land Availability Assessment ("the 2012 SHLAA") under site reference R31. The site considered in the 2012 SHLAA extends to a larger area than that promoted through the 2015 Call for Sites exercise, which extends to 7.30 hectares and can accommodate approximately 125 units. The 2012 SHLAA notes that some of the site could potentially be suitable subject to evidence of local housing need and scale of development in relation to the existing settlement. The 2012 SHLAA also confirms that the site is available ('Land in single ownership – owner has expressed willingness to bring the site forward') for residential development.
- 2.53 To boost significantly the supply of housing, the NPPF confirms that local planning authorities should identify and update annually a supply of deliverable housing sites. Footnote 11 on page 12 of the NPPF provides a definition for what constitutes a "deliverable" housing site. This states that:

"To be considered deliverable, sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect for housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires, unless there is clear

evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans.”

2.54 Land at Mallory Road, Bishop’s Tachbrook is deliverable due to the following factors:

Is the site available?

2.55 The site is controlled by Barwood and is available for development now.

Is the site suitable?

2.56 The site is sustainably located adjacent to the Growth Village of Bishop’s Tachbrook, and has previously been confirmed as such in the 2012 SHLAA and benefits from good access to a number of services, shops and facilities.

2.57 In technical terms, Barwood has undertaken extensive technical work which demonstrate that the development proposals would not result in any adverse impact which would significantly and demonstrably outweigh the benefits of the development and the proposals accord with the specific policies of the NPPF. Furthermore, the specific policies of the NPPF do not indicate that the development should either be restricted or refused.

2.58 In summary, the land is a suitable site which can accommodate much needed housing in a location that has been identified as a sustainable growth location by the Council.

Is the site achievable?

2.59 The site could deliver 125 houses within the next 5 years, which would positively contribute to the Council’s current and acute shortfall of housing. The site is therefore achievable for development in the short term.

Is the site viable?

2.60 There are no physical constraints or limitations which would prevent the site’s development. Development of the site is commercially viable.

2.61 It is clear that the site is available, suitable, achievable, and viable. It is therefore clearly deliverable and can positively support the Council’s growth strategy.

2.62 The development of the site will achieve a number of significant benefits:

- The proposals seek to deliver up to 125 homes, 40% of which will be provided as affordable housing.
- Provision of new, publically accessible open space

- A range of transport improvements, including a new, lit footway along the frontage to Mallory Road; and a new pedestrian link to Mallory Road to further enhance site permeability and connectivity.
- Along Mallory Road itself, a 30 mile per hour speed restriction will be extended, and traffic calming measures implemented, to include relocation of the existing gateway feature and installing a vehicle activated sign to warn traffic of their speed on approach to the village.

2.63 Whilst an application for a larger development site was dismissed at appeal, the reasons can be addressed through an amended design to the site layout and which do not preclude development on this site. Barwood's development team has considered the appeal conclusions carefully and has prepared an amended site layout which responds positively to ensure the reasons for the dismissal can be overcome.

2.64 In summary, the evidence base to justify the Council's approach to the selection of new site allocations for inclusion within the Warwick Local Plan is absent. There is no clear site selection methodology to advise consultees or the Inspector of the approach followed in the selection and rejection of all sites submitted to the Local Plan during the Call for Sites exercise. Without a clear Site Selection Methodology, which has been subject to public consultation, the Council's updated approach cannot, with any certainty whatsoever, be considered to be justified. The Local Plan is not the most appropriate strategy when considered against the reasonable alternatives, based on proportionate evidence.

