
Report to North Warwickshire Borough Council

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an Inspector appointed by the Secretary of State for Communities and Local

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PLANNING AND COMPULSORY PURCHASE ACT 2004 (AS AMENDED)
SECTION 20

REPORT ON THE EXAMINATION INTO THE NORTH WARWICKSHIRE LOCAL PLAN: CORE
STRATEGY

Document submitted for examination on 28 February 2013

Examination hearings held on 5 June 2013, between 7 & 14 January and on 19 June 2014

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Abbreviations Used in this Report

CS	Core Strategy
ELR	Employment Land Review
MM	Main Modification
NPPF	National Planning Policy Framework
NWBC	North Warwickshire Borough Council
PPG	National Planning Practice Guidance
RLS	Regional Logistics Site
SA	Sustainability Appraisal
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment

Non-Technical Summary

This report concludes that North Warwickshire Borough Council's Core Strategy is sound and provides an appropriate basis for the planning of the Borough up to 2029 providing a number of modifications are made to the Plan. The Council asked me to recommend any modifications necessary to enable the plan to be adopted. All the modifications necessary to make the Plan sound arose from the discussions at the Hearings and most were proposed or have been agreed by the Council. I have recommended their inclusion after considering the representations from all parties on these issues.

The principal modifications can be summarised as follows:

- Changing the plan period from 2006 - 2028 to 2011 - 2029,
- Inserting a commitment to review the Plan should housing shortfalls be identified in adjoining areas (particularly Tamworth and Birmingham),
- Inserting a commitment to review the Plan should ongoing reviews of employment and the need for Regional Logistics Sites identify a need to change the provision made in the plan,
- In light of the above, the Council acknowledge that the growth planned in the Core Strategy may not be able to be accommodated without a review of Green Belt boundaries. To ensure the Plan is flexible, the presumption against any changes to Green Belt boundaries is deleted.
- Deleting the presumption against anything other than minor development in the gap between Polesworth and Dordon and Tamworth (but ensuring a meaningful gap is retained)
- The insertion of a policy presuming in favour of sustainable development,
- The introduction of affordable housing thresholds and targets,
- Updating pitch targets for gypsies and travellers and the introduction of a criteria based policy for assessing sites.

Reference to documents in footnotes and elsewhere such as CD1/1 relate to the document number in the examination library.

Introduction

1. This report contains my assessment of the North Warwickshire Local Plan: Core Strategy (hereinafter referred to as the Core Strategy or the Plan) in terms of Section 20(5) of the Planning & Compulsory Purchase Act 2004 (as amended). It considers first whether the Plan's preparation has complied with the duty to co-operate and then considers whether the Plan is sound and whether it is compliant with the legal requirements. To be sound, a Local Plan should be positively prepared; justified; effective and consistent with national policy¹.

2. The starting point for the examination is the assumption that the local authority has submitted what it considers to be a sound plan. The basis for my examination is the Core Strategy Submission Version February 2013 which was subject to consultation in December 2012.

3. My report deals with the main modifications that are needed to make the Plan sound and legally compliant and they are identified in bold in the report (**MM**). In accordance with section 20(7C) of the 2004 Act North Warwickshire Borough Council (NWBC) requested that I should make any modifications needed to rectify matters that make the Plan unsound/not legally compliant and thus incapable of being adopted. These main modifications are set out in Appendix 2.

4. The main modifications that go to soundness have been subject to public consultation and, where necessary, Sustainability Appraisal (SA) and I have taken the consultation responses into account in writing this report.

5. The National Policy Practice Guidance (PPG) was introduced on 6 March 2014. The PPG consolidates previous guidance and the 'beta' mode of the PPG (which is largely the same as the adopted guidance) was referred to in the hearings in January. Consequently, neither I nor the Council considered it necessary to seek views on the implications of the PPG on the soundness of the Plan as it was considered that not doing so would not prejudice any interested party.

Assessment of Duty to Co-operate

6. A hearing was convened on 5 June 2013 to explore whether the Council had complied with the duty in the preparation of the Core Strategy. I wrote to the Council on 10 June 2013 setting out the reasons why I consider that the duty has been met. The relevant extract from that letter can be found in Appendix 1 to this report.

7. There have been some significant developments since June 2013. Tamworth Borough Council now considers that it will need North Warwickshire to accommodate more than the previously agreed 500 houses to meet its needs. It also considers that North Warwickshire should make provision for some of Tamworth's employment needs. The publication in January 2014 of Birmingham's Pre Submission Draft Core Strategy suggests that Birmingham will be looking to its neighbours to provide around 30,000 homes. However, the legal test of compliance with the duty to co-operate relates to the preparation of the Core Strategy and these developments occurred after the Core Strategy was submitted for examination. I have neither seen nor heard anything to change my conclusions which are set out in Appendix 1 to this report.

