

Examination in to Warwick District Local Plan

Submission by Bishop's Tachbrook Parish Council

17th April 2015

Matter 2 – Overall provision for housing

Issue

Whether the Local Plan has been positively prepared and whether it is justified, effective and consistent with national policy in relation to the overall provision for housing.

Questions

- 1) What is the position of the authorities in the HMA regarding OAN?
 - a) The mid-2012 household projections were published on the 27th February 2015 and showed that there was a fall of 20.15% in the projected increase of Housing Need by comparison with the Joint SHMA of Nov 2013 that was based on the mid-2011 ONS population projections.

Overall the housing market area, the position was

HOUSEHOLD PROJECTIONS IN HMA all on 2011-2029 programme base						
		mid-2012		mid-2011		
	2011	2029	increase	Increase by 2029	difference	% change
Coventry	128447	162377	33930	21222	12708	59.88%
North Warwickshire	25862	28756	2894	2970	-76	-2.56%
Nuneaton and Bedworth	52808	60640	7832	8892	-1060	-11.92%
Rugby	42089	50203	8114	11844	-3730	-31.49%
Stratford-on-Avon	52099	60311	8212	9684	-1472	-15.20%
Warwick	58714	69034	10320	12924	-2604	-20.15%
TOTAL	360019	431321	71302	67536	3766	5.58%

Table 1: household projections in the HMA

This demonstrates that whilst all the Warwickshire districts have reduced projections all, except North Warwickshire, being very significant reductions, Coventry increases by almost 60% .

- b) So far that has been taken at face value.

Considering the whole HMA is essential. However, there is something strange within the HMA if all the districts, except one, experience significant falls in need between 2011 and 2012 and that one has a high change.

No one seems to have asked the question, why there is an odd man out? Because it is a conundrum, plan makers try to depend on assessments by experts. That leads to taking the easiest way out, not the best or correct way.

- c) The WDC response was “because of the duty to cooperate we will carry on as we are.” This is partly driven by the thought that more homes mean more income. But that is a dangerous approach. More homes will also mean more expenditure particularly from the public purse. As with any business decision success depends on a robust business plan looking at all the financial implications and fully costing the decision before it is made. To date that has only been done in part and the plan is on the basis of ‘it will alright on the night.’
- d) Planning for too many dwellings is as bad as planning for too few. So before any decision is made to increase numbers yet again, it is proper to test out why Coventry have suddenly got a rapid increase. In one year it is a huge change and in a housing market area it cannot be that a large number of residents in the Warwickshire district want to move to Coventry.
- e.1) Refers to the Unattributable Population Change in the ONS population estimates (It does not come from the Census). It was the census that found the error in the ONS methodology and the estimates had to be corrected to meet the 10 year headcount.
- e.2) From the ONS paper on Unattributable Population Change it says

Internal migration inaccuracies

Apart from changes to school boarder estimation and small revisions to cross-border flows, migration between LAs in the UK has not been changed in the back series. However, there is likely to be some level of inaccuracy in the internal migration estimates over the last decade as some moves are difficult to estimate accurately. For example, we know that the movement of young people finishing Further Education courses is difficult to capture. Previous research has found long time lags between moving and re-registering with a GP in the student age groups. This has resulted in moves being captured in the wrong time period but also at the wrong age, so there will be too few moves at younger ages (the age of moving) and too many moves at older ages (the age of re-registering). It is not known whether these known lags in internal re-registrations may change in the future. A further issue related to lagged moves is that in the years following the Census, a small minority of moves may be estimated which have already been accounted for by the taking of the Census.

- e.3) UPC for Coventry has been a negative 1500 or thereabouts for the years 2001 to 2011. In a bar graph, the UPC for males by age group for LAs with the highest proportion of higher education students, it includes Coventry and the numbers show that the age group 18-24 is the largest contributor just over half of the UPC , the 25-29 group being much less and the 30-39 group less again, the remaining groups being of negligible numbers. So the finger points to students, mainly because they are difficult to keep track of through the data sets available to ONS.

e.4) In 2014 ONS changed the UPC to cross border in and out, but as they only had 1 year of data, statistically projecting a 1 year set was clearly impractical as it resulted in the same result every year for ever.

That has now been abandoned by ONS and everything now goes into the 3 main heads (natural change, internal moves and international migration) with small unaccountable changes going into Other, so this problem will resolve itself in the future. In the meantime it means a single year step change for Coventry's population estimate. However, because of the way the projections are done, by rolling forwards on a historical five year average plus national constraints, the step change may be cumulative and as future projections rebalance, the future population estimates will reduce.

f.1) But even that may not be giving the right projection to be used for establishing future housing needs. Population estimates and projections are given by single year, single age group and gender for each LA. This enables construction of relevant tables from which the cumulative effect on Coventry's population is projected to be an increase of 74796 by mid-2029, see Table 2.

natural change	50734
Net Internal movements	-49539
Net international migration	74654
other	-1053
TOTAL	74796

Table2: Coventry's 2029 population projection

That increase of 74796 is almost entirely due to international migration as natural changes and internal movements and other sundries balance. So examine the Net International migration tables for differences in population numbers in age ranges.