3 CONCLUSION

- 3.1 HOW Planning LLP (“HOW Planning”) has been instructed by Barwood Development Securities (“Barwood”) to prepare and submit representations to the Warwick District Local Plan Proposed Modifications to the Publication Local Plan (Part 1) (“the Warwick Local Plan Proposed Changes”). This statement should be read in conjunction with Barwood’s Hearing Statements, previously submitted to the Inspector, and representations made to the Publication Local Plan of June 2014, including all relevant appendices. Direct reference to these previous submissions has been made for ease of reference.
- 3.2 Fundamental to the consideration of the ‘soundness’ of the Warwick Local Plan is the resolution of the Coventry and Warwickshire HMA to agree the distribution of the HMA’s OAN across the authorities. As Nuneaton and Bedworth have not agreed to the Memorandum of Understanding (MOU), the approach promoted within the MOU is therefore fundamentally flawed as the proportion of Coventry’s OAN that has been redistributed to Nuneaton and Bedworth will not be delivered. The current, flawed, agreement between the HMA authorities will result in a significant shortfall of unmet need and therefore the approach taken by the Local Plan Proposed Modifications in relation to overall housing provision remains to be not positively prepared, not justified, not effective and not consistent with national policy. Fundamentally, the approach is not consistent with paragraph 47 of the National Planning Policy Framework (NPPF) as the approach will not ensure that full, objectively assessed needs for market and affordable housing in the housing market area is met. As such, it is not sound.
- 3.3 Whilst HOW Planning support, to an extent, the commitment by the Council to increase the level of housing growth promoted by the Local Plan, the technical work undertaken by Barwood’s appointed economic consultant, PBA, continues to raise uncertainties with regards to the Council’s approach to market signals. PBA consider that market signals should be adjusted by 15% and therefore Warwick’s OAN should be a minimum of 18,396 units over the Plan period, notwithstanding any implications from Nuneaton and Bedworth not signing up to the MOU. This has the potential for further upward pressure on the HMA’s OAN when considering the implications of meeting the unmet need of the Greater Birmingham area.
- 3.4 HOW Planning has identified that the Council’s Green Belt evidence does not justify the release of the Green Belt land parcels south of Coventry. In the first instance, given the uncertainty of the precise housing requirements for the OAN as one local authority refuses to agree to the distribution, the quantum of land to be released from the Warwick and Coventry Green Belt remains uncertain and therefore an assessment of the Coventry and Warwickshire Green Belt, as a whole, cannot be undertaken. More pressing, however, is the Council’s approach to release

Green Belt parcels which are identified as making significant contributions to the Green Belt. The Council is not, therefore, promoting a strategy that is based on a justified evidence base.

- 3.5 The Council's approach to the allocation of new sites is not based upon a justified evidence base. HOW Planning consider that a Site Selection Methodology should be produced and consulted upon in the first instance, so all stakeholders are aware of the methodology that the Council is following in relation to the consideration of new site allocations.
- 3.6 A more appropriate strategy is to focus the additional growth required to be delivered by Warwick to sustainable Growth Villages, such as Bishop's Tachbrook, which have been identified by the Council as appropriate, sustainable locations to deliver new development. This would result in a strategy that is not materially different to that promoted in the Warwick Local Plan Submission Version and which is based upon a robust evidence base.
- 3.7 In summary, HOW Planning are of the opinion that the Local Plan Proposed Modifications continue to promote a Local Plan that is not positively prepared, not justified, not effective, and not consistent with national policy. As such, the Local Plan Proposed Modifications are unsound.

This report has been prepared by HOW Planning LLP, with all reasonable skill, care and diligence. The scope of this report is subject to specific agreement and has been prepared solely for the benefit of our Client and should not be relied upon by any other party. Any third parties that use this information do so at their own risk. HOW Planning LLP accepts no responsibility for information contained within this report that has been independently produced or verified.

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**APPENDIX 1: REPORT TO COVENTRY, WARWICKSHIRE & SOUTH
LEICESTERSHIRE SHADOW ECONOMIC PROSPERITY BOARD**

Report to the Coventry, Warwickshire and South West Leicestershire Shadow Economic Prosperity Board

Tuesday 29th September 2015

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

Introduction

- 1 At its meeting on 6th July 2015, the shadow Economic Prosperity Board (sEPB) agreed to a process and timetable to develop a Memorandum of Understanding (MoU) to ensure the Housing Market Area's (HMA) housing need is planned for in full, through the current round of plan-making.
- 2 This report seeks the agreement of the Shadow Economic Prosperity Board (sEPB) to the Memorandum of Understanding which is set out in **Appendix 1**.
- 3 The preparation of the MoU and this covering report is based on an intensive period of research and cooperation between the six planning authorities with responsibility for planning for housing need, as well as Warwickshire County Council.
- 4 The report to the sEPB on the 6th July, set out the key tasks to be undertaken to enable a robust, evidence based MoU to be developed. Four key tasks have been undertaken as follows:
 - Task 1: Develop proposals for the distribution of any unmet need arising in the HMA
 - Task 2: Confirmation of Housing Need across the HMA and at an individual local authority level and alignment with employment needs
 - Task 3: Confirmation of each authority's capacity for housing
 - Task 4: Identification of an aligned housing and employment need across the HMA alongside a proposed distribution of that needFurther details of the outcomes from each of these tasks is set out in Appendix 1 and explained in paragraphs 15 to 23 below.