¹ National Planning Policy Framework (NPPF) Paragraph 182

Assessment of Soundness

8. I have considered all the representations, written evidence and the discussions that took place at the hearings and identified six main issues.

Issue 1 – Whether, in light of national guidance, the plan period should be changed?

9. The Plan period is 2006 to 2028. The National Planning Policy Framework (NPPF) advises that local plans should preferably be drawn up over a 15 year period. The Strategic Housing Market Assessment (SHMA) produced in November 2013² uses 2011 as a base date and forecasts housing need up to 2031. It is suggested by some that, to reflect the SHMA, the plan period be extended to 2031. I can see the merits of matching the plan period to the SHMA but an updated Employment Land Review (ELR) produced in September 2013³ uses 2006 as its base date and forecasts need to 2028. The Council propose a change to 2011 to 2029. Provided that changing the base date does not result in any backlog in the identified need for housing or employment being written off, I see no practical reason why the start date should not be changed from 2006 to 2011.

10. I address housing and employment matters in detail below. The forecasts in the SHMA take unmet need into account and that is addressed in the revised housing target (**MM18**). Turning to employment, the evidence shows significant levels of growth between 2006 and 2012 (17.21 ha, almost 25% of the 70 ha target recommended in the Employment Land Review). These developments are reflected in an update to the employment provision table (**MM45**). Consequently, I consider the Council's proposal to change the base date to 2011 to be acceptable and extending the end date to 2029 would provide a 15 year plan period (post adoption) in accordance with paragraph 157 of the NPPF. **MM1** changes the plan period and is necessary to ensure that the targets in the Core Strategy reflect the evidence base and that it complies with national guidance.

Issue 2 – The extent to which the Core Strategy should make provision for the housing needs of Tamworth, Birmingham and other local authorities.

General approach

11. The Council, Lichfield District Council and Tamworth Borough Council entered into a memorandum of understanding in which both NWBC and Lichfield each agreed to accommodate 500 houses to meet Tamworth's needs⁴. Tamworth withdrew its Core Strategy in early 2013 and, as a result of the work being undertaken to produce a new plan, now consider that its unmet need is likely to be significantly greater.

12. Birmingham City Council estimates its overall housing need to be in the region of 80,000 new dwellings but is only planning to deliver around 51,000 within its administrative boundaries⁵. I heard that there are questions regarding Coventry and North West Leicestershire's ability to meet their own needs but no reliable figures are submitted and neither authority has formally approached NWBC.

² CD8/24

³ CD9/18

⁴ CD8/27

⁵ CD9/24

13. The Regional Strategy has gone and with it a regional strategic overview of need and a regional apportionment to meet that need. The duty to co-operate requires local planning authorities to work together on strategic issues and to address unmet need but that requires certainty with regard to what needs are and where they are best met. Neither Tamworth nor Birmingham's plans have been tested at examination. It is not possible to say therefore, whether their estimates of need are right. Nor has the extent to which they could meet their needs within their own boundaries been tested. Further, Birmingham in particular borders a number of authorities and how any unmet need would be distributed is not known.

14. So far only Tamworth has approached NWBC with any definite figures and the Council should be commended for stepping up and agreeing to accommodate some of Tamworth's needs. NWBC has produced a Core Strategy that (when modified) will address identified needs and it would be wrong, in my view, to penalise the Council by suspending the examination until the specific needs of others are known (whenever that may be).

15. Notwithstanding the above, it does seem likely that Birmingham and Tamworth at least will be looking to the Borough to meet some of their needs. The Council has proposed a main modification which commits it to continue working collaboratively with its neighbours and to an early review of the Plan should it be demonstrated that any unmet need should be accommodated in the Borough (**MM4**). This does not go as far as some would like and I acknowledge that this change cannot force NWBC to carry out a review. However, in light of the uncertainties set out above, it is a sensible and pragmatic response.

Tamworth

16. As indicated above NWBC has agreed to accommodate 500 houses to meet Tamworth's needs. That 500 is added to the Council's assessment of the needs of the Borough (discussed below). Policy NW3 holds back 500 of the overall total; *'until at least 75% of the 1150 proposed at Anker Valley Sustainable Urban Neighbourhood and 75% of the remaining Tamworth housing target are completed, or by 2022 whichever represents the later date'*. NWBC argue that this is necessary to deter developers from cherry picking sites in North Warwickshire ahead of urban regeneration in Tamworth.