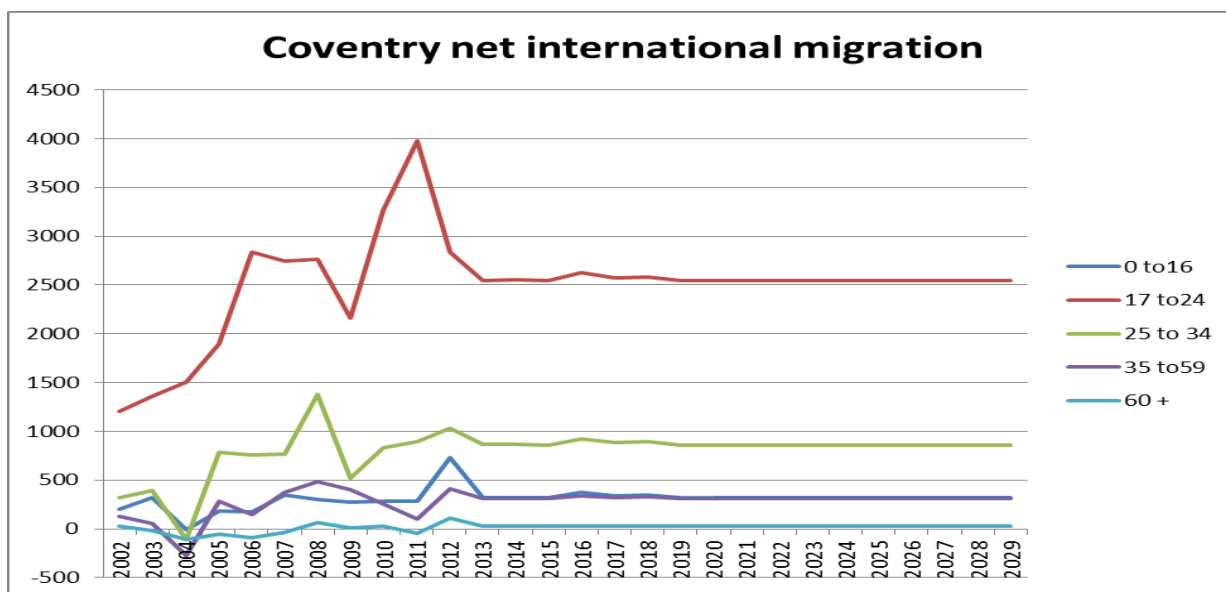


Figure A: Coventry net international migration

- f.2) The graph in figure A shows Coventry's net international migration estimates from 2002 to 2029. The outstanding line is the 17 to 24 year age group (brown line) covering 8 age years, the smallest period length, but by far the largest numbers of people. This is the main student age group at Coventry and Warwick Universities, a large majority of whom reside in Coventry. Not all of that number will be students of course, but will be normal migrants relating more closely to the older and younger age groups.
- f.3) For this age group, In 2002 the net inflow was 1,202 and by 2004 it had risen to 1,504. It then rose steeply to 2006 when it was 2,837. When the financial problems started, it fell to 2,164 in 2009 but it then rose sharply to 3,974 in 2011. The last estimated year was mid-2012 when it had fallen to 2,547 and then the numbers are projected, using the last 6 years data to average forward. The line very quickly becomes a flat line by this method. There are few other parameters that can be applied as it is an unknown, independent and changing mobile group to gather data about, which may give a better estimate of change. Hence it cannot be considered as a very reliable indicator. The only thing that is fairly certain is that when students have graduated, only a limited number stay in the same vicinity as they get jobs befitting their qualification globally or move on to get higher qualifications in other institutions.
- f.4) The second largest group is the 25 to 34 year age group (the green line) covering 10 years of age. Although covering a 10 year age group it is a much smaller group that in 2002 was 321. In 2004 it fell to a net outflow of 112 before bouncing back to the upper 700's in 2005 for 3 years, followed by a sharp rise to 1,375 in 2008. Following the pattern of the 17-24 group it fell sharply in 2009 to 519 then rose more gradually to 1029 in 2012. The projection from there falls to between 860 to 920 before taking up the flat line of 861 in 2019.
- f.5) The 0 to 16 age group (darker blue line) and the 35 to 59 (purple line) age groups are much smaller, less volatile, relate to each other indicating that the children relate to the older group (children would not normally emigrate on their own) so this looks like a normal pattern for families immigrating. The projections from 2013 indicate a stable flat line to the end of the plan period of somewhere between 310 and 350 for each group.
- f.6) The over 60's play very little part in the international migration numbers.
- g.1) From this analysis it is clear that the universities are successfully attracting large numbers of overseas students, 6,500 or so to Coventry University and they must be in the numbers somewhere. But these are not extra households every year as they are being currently shown in the projections. That is because it is only since 2005 that serious marketing overseas has increased the student uptake and this seems to be evident in the graphs. They require X number of places but as one student graduates and moves on, another takes the place, so it is only necessary to provide accommodation related to the number of students on courses not compound housing requirements on immigration numbers. When the increased uptake reaches its peak and graduates leave the course, they will have a variety of destinations and a large

number would be expected to become part of the immigration outflow so