Explaining the Memorandum of Understanding

- 5 The Memorandum of Understanding seeks to ensure that the housing needs of the C&W HMA are met in full.
- 6 The MoU is set out in full in **Appendix 1**. Based on the 2015 updates to the SHMA, it seeks to agree a need for 88,160 dwellings within Coventry and Warwickshire between 2011 and 2031 (4408 dwellings per annum), and proposes that these dwellings area distributed as follows:

Table 1

| | TOTAL PER ANNUM | TOTAL 2011-2031 |
|--------------------|-----------------|-----------------|
| Coventry | 1230 | 24,600 |
| North Warwickshire | 264 | 5,280 |

| | | |
|--------------------------------|------|--------|
| Nuneaton & Bedworth | 703 | 14,060 |
| Rugby | 620 | 12,400 |
| Stratford-on-Avon | 659 | 13,180 |
| Warwick | 932 | 18,640 |
| C&W Total | 4408 | 88,160 |

7 **Evidence:** The MoU is based on a robust evidence base which has been developed since the 6th July. This includes:

- Updated Housing Needs and Employment Forecasts Study: GL Hearn, August 2015. A summary of this report is included as **Appendix 2**. The conclusions from this study regarding OAN are:

Table 2

| | A: Housing need based on demographic projections | B: Change based on housing need to support Economic Growth (taking account of commuting patterns within the HMA) | C: Total for the C&W HMA (A+B) | Additional change required to support Economic Growth (taking account of commuting patterns outside C&W HMA) |
|--------------------------------|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Coventry | 2,120 | -190 | 1,930 | - |
| North Warwickshire | 190 | 16 | 206 | 31 |
| Nuneaton & Bedworth | 429 | 73 | 502 | 0 |
| Rugby | 480 | 0 | 480 | 0 |
| Stratford-on-Avon | 458 | 101 | 559 | 100 |
| Warwick | 600 | 0 | 600 | 0 |
| C&W Total | 4,277 | 0 | 4,277 | 131 |

- Updates to the capacity assessments (Strategic Housing Land Availability Assessments or SHLAAs) in Coventry CC and Rugby BC areas. These are published on the websites of the respective authorities. In addition, Stratford DC and Warwick DC have undertaken further SHLAA work to update their overall capacity. As a result of this work a clearer position regarding the capacity of each authority is emerging, although it should be noted that work is ongoing, particularly in Nuneaton and Bedworth to ensure that all the SHLAA's across the HMA have been completed according to a consistent methodology.

8 **Conclusions on the scale of Unmet Need:** With regard to Coventry, the 2015 SHLAA demonstrates that the City is unable to meet its housing requirement within the City boundary and that the shortfall is up to 17,800. The City Council has prepared a SHLAA in accordance with the agreed sub-regional methodology and has provided its work to each of the Warwickshire Districts for scrutiny to demonstrate that their conclusions on capacity are robust.

9 **Redistribution of the Unmet Need:** the evidence shows that there is a shortfall of up to 17,800 dwellings between Coventry's demographic housing need and the

capacity in the City. This represents the unmet housing need of the HMA which needs to be addressed through the MoU.

10 Officers have considered a range of ways to redistribute the 17,800 dwellings to ensure the agreed approach is firmly supported by evidence and offers an objective and fair way forward. The options considered by officers fall into two broad approaches: spatial options and functional relationship options.

11 **Spatial Options:** the starting point for the spatial options was to consider the most sustainable spatial options regardless of administrative boundaries. To do this, 6 spatial options were appraised:

- Edge of Coventry
- No delivery within the green belt
- Extensions to principal urban areas
- Growth Corridors
- Dispersed across all settlements (i.e principal urban areas and smaller settlements)
- New Settlement

A simple sustainability appraisal was undertaken on each of these options. The outcome of this work is shown in **Appendix 3**. This indicated that the Edge of Coventry and Growth Corridor options are likely to be the most sustainable spatial approaches

12 **Functional Relationship Options:** these options looked at the relative relationships of each of the Warwickshire Districts/Boroughs with Coventry City, based on existing migration and commuting trends. Two options were considered: relationship with Coventry based on two way commuting flows and relationships with Coventry based on gross migration flows. The data relating to these two options is shown in **Appendix 4**. Consideration of these two options indicated that both were important and a valid means of assessing functional relationships and that therefore they should be given equal weighting. As a result, officers developed an approach which applied the average percentage of migration and commuting flows to the functional redistribution approach. The resulting approach is set out in paragraphs 15 to 23 below.

13 Following discussions with the members' reference group, it was concluded that the functional relationship approach should be used to shape the MoU. It was felt that this approach best reflected existing patterns of movement, provided a robust and objective methodology and retained local sovereignty in terms of the spatial approach to be used by each Borough/District to meet the resulting housing requirement. The spatial approach has therefore not been used to influence the MoU but provides shared evidence which should be considered in preparing the spatial strategies within local plans.