17. The Core Strategy does not identify a location for the Tamworth 500; rather it is to be distributed across the Borough. I heard that travel to work records show that residents of all but one ward in the Borough commute to Tamworth. However, it seems to me that the closer a development is to Tamworth the more likely it is that it will serve needs arising from Tamworth. Policy NW4 allocates 440 dwellings to Polesworth and Dordon, 180 to Grendon and Baddesley Ensor, 50 to Kingsbury, 40 to Austrey and 30 to Wood End (740 in total). All are a short drive to Tamworth and there is nothing in the Plan to phase or control when these houses may be built. I do not see, therefore, how Policy NW3 would force developers to look to sites in Tamworth first.

18. Policy SP6 of the withdrawn Tamworth Borough Local Plan 2006-2028 allocated 1150 dwellings to Anker Valley⁶. Tamworth Borough Council has reviewed the proposals for Anker Valley and concluded that the maximum capacity within its boundaries is 700. Although not yet tested through an examination, Tamworth

⁶ CD9/27

now estimates that its housing need is 6,250, compared to 5,500 on which the withdrawn Local Plan was based (4,500 to be met within Tamworth). These developments and the delay in Tamworth's progress towards the adoption of a Local Plan have implications for Policy NW3 insofar as it relates to meeting Tamworth's needs. However, for the reasons given above, I do not consider the policy will achieve the aim of ensuring sites in Tamworth are developed ahead of sites in North Warwickshire and so in this regard it is not effective. Further, one of the aims of the NPPF is to boost the delivery of housing and there is a need for housing in Tamworth Borough now. **MM19** remedies this finding of unsoundness by deleting the requirement to hold back the delivery of 500 units.

19. Tamworth Borough Council invites me to consider increasing the allowance but I do not consider that the evidence before this examination enables me to do so. Policy NW3 sets the housing target as a minimum which would allow for a greater number and, as stated above, the Council has committed to a review.

20. The Plan at paragraph 6.12 states that the location of the units to serve Tamworth will be determined through the Site Allocations DPD but also says that development will not take place in the gap between Tamworth and Polesworth and Dordon. A gap is necessary to maintain the separate identity of the settlements but they are divided by the M42 which runs through the countryside between them. The Sustainability Appraisal (SA) supporting the Core Strategy⁷ states that developing between Tamworth and the M42 '*would be more likely to retain the important 'character' boundary between Tamworth and the main part of North Warwickshire Borough that is important to retain the identity of each*'.

21. I do not doubt the Council's assertion that the gap between Tamworth and Polesworth and Dordon is 'important locally' but I have seen no analysis of the landscape or any other evidence to support the presumption against anything other than minor development. Having inspected the area and considered the submissions made to the examination, I do not consider that a blanket presumption is justified and it is removed by **MM67**. This is necessary because the evidence does not support it (indeed, it would appear to conflict with the SA) and to provide flexibility. It is not necessary, in my view, to modify Policy NW4 to identify an area of search between Tamworth and Polesworth and Dordon. The modifications will enable options to be explored through the Site Allocations DPD taking into account the need to maintain a gap and landscape considerations.

Issue 3 – Should the Core Strategy rule out any changes to the Green Belt boundary?

22. About 60% of the Borough lies within the Green Belt. Policy NW2 states that no changes will be made to the Green Belt boundary. Through its work relating to the emerging Site Allocations DPD the Council is confident that the level of development proposed in the Core Strategy can be delivered without encroaching into the Green Belt. However, this is yet to be tested. Further, as indicated above, the Council may be asked to accommodate additional growth to meet the needs of others and the possibility that doing so may not require a review of the overall strategy cannot be ruled out. Away from housing, work is ongoing at a sub regional level regarding the location of Regional Logistics Sites (discussed in more detail below) which may point to the need for more sites in the Borough.

⁷ CD4/4

23. Green Belt boundaries are not to be changed lightly but a blanket ban on any changes at this stage could undermine the delivery of the development planned in the Core Strategy. It could also prevent the Council from reacting positively to any requests to meet needs from elsewhere and possibly enable it to address any need without the delay and expense of a review of the Core Strategy. The Council have accepted that a presumption against changes to the Green Belt boundary is not the most appropriate strategy at this stage. Further, such a presumption may prevent the delivery of development to meet objectively assessed need. **MM15** removes the presumption. It does not require the Green Belt boundary to be changed; this will be a matter to be determined through the Site Allocations DPD.

24. **MM16** includes a change agreed by the Council to ensure that Policy NW2 conforms with national guidance relating to villages washed over by the Green Belt.

Issue 4 – Whether the Core Strategy makes adequate provision to meet the full, objectively assessed needs for market and affordable housing in the Borough.