14 Applying the functional relationship approach indicates that Warwick and Nuneaton and Bedworth have the strongest relationships with Coventry, with Rugby also having a significant relationship and Stratford-on-Avon and North Warwickshire having weaker relationships. The evidence suggests that the following percentages should be applied as the basis for this redistribution approach:

Table 3

| | Functional Relationship Percentage (commuting and migration) |
|------------------------------|---------------------------------------------------------------------|
| North Warwickshire | 5.15 |
| Nuneaton and Bedworth | 32.30 |
| Rugby | 16.51 |
| Stratford-on-Avon | 6.51 |
| Warwick | 39.37 |

- 15 **Final Proposed Redistribution Approach:** The final approach to redistribution which has been used to inform the MoU has two stages. The second stage is to take account of the functional relationships as set out in table 3 above. However before applying these percentages, the approach has considered the impact of the economic uplift for Nuneaton and Bedworth, Stratford-on-Avon and North Warwickshire arising from the GL Hearn Report and shown in Table 2 above.
- 16 The GL Hearn report indicates that North Warwickshire's demographic housing need should be uplifted by 47 dwellings per annum to take account of the need to support economic growth. Similarly Stratford-on-Avon's and Nuneaton and Bedworth's uplifts are 101 and 73 dwellings per annum respectively.
- 17 To an extent, these uplifts involve redistribution of need from Coventry because they impact on commuting flows rather than the overall housing requirement of the HMA. However, a part of the uplift should also be seen as a redistribution from neighbouring HMAs (particularly Greater Birmingham). Applying data relating to functional relationship between the three local authorities concerned and neighbouring HMAs, it can be concluded that the following percentages of the economic uplift can be used to inform an initial redistribution as follows:

Table 4

| | Total Uplift to support economic growth (dwellings per annum) | % internal to HMA | Total within HMA (dwellings per annum) |
|---------------------------------------------------|----------------------------------------------------------------------|--------------------------|-----------------------------------------------|
| North Warwickshire | 47 | 33% | 16 |
| Stratford-on-Avon | 201 | 50% | 101 |
| Nuneaton and Bedworth | 73 | 100% | 73 |
| Total stage 1 redistribution from Coventry | | | 190 |

- 18 As a result of this stage 1 redistribution, 190 dwellings per annum of Coventry's need has been addressed.
- 19 **Appendix 5** shows how the functional relationship formula set out in table 3 above has been applied to the remaining shortfall. This results in the final distribution set out in the MoU and in Table 1 above.
- 20 It should be noted that the MoU deals directly with the housing needs arising from within the Coventry and Warwickshire HMA. It does not address any shortfall arising within the Greater Birmingham HMA. Although work to assess the shortfall from the Greater Birmingham HMA is progressing, at this point in time it is not clear to what extent any unmet need will have to be met within Coventry and Warwickshire and in

particular Stratford-on-Avon and North Warwickshire. It is recognised that this could add further pressures to provide additional housing within the HMA, but until more is known, this cannot be effectively addressed, nor can it form part of the formal agreement.

- 21 At this point in time, the evidence shows that there is some uncertainty about the ability of Nuneaton and Bedworth BC to meet the whole of the additional requirement that the evidence suggests should be allocated within the Borough. Nuneaton and Bedworth BC is still in the process of updating its SHLAA to assess whether there will be a resulting further unmet need and if so what the scale of this will be. The MoU recognises this position in clause 4 by providing for an early review in the event that updated SHLAA work indicates that the redistributed housing requirement cannot be met in full.
- 22 Within Warwickshire, responsibility for identifying and planning for housing need lies with the District and Borough Councils through the local plan process. Formally, the parties to the agreement are therefore the 5 District/Borough Councils within Warwickshire, plus Coventry City Council. However, Warwickshire County Council has been involved in the process for preparing the MoU, because all parties understand the importance of their role in supporting the delivery of housing through infrastructure planning and provision. Therefore, although Warwickshire County Council are not formally a party to agreement, the importance of their role is recognised in the MoU.
- 23 Monitoring of the MoU will be important to ensure the housing requirements it sets out are delivered. The Coventry and Warwickshire local authorities have already established a monitoring group which seeks to ensure consistent and effective monitoring across the sub-region and which is providing data to support sub-regional planning, including the C&WLEP. This group, under the supervision of the Policy Officers' Group, will be responsible for establishing the indicators that will be used to monitor the MoU and for ensuring the measures are collected, collated and reported on at least an annual basis.