The overall need for new housing

25. As submitted, Policy NW3 makes provision for 3,800 dwellings (net) (150 dwellings per annum, [dpa]) between 2006 and 2028. The SHMA supporting the submitted Core Strategy was completed in April 2008⁸. The progress of the examination was delayed in anticipation of, amongst other things, a new study which was completed in November 2013⁹ and which assesses population and household growth between 2011 and 2031. The Council has suggested amending the plan period to 2011 to 2029 and to increase the annual rate to 175 dpa which equates to 3,150 dwellings between 2011 and 2029. Add 500 for Tamworth and, as proposed to be modified, the Core Strategy's target is 3,650. **MM18** updates Policy NW3 and the housing table and is necessary to ensure that it reflects the latest evidence.

26. In addition to NWBC the 2013 SHMA was commissioned by Rugby, Coventry, Warwick and Nuneaton and Bedworth Councils. In addition, Solihull, Birmingham, Stratford-on-Avon Councils and Warwickshire County Council were consultees. The authors of the study analysed migration and commuting patterns and house price differentials and concluded that the '*strong functional links in migration and commuting terms between Coventry and different parts of Warwickshire point towards the existence of a Coventry focussed housing market area*'¹⁰. The study shows that there are links to Tamworth and there will be overlaps with other areas but it is not an exact science and the study's findings in this regard are not meaningfully challenged.

27. The SHMA uses 4 models (demographic, economic, component and dwelling led) to produce 11 different scenarios. The component (zero net migration, zero employment growth) and dwelling led (past build rate) projections are rightly discounted. The level of housing growth predicted using 5 and 10 year migration trends is negligible. The authors of the SHMA do not consider these scenarios to be realistic and I have neither seen nor heard anything to indicate otherwise. The employment scenarios predict high levels of growth but are trend based and heavily influenced by the development of Regional Logistics Sites at Hams Hall and

⁸ CD8/24

⁹ CD9/15

¹⁰ CD9/15, paragraph 3.34

Birch Coppice. Although there would appear to be potential for further growth in this sector in the Borough (discussed below) this is not certain, employees are drawn from the wider sub-regional job market¹¹ and I agree that these projections should be viewed with caution.

28. This leaves the demographic led projections which point to a need for 145 to 165 dpa but the authors of the SHMA suggest that delivering above this range might be considered based on the need to deliver affordable housing or to support more local living and working¹². Taking into account a backlog in provision, newly forming need and supply, the SHMA estimates a net need for affordable housing of 112 dpa¹³. This rises to 133 dpa if the existing backlog is to be met in the first 5 years of the plan period (falling to 104 dpa after 2018¹⁴).

29. In my view, the need for affordable housing in North Warwickshire justifies setting a housing requirement in excess of the latest projections. The SA commissioned by NWBC did not test rates above 150 dpa. The effect of 175 dpa was subsequently assessed and found to have no significant impact on the conclusions of the SA¹⁵. Following discussions at the hearings, I requested that the Council test 200 dpa. Unsurprisingly the results of this work showed a positive impact on SA Objective 8; 'Provide decent and affordable housing to meet local needs'. However, it also predicted a potential significant adverse effect on cultural heritage and a change from minor positive to a mixed uncertain effect with regard to flood risk¹⁶.

30. A target of 175 dpa would deliver sufficient homes to satisfy objectively assessed demographic needs and would make some, albeit limited, inroads into the backlog identified for affordable housing. In taking account of market signals, including affordability, the PPG states that increases in supply (over and above projections of need) should be based on reasonable assumptions consistent with the principles of sustainable development. Providing affordable housing is an important objective but, in light of the findings of the further SA work, the evidence before this examination weighs against setting a higher figure at this time.

Distribution

31. Policy NW1 sets out the settlement hierarchy and Policy NW4 allocates housing numbers to market towns, local service centres and other settlements with a development boundary. The Council's Settlement Sustainability Assessment¹⁷ scores settlements in accordance with the number and types of facilities they offer and proposes 4 categories (including rural settlements). Policy NW1 differs from the hierarchy recommended in the assessment by distinguishing between settlements contained and not contained by the Green Belt, resulting in 6 categories. Thus, Coleshill which under the assessment is at the top of the hierarchy together with Atherstone with Mancetter and Polesworth with Dordon sits below them in Category 2 in Policy NW1.