Background to the Memorandum of Understanding

- 24 **Legislation and National Policy:** The Localism Act 2011 places a legal duty on local planning authorities, county councils in England and public bodies to engage constructively, actively and on an ongoing basis. The duty requires that engagement should be constructive, active and ongoing. It requires cooperation to take place that is for the mutual benefit of neighbouring authorities. Importantly, Councils are expected to cooperate on strategic matters. This includes planning for housing need.
- 25 As well as the legal requirements set out in the Localism Act, the National Planning Policy Framework (NPPF) sets out the national policy regarding the Duty (see paragraphs 178 to 181). Specifically it indicates that:
- The Government expects joint working on areas of common interest to be diligently undertaken for the mutual benefit of neighbouring authorities.
 - Joint working should enable local planning authorities to work together to meet development requirements which cannot wholly be met within their own areas – for instance, because of a lack of physical capacity or because to do so would cause significant harm to the principles and policies of this Framework
 - Local planning authorities will be expected to demonstrate evidence of having effectively cooperated to plan for issues with cross-boundary impacts when their Local Plans are submitted for examination. Could be by way of plans or policies prepared as part of a joint committee, a memorandum of

understanding or a jointly prepared strategy which is presented as evidence of an agreed position.

- 26 To enable Local Plans to progress successfully through examination, this legislative and policy framework therefore requires cooperation to be demonstrable, diligent and effective in delivering solutions. It also indicates that where a need is identified, the cooperation process should provide the mechanism to ensure that this need is met in full
- 27 **Inspector's Findings - Warwick Local Plan:** In May 2015, the submitted Warwick District Local Plan was subject to 5 days of hearings. In June 2015, the Inspector wrote to the Council setting out his initial findings. A key element of his findings was concern that there was an identified unmet housing need in Coventry and Warwickshire (at least 234 dwellings per annum). He required this to be addressed (jointly with the other authorities in the Housing Market Area). He rejected the collaborative process that had 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 has asked 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.
- 28 **What are the implications of failing to reach agreement?** The Duty to Cooperate means that resolving HMA's housing need in full is essential to enable each Local Plan to progress. Without an agreement none of the Councils within the Housing Market Area can expect to be able to prepare plans which will be found sound. The Inspector for Warwick's Local Plan has made it clear that for any plan (not just Warwick's) within the HMA to progress, it must be done within the context of a robust agreement about how the HMA's housing requirement will be met in full and that it is not something that can be dealt with through a future plan review.
- 29 Failure to reach an agreement will therefore hinder plan making across the whole HMA and will inevitably lead to some major challenges in relation to decisions taken on planning applications. Without a mechanism to demonstrate that the HMA's housing requirement will be met, it is likely that all Councils will face applications on unwanted sites and will find these far harder to resist. The result could be unsustainable development and significant difficulties in identifying and funding infrastructure to support that development. A further issue linked to slow or no plan progress is that badly needed development within the green belt will not be able to progress. Some substantial housing releases are proposed within the green belt as is the sub-regional employment site in the vicinity of Coventry Airport. This will potentially be damaging to the sub-regional economy and will undermine the desire to demonstrate that Coventry and Warwickshire is "open for business".
- 30 Failure to agree an MoU and therefore to progress local plans exposes all the Councils in the sub-region to the risk of Government intervention in the plan making process. In his July Ministerial Statement, the Planning Minister indicated 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*".
- 31 Therefore, whilst it is recognised that the MoU provides major challenges for all the authorities within the HMA, failure to agree has very significant consequences now and on an ongoing basis in to the future.

- 32 **Where is the evidence to justify the figures in the MoU?** The proposals within the MoU are difficult for all the Warwickshire authorities. The additional housing requirement arising from this work is substantial in each case. However, as set out in paras 7 to 23 above, the MoU is based on an objective assessment of the evidence and on a robust methodology that seeks to ensure the redistribution is fair. Further evidence and detail are provided in the appendices to this report. This evidence should be read alongside each Council's most recent Strategic Housing Land Availability Assessment (SHLAA). In addition, it is important to emphasise that the Warwickshire authorities have carefully reviewed and challenged Coventry City Council's SHLAA. As a result of this, officers are satisfied that the City's SHLAA has been carried out in accordance with the agreed methodology and provides a robust piece of evidence to show that the City's capacity has been appropriately assessed.
- 33 **Why do we need to do deal with this quickly?** Given that Warwick and Stratford-on-Avon's plans are both in Examination, and the former in particular requires the agreement to enable the examination to progress there is a real urgency to reach agreement. However the urgency also applies to those Councils (Rugby, Coventry and Nuneaton and Bedworth) that want to progress their plans to publication stage within a few months. In other words, it is in all the six Councils' interest to not only reach agreement on these matters, but to do so as soon as possible
- 34 The withdrawal of the Warwick Local Plan would have repercussions on the progress of the adjoining Local Plans in the sub-region. Without up to date Local Plans in the Sub-region would create a policy gap for the proper development within each council area that could put in jeopardy the funding for strategic transport, education, and other infrastructure to support growth. The timely delivery of infrastructure plays a significant part in driving the economy of the sub-region. The policy gap would indicate uncertainty and lack of ambition for growth to existing businesses and inward investors and make desirable schemes less likely to happen. For example, the delay may mean significant delay for the delivery of the sub-regional employment site (The Gateway) and for the new jobs that it is expected to bring. The Gateway forms a key site for the development contained in the Strategic Economic Plan of the Coventry and Warwickshire Local Enterprise Partnership. Therefore, delay of the Local Plan will slow the pace of growth in the wider area.
- 35 A further issue to consider in relation to the timing of the MoU and plan preparation is that in 2016 the ONS will be releasing updated population projections. Whilst this in itself will not necessarily render local plans or the MoU out of date, it is likely to complicate matters further if an MoU has not been agreed and if Local Plans are not progressed. Recent population and household trends and forecasts show a rapidly growing population and housing need in Coventry. In recent years, Coventry has been the fastest growing city outside London and as a result, the housing need forecasts for the City have increased in each of the last four housing projections. There is therefore a strong possibility that the 2016 could show a further increase in the City's population forecasts and without an MoU in place, the issues associated with this could be even harder to resolve and agree. In other words, it is perhaps preferable to "bite the bullet" now as the issues are unlikely to be easier in the future.
- 36 **How does the MoU relate to Birmingham's housing capacity shortfall?** The MoU has been prepared at a time when it is understood that Birmingham City Council has a substantial shortfall in capacity to meet its housing requirement. This shortfall amounts to 37,900 dwellings. **Appendix 6** shows how the Greater Birmingham HMA overlaps with the Coventry and Warwickshire HMA in relation to Stratford-on-Avon and North Warwickshire. The authorities within the Greater Birmingham area have

been working together to identify spatial options for addressing Birmingham's shortfall. A number of these options potentially impact on Stratford and North Warwickshire and therefore on the HMA as a whole. However, at the moment no conclusions have been reached regarding the preferred spatial options and involvement of North Warwickshire and Stratford in the process has been limited. The Coventry and Warwickshire MoU therefore cannot and does not directly address the potential implications of Birmingham's shortfall as these are unknown.

- 37 **Is there a joint Spatial Strategy for Coventry and Warwickshire?** No. The merits of different spatial approaches have been assessed and are set out in **appendix 3**. However this does not form part of the MoU and it has been an important principle underpinning the preparation of the MoU that the "sovereignty" of each Council to prepare a local plan according to a locally derived spatial strategy must be adhered to. The MoU therefore sets out the quantum of housing to be delivered by each authority, but does not constrain the spatial strategy to provide this housing.
- 38 **Does the level of housing align with the employment forecasts for the HMA?** Yes. The employment forecasts have been closely examined within the work undertaken by GL Hearn. This shows that for the HMA as a whole, the working age population required for the level of jobs forecast will comfortably be accommodated within the proposed level of housing. In the case of three authorities (Stratford, Nuneaton and Bedworth and North Warwickshire), an uplift in the housing requirement has been agreed to address specific local issues regarding employment growth.
- 39 **How does the MoU relate to the Strategic Economic Plan?** As explained in para 37 above, the MoU does not set out a preferred spatial strategy. However it will be important that the distribution of housing across the HMA takes account of the location of major employment growth centres.

Recommendations

The Shadow EPB is recommended to:

Recommendation 1: Agree the principle of a redistribution in line with the methodology set out in paragraphs 12 to 19 above

Recommendation 2: Agree the Memorandum of Understanding set out in Appendix 1, noting that at this moment in time, clause 4 of the MOU and paragraph 21 of this report, is pertinent to Nuneaton and Bedworth BC.