¹¹ CD9/15, paragraph 7.53

¹² The SHMA suggests that an upward adjustment might be necessary to address the Borough's aging population and people moving into retirement

¹³ CD9/15

¹⁴ CD9/15A

¹⁵ CD9/21

¹⁶ CD9/28

¹⁷ CD9/16

32. However, it is right, in my view, that the Council should look first to meeting its needs outside of the Green Belt. Consequently, I consider that it is reasonable, provided sites are deliverable and acceptable in all other respects, for Policy NW4 to allocate more dwellings to Hartshill with Ansley Common (Category 3A, non Green Belt) than to Coleshill (Category 2, Green Belt).

33. The first paragraph of Policy NW1 is difficult to follow and **MM13** is necessary to make it clear that development will be distributed in accordance with the settlement hierarchy. **MM9** makes a similar change to the Spatial Vision.

Affordable Housing

34. The NPPF states that; '*Local planning authorities should set out their policy on local standards in the Local Plan, including requirements for affordable housing*¹⁸. These standards include the thresholds which trigger the requirement for affordable housing and the percentage target that will be sought. As submitted, Policy NW5 sets an overall target for affordable housing of 40% of all dwellings built but does not set a site based target or a threshold.

35. This is rectified by **MM30** and associated changes to the reasoned justification to Policy NW5 (**MM25, MM26, MM27, MM28** and **MM29**). The thresholds and targets are supported by the Council's March 2014 Affordable Housing Viability Assessment, Site Allocations Plan Viability assessment and CIL Study¹⁹. The Study uses the residual appraisal model and utilises standard assumptions for developers profit, build costs etc. It also takes account of the collective impacts of other requirements including sustainable building standards and a possible future CIL rate of £40 per square metre. Its assumptions are challenged but as accepted by national guidance, it is a high level assessment of general viability and no alternatives are supported by evidence.

36. The Study does not assess sites over 100 dwellings. I acknowledge that there can be high infrastructure and opening up costs associated with large sites. However, the Council only expect to bring forward 4 sites over 100 dwellings through the site allocation process and agreed to include a viability clause in the amended policy at the hearing (included in **MM30**). I consider that the Council's study provides an appropriate standard and level of evidence to show that the thresholds are reasonable and the targets achievable in most cases. Further, the inclusion of the viability clause should ensure that Policy NW5 is applied flexibly and not threaten the overall delivery of new housing.

Gypsies and travellers

37. A Gypsy, Traveller and Travelling Showpeople Accommodation Assessment for the Borough and Nuneaton and Bedworth was completed in June 2013²⁰. This led the Council to propose changes to Policy NW6 to reflect the assessment's findings regarding the need for permanent and transit pitches (no need was identified for travelling showpeople). The study includes details of existing provision and results of a survey and interviews with members of the travelling community. The assessment is not challenged and I have no reason to consider that its findings are not sound.

¹⁸ Paragraph 174

¹⁹ CD9/29

²⁰ CD9/12

38. The Council has also, in consultation with the Derbyshire Gypsy Liaison Group produced a criteria based policy which needs to be incorporated into the Plan to guide applicants, decision makers and the allocation of sites through a later DPD. The above work is introduced into Core Strategy by the following main modifications which are necessary to ensure that it complies with national guidance: **MM31, MM32, MM33, MM34, MM35, MM36, MM37, MM38, MM39, MM39, MM40** and **MM41**.

Other matters

39. Policy NW3, amongst other things, requires residential development to provide a variety of types and tenures to meet settlement needs. It is not clear how these needs will be determined or what sources of information will be used. This is rectified by **MM17** which is necessary to ensure that the policy is effective. **MM20** removes that part of Policy NW3 which requires all housing development, no matter where it is, to respect the rural character of the Borough. This is neither appropriate nor necessary and conflicts with Policy NW10 which requires development to respect its surroundings.

40. The fifth bullet point of Policy NW3 states that; '*Development will take place in locations having regard to the needs of each location and their capacity to support additional development*'. However, the Core Strategy facilitates the delivery of development to meet the needs of the Borough and directs that development to suitable and sustainable locations. This could mean that a location or settlement is required to accommodate more than is necessary to meet its own particular needs. The fifth bullet point of Policy NW3 could be used to undermine the delivery of development in sustainable locations and it is deleted by **MM21**. **MM22** amends the sixth bullet point of Policy NW3 in the interests of positive planning by stating that development will occur where the necessary infrastructure is or can be made available.

41. As modified Policy NW1 should ensure that development is directed to the most sustainable locations first. **MM14** incorporates changes, agreed by the Council, to the first and last paragraphs of Policy NW1 and which are necessary to ensure that it is effective and to make clear that dwellings essential to support rural enterprises may be acceptable in the countryside. **MM66** adds clarity to Policy NW15 by being more specific regarding the area to which the expansion of Atherstone will be directed and is necessary to make the policy effective.

42. Limiting development to 10 units at a time in all Category 4 settlements is not based on an analysis of what individual settlements are capable of accommodating and does not take into account issues of viability. It may also work against the aim of delivering affordable housing in these settlements. This is rectified by **MM23** which introduces flexibility and ensures viability is taken into account. **MM24** is necessary to avoid confusion regarding how affordable housing in rural areas will be delivered.

43. **MM51** removes an unnecessary and confusing link in Policy NW8 between encouraging the development of brownfield land and maintaining a 5 year land supply.

Issue 5 – Whether the Core Strategy makes adequate provision to meet the full, objectively assessed needs for employment in the Borough.

44. The production of an Employment Land Review Update (ELR) in September 2013²¹ led the Council to propose a modification to Policy NW7 which increases the target for employment land to 70 ha between 2011 to 2029 (from 68.5 ha between 2008 and 2028). The ELR splits its assessment between local and national/regional needs. The requirement in Policy NW7 relates to needs arising from local operations and is largely unchallenged. The main bone of contention is whether provision should be made to meet a regional need for large warehouse and distribution sites (Regional Logistics Sites [RLS]).

45. The ELR uses two models to predict future needs; a model based on trends in economic performance which estimates a need of 164 ha and a model based on past completions which estimates the need to be 313 ha. The Borough has two RLS, at Hams Hall and Birch Coppice and the floorspace created at these sites over the last few years has a significant influence on the past completion model. The Borough benefits from easy access to the motorway network. It is clearly well placed for such uses and representations made to the examination indicate a strong developer interest in providing more. However, as illustrated by the findings of the Black Country and southern Staffordshire Regional Logistics Site Study²², there are other suitable areas in the region which will compete with North Warwickshire. I do not consider that it would be prudent, therefore, to rely on the past completions model.

46. Nevertheless, the ELR identifies a significant requirement for additional land for logistics use, a requirement that the Core Strategy does nothing to meet. The NPPF sets out the Government's commitment to ensuring that the planning system does everything it can to support sustainable economic growth. The NPPF also requires planning to encourage, not impede growth, and plan proactively to meet the development needs of business. Although the businesses operating RLS may be regional, national or international they will provide employment opportunities for the residents of North Warwickshire.

47. I am requested by some representors to increase the allocation of employment land to accommodate the demand for RLS. The Council is right to seek to encourage a diverse economy in the Borough but I see no reason why taking a more positive approach to RLS in addition to the aims of Policy NW7 would conflict with this. However, a regional perspective is required and I do not consider there to be sufficient evidence before me to set a requirement for North Warwickshire. The Coventry & Warwickshire Assessment of Sub Regional Employment Land Requirements was published in April 2014 but I understand that a study in the Black Country is on-going. The Coventry & Warwickshire study comes late into this examination. Given the Borough's housing needs in particular, I do not consider that it would be in the interests of the proper planning of the area to delay the adoption of the Core Strategy by reviewing employment provision at this stage. **MM42** introduces a commitment to review the Core Strategy should these studies identify a need for more RLS floorspace in the Borough. I have amended the consultation version of **MM42** as I agree with some representors that it should be clearer with regard to when a review may be necessary.

²¹ CD9/13

²² CD9/18

48.**MM43** and **MM46** amend Policy NW7 and its reasoned justification by removing reference to the allocation of 20 ha for 'high density' employment uses and are necessary to ensure that the Core Strategy reflects the updated ELR. **MM45** updates the Employment Land table to take into account the evidence in the ELR and to be consistent with the amended plan period.

49.The limit of 0.2ha for employment sites in Category 4 settlements in Policy NW7 is not based on any assessment on an individual settlement's ability to accommodate such development. **MM47** removes the limit and provides flexibility by enabling the size of the settlement and the development to be taken into account.

50.The ELR recognises the value of most of the existing stock of employment land but the Core Strategy does nothing to safeguard existing sites. This is rectified by **MM44** and **MM48**. The NPPF encourages the development of the rural economy. **MM49** gives support to rural businesses in appropriate circumstances and is necessary to ensure that Policy NW7 is in line with national guidance.

Issue 6 - Are the Plan's provisions in relation to; sustainable development, the historic and natural environment, retail, renewable energy and monitoring supported by evidence and effective?

Presumption in favour of sustainable development

51.**MM11** and **MM12** introduce a policy which presumes in favour of sustainable development and is necessary to ensure that the Core Strategy complies with the NPPF. **MM50** is necessary to reflect national guidance and to ensure consistency with **MM11** and **12**.

Natural and Historic Environment

52.**MM10**, **MM57**, **MM58**, **MM59**, **MM60**, **MM61**, **MM62**, **MM63** and **MM64**, update the Plan and split Policy NW11 (Natural and Historic Environment) into two separate policies, one for heritage assets the other relating to nature conservation interests. These modifications are necessary to ensure that the Core Strategy's policies on these matters are clear, effective and compliant with national guidance. The modifications also include changes which are not strictly necessary to make the plan sound but to remove those from the text of the modifications would make them difficult to understand. **MM55** and **MM56** ensure that nature conservation and heritage interests are not forgotten in the design of new development.

53.It will not be necessary for all developments to demonstrate how they contribute to green infrastructure. **MM65** ensures that applicants will only be required to do so where appropriate.

Retail and other services

54.The Council tell me that retail is not a major or strategic issue in North Warwickshire and there is no need for a specific policy in the Plan. Nobody has expressed a different view and there is no evidence before me to suggest otherwise. That is not to say that the market towns and smaller centres do not play an important role in meeting the needs of those living in and around them and maintaining their existing role is important, particularly the higher ranking settlements which are to be the focus of most new development. **MM68** and **MM69** introduce new provisions designed to foster the viability and vitality of the

market towns and to protect existing services and facilities and are necessary to support the plan's strategy.

Renewable energy

55. There is no requirement in national guidance for renewable energy schemes to demonstrate a local energy benefit and this statement is removed from Policy NW9 by **MM53**. If a wind energy scheme is found to be acceptable there would seem to be no reason why alternatives should be investigated. **MM52** removes this requirement from the reasoned justification to Policy NW9.

56. Policy NW9 requires major development to provide at least 10% of its operational energy requirements from renewable sources without any regard to financial or technical feasibility. This could threaten the delivery of the development planned in the Core Strategy and is rectified by **MM54**.

Transport

57. During the preparation of the plan the Borough Council was in discussion with the Highways Agency regarding potential solutions for improving flows along the A5. The Highways Agency has indicated that it does not consider realignment to be a solution either now or in the future. The Core Strategy does not safeguard land for any possible realignment but **MM70** is necessary to remove any implication in Policy NW18 that safeguarding land may be necessary.

Coal

58. The Plan makes a number of references to coal extraction and the Borough Council's concerns with regard to the likely impact of any new workings. The Borough Council is not the minerals planning authority for the area. **MM3** makes a subtle but necessary change to avoid any confusion with regard to the extent of the NWBC's powers with regard to the determination of applications for minerals development.

Monitoring and implementation

59. The viability studies carried out by the Council indicate that there should be no insurmountable barriers to delivery. **MM70, MM71, MM72, MM73, MM74, MM75, MM76** and **MM77** introduce a series of changes to the monitoring table to ensure that indicators are SMART²³. A housing trajectory aids monitoring, the Council has produced one and it is included in the Plan by **MM78**.

Other matters

60. The NPPF advises that; *'Only policies that provide a clear indication of how a decision maker should react to a development proposal should be included in the plan'*²⁴. The Core Strategy includes significant sections of text designed to assist the consultation process. This is unnecessary; it diverts from the purpose of the plan, reduces its effectiveness and is removed by **MM2**. Similarly the descriptions of settlements in the Spatial Portrait chapter do little, if anything to assist decision makers and are removed by **MM8**.

²³ Specific Measurable Attainable Realistic Timely

²⁴ Paragraph 154

61. The route of HS2 will run through the Borough and **MM5** updates the Core Strategy with regard to developments since the Plan was drafted. I heard that a significant existing employment use could be lost as a result of HS2 and **MM6** commits the Council to working with property owners to mitigate any adverse impact.

Assessment of Legal Compliance

62. My examination of the compliance of the Plan with the legal requirements is summarised in the table below. I conclude that the Plan meets them all.

LEGAL REQUIREMENTS	
Local Development Scheme (LDS)	The Core Strategy is identified within the approved LDS December 2013 which sets out an expected adoption in the summer of 2014. The Core Strategy's content and timing are broadly compliant with the LDS.
Statement of Community Involvement (SCI) and relevant regulations	The SCI was adopted in April 2007 and consultation has been compliant with the requirements therein and with the relevant regulations.
Sustainability Appraisal (SA)	SA has been carried out and is adequate.
Appropriate Assessment (AA)	The Habitats Regulations AA Screening Report (October 2012) sets out why AA is not necessary.
National Policy	The Core Strategy complies with national policy except where indicated and modifications are recommended.
2004 Act (as amended) and 2012 Regulations.	The Core Strategy complies with the Act and the Regulations.
Public Sector Equality Duty	The Core Strategy complies with the Duty.

Overall Conclusion and Recommendation

63. The Plan has a number of deficiencies in relation to soundness for the reasons set out above which mean that I recommend non-adoption of it as submitted, in accordance with Section 20(7A) of the Act. These deficiencies have been explored in the main issues set out above.

64. The Council has requested that I recommend main modifications to make the Plan sound and capable of adoption. I conclude that, with the recommended main modifications set out in Appendix 2 the Core Strategy satisfies the requirements of Section 20(5) of the 2004 Act and meets the criteria for soundness in the NPPF.

A Thickett

Inspector

Appendix 1; Conclusions on Duty to Co-operate

Appendix 2; Main Modifications

Appendix 1

Annex A attached to my letter of 10 June 2013 setting out my conclusions regarding compliance with the duty to co-operate.

The Council's Duty to Co-operate statement²⁵ and the supplementary submission of 5 June²⁶ set out how the Council (NWBC) engaged with its neighbours and other bodies in the preparation of the Core Strategy. A number of representors point to alleged shortfalls in the number of new houses and employment land and argue that this demonstrates a failure to engage constructively with neighbouring authorities. To my mind, most of these representations relate to the merits of the Core Strategy and raise issue of soundness. As I indicated at the preliminary meeting, at this stage I am limiting my considerations to whether the Council has satisfied the legal duty to co-operate as set out in Section 33A of the Localism Act 2011.

The Council is criticised for allegedly concentrating on housing matters in its dealings with its neighbours and others. However, the Duty to Co-operate statement and the supplementary submission outline how NWBC engaged with other authorities, statutory undertakers and service providers on a range of strategic issues. The proposed HS2 rail link did not come to light until late in the plan preparation process. Some do not like how the Core Strategy addresses the potential impacts of HS2 but I heard that NWBC has participated in the relevant Forums set up to debate the implications for the region of HS2.

Representatives of Birmingham City Council, Coventry City Council, Lichfield District Council, Nuneaton and Bedworth Borough Council and Tamworth Borough Council attended the preliminary meeting. All bar Coventry and Nuneaton and Bedworth are happy that NWBC had engaged at an appropriate level given the particular circumstances of their relationship and the stages reached in their assessment of their own needs.

In light of my concerns regarding the 2008 Strategic Housing Market Assessment (SHMA)²⁷ it is a pity that NWBC did not accept Coventry's invitation to carry out a joint SHMA. However, at that time NWBC was content that the 2008 SHMA was sufficient to support its own emerging Core Strategy and, on that basis, I can understand why NWBC declined the offer. I do not consider that the failure to engage with Coventry in this regard demonstrates that NWBC has not satisfied the duty in the preparation of its own Core Strategy.

Nuneaton and Bedworth Borough Council accept that NWBC has engaged but do not consider that it has gone far enough, particularly with regard to infrastructure issues. The duty requires bodies to engage constructively but not necessarily to agree. It seems to me that the differences between Nuneaton and Bedworth and NWBC are either matters that relate to delivery and the soundness of the Core Strategy (which will be explored at the appropriate juncture) or are legitimately best addressed through the preparation of NWBC's Site Allocations DPD.

²⁵ Examination Core Document CD8/28

²⁶ CD9/10

²⁷ CD10/1 & 3

Birmingham City Council wrote to NWBC and others in August 2012 indicating that it may not be able to accommodate its future needs within its own administrative boundaries. Birmingham could not (and still cannot) confirm what that need may be. Although there is a disagreement with regard to the exact wording²⁸, NWBC have proposed a change to the Core Strategy to indicate that NWBC will work collaboratively with Birmingham and others and to undertake an early review of the Core Strategy if provision is required in the Borough. Given the stages reached in the production of their respective plans, I consider this to be a sensible and pragmatic approach²⁹.

It was alleged by a representative of the Home Builders Federation that North East Leicestershire may not be able to meet its own housing need but, other than Birmingham and Tamworth, no other authority has indicated that it is looking to NWBC to accommodate some of its housing need. Engagement is a two way process and it would be wrong to criticise NWBC if its neighbours have not come forward.

Conclusion

In the annex to his letter informing Coventry City Council that it had not met the duty to co-operate in the preparation of its latest Core Strategy, my colleague expressed concern with regard to the Statement of Common Ground and Cooperation for the Coventry, Solihull and Warwickshire (CSW) Sub Region³⁰. I share his concerns regarding its value but I am satisfied that the evidence submitted to the examination demonstrates that NWBC has met the legal requirement with regard to the duty to co-operate.

²⁸ CD9/9

²⁹ In my letter of 22 April to the Council I stated that I did not consider it appropriate to defer housing matters to an early review but that was for different reasons.

³⁰ CD8/28 Appendix A