Recommendation 3: Agree that each of the six Local Plan Authorities within the HMA will seek to formally endorse the MoU by end of November 2015

Appendix 1:



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

PARTIES TO THE MEMORANDUM

The Memorandum is agreed by the following Councils:

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

PURPOSE

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

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

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

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

POINTS OF AGREEMENT

The Memorandum has the following broad objective:

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

To achieve this objective, it is agreed that:

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

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

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

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

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

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

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

4. In the event that, as a result of the completion of Strategic Housing Land Availability Assessment's (to the agreed C&W methodology) it is shown that the distribution in the Table above cannot be delivered, this MOU will be reviewed so that the overall housing requirement is met within the HMA.
5. In the event that, as a result of co-operation with a local authority outside the housing market area, additional development is to be accommodated within the CWHMA at a level that materially affects the distribution set out in this document, the MoU will be reviewed.
6. Each local planning authority will prepare a Local Plan that reflects the agreed distribution.
7. Each local authority will ensure the most efficient use of land is promoted when delivering housing sites across their area. In doing so density assumptions should be appropriate, justified and deliverable.
8. The plan making process will ultimately establish the capacity of each area and quantities of housing that can be delivered. Through the plan making process, the Councils will continue to monitor the capacity of the HMA and in particular any authority that is unable to meet its OAN or redistributed housing requirement. In this instance, the Councils will seek to maximise the quantity of housing delivered in these authorities.
9. Each local authority is committed to ongoing cooperation and engagement by both officers and members in relation to delivery of housing for the C&W HMA.

LIMITATIONS

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

LIAISON

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

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

TIMESCALE

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

MONITORING

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

REVIEW

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

**Signed on behalf of Coventry City Council
Councillor Ann Lucas**

Date:

**Signed on behalf of North Warwickshire Borough Council
Councillor David Humphreys**

Date:

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

Date:

**Signed on behalf of Warwickshire County Council
Councillor Isobel Seccombe**

Date:

**Signed on behalf of Rugby Borough Council
Councillor Michael Stokes**

Date:

**Signed on behalf of Warwick District Council
Councillor Andrew Mobbs**

Date:

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

Date:

APPENDIX 2: PBA RESPONSE TO POLICY DS6

WARWICK LOCAL PLAN PROPOSED MODIFICATIONS FEBRUARY 2016 REPRESENTATION ON POLICY DS6: LEVEL OF HOUSING GROWTH ON BEHALF OF BARWOOD

April 2016

The proposed housing target

- 1 Policy DS6 of the Proposed Modifications provides for a minimum of 16,776 new homes in the plan period 2011-29, equal to 932 dwellings per annum (dpa). As explained in supporting text (The requirement aligns with updated evidence in the *Updated Assessment of Housing Need*¹, together with the *Coventry and Warwickshire Memorandum of Understanding for Housing Requirements*. It is made up of two elements:
 - 600 dpa to cover Warwick's objectively assessed need;
 - 332 dpa to accommodate need from Coventry, which is unable to meet its needs within its administrative area.
- 2 The second element is welcome and soundly based, being derived from joint working between the authorities in the Coventry-Warwickshire housing market area (HMA), as set out in the Memorandum of Understanding. But the first element understates the objectively assessed need of Warwick district. This is because it does not take proper account of market signals, as required by national planning guidance. We demonstrate this below.

Market signals

- 3 The figure of 600 dpa is derived directly from the latest official demographic projection, which is the CLG 2012-based household projection (CLG 2012). It is correct to use this figure as a starting point, although it should be kept under review, bearing in mind that new official projections are due later this year. But in our opinion the official projection should be adjusted upwards in the light of market signals and past underprovision. The National Planning Practice Guidance (PPG) 015 advises:
 - 4 *'The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing. The assessment will therefore need to reflect the consequences of past under delivery of housing. As household projections do not reflect unmet housing need, local planning authorities should take a view based on available evidence of the extent to which household formation rates are or have been constrained by supply.'*
- 5 At paragraphs 019-020 the PPG provides a list of market signals, or indicators, that should be used to identify this undersupply and worsening affordability. The list comprises land prices (on which, however, no relevant data are available), house prices and rents,

¹ GL Hearn, *Updated Assessment of Housing Need: Coventry-Warwickshire HMA*, September 2015

affordability, overcrowding and concealed families (which means couples and families with children who live as part of other people's households). It adds that additional indicators may also be used.

- 6 The 2015 *Updated Assessment of Housing Need* considers market signals in Chapter 5. Its findings include the following:
 - i Warwick has the second highest median house prices in the HMA, after Stratford. Both districts, contrary to the other districts of the HMA, have prices above England & Wales (2014 data).
 - ii This applies to each house type (detached, semi-detached, terraced, flats) as well as all houses.
 - iii Warwick, along with Stratford, has seen faster growth in house prices than the rest of the HMA and England & Wales.
 - iv In relation to market rents, again Stratford followed by Warwick show the highest median figures in the HMA and the only the only ones which are about the England benchmark.
 - v Warwick and Stratford are also the only districts that '*have shown notable growth*' in rents, above the national average since 2011 (earlier figures are not available).
 - vi Similarly in regard to affordability Stratford and Warwick have the worst ratios in the HMA, at 8.89 and 7.82 respectively, against 4.77-6.12 in the remaining HMA districts and 6.45 in England (affordability is the ratio of lower-quartile house price to lower-quartile earnings, so a high number denotes low affordability).
- 7 With regard to the HMA as a whole, the SHMA's analysis of market signals concludes that there is no justification for a 'substantial adjustment' to the demographic projections.
- 8 But the SHMA's market signals analysis does not draw conclusions on individual districts. In relation to Warwick (and also Stratford), given the findings discussed above one would expect the SHMA to apply a market signals uplift to the official projections, in line with the PPG. But the SHMA does not do this. Rather, it says that if there was undersupply in particular districts in the past this should be apparent from housing formation rates, particularly for younger households in their late 20s and early 30s (paragraphs 5.40 onwards). Accordingly definite conclusions on the balance of the market in each district must wait until Section 7, which brings together market signals and household formation rates:

'5.42 ... it would be reasonable to assume that a key impact of an improvement in affordability would be manifest in an increase (or recovery) in household formation rates for households in these age groups over time. Drawing together the evidence in this section, and in Section 6, we have sought in Section 7 to quantify what scale of increase in housing supply might be necessary to facilitate this improvement in household formation amongst younger households.'
- 9 Turning to Section 7 of the report, we find a calculation that measures how much household growth there would have to be, over and above the CLG 2012 projection, to return household formation rates for young adults (aged 25-34) to what they were in 2001 (Table 51). The SHMA chooses this date because it considers that 2001 marked the beginning of the 'housing crisis' – a long period, continuing to this day, in which housing affordability has been

getting worse and young adults have become more likely to stay in the parental home for longer or live in shared accommodation.

- 10 In relation to Warwick, this calculation finds that the household formation rates in the CLG 2012 projection are no worse on balance than the formation rates that prevailed in 2001 (see Table 53 of the SHMA). The SHMA (table 52) concludes that there is no justification for an uplift to the demographic projections 'to improve affordability'. In contrast all the other districts in the HMA do get an uplift of this kind. These uplifts bear no relationship to market signals:
 - Stratford-on-Avon, where market signals suggest even greater undersupply than for Warwick, is given an insignificant uplift of just nine new dwellings per annum (dpa).
 - The greatest uplifts are for North Warwickshire (27 dpa) and Coventry (21 dpa), where market signals suggest that supply has been much better in relation to demand.
 - Only in North Warwickshire does this adjustment make a significant difference to the assessed housing need. In Coventry it is just 1% of the demographically projected need of 2,099 dpa.
- 11 In our view these conclusions are not robust, because they do not comply with national guidance. In line with the PPG, if market signals show that housing land has been undersupplied in the past demographic signals should be adjusted upwards. But the SHMA's recommended uplifts take no account of market signals; in fact the only two districts in the HMA where market signals point to undersupply get either no adjustment (Warwick) or an insignificant one (Stratford). Rather than market signals, the SHMA's 'improving affordability' adjustment is based on an comparison with formation rates at 2001.
- 12 There is nothing in the PPG to support this approach. Nor does it seem reasonable in its own right, because the choice of 2001 is arbitrary, and in any case household formation rates are a bad indicator of housing market balance; they depend on all kinds of factors unrelated to the housing market, such as the proportion of people who live in couples. Also formation rates are only one component of household growth (the change in household numbers). The SHMA takes no account of the fact that past undersupply would have suppressed migration, and hence population growth, as well as household formation.
- 13 For a more robust market signals adjustment we look to the precedent of Inspectors' findings in other areas. In Eastleigh and Uttlesford Inspectors advised an uplift of 10% in response to 'moderate' market signals. In Canterbury the Inspector recommended an uplift of 20-30% in response to strong evidence of undersupply, including very fast growth in house prices. In our judgment Warwick lies somewhere in between. Therefore we suggest that Warwick's market signals justify an uplift of 15% above the 'demographic starting point' of 600 dpa.

Summary

- 14 Our analysis above suggests that Warwick's market signals justify an uplift of 15% above the 'demographic starting point' of 600 dpa. This confirms the conclusions of our representations

on the previous version of the emerging plan². It brings the district's objectively assessed housing need over the plan period to 690 dpa. Added to the agreed 'import' from Coventry of 332 dpa this means that Warwick's total requirement should be a minimum of 1,022 dpa.

² Warwick District Local Plan Examination, Matter 2 – Overall Provision for Housing, *Statement on behalf of Barwood Strategic Land II LLP*, Peter Brett Associates, April 2015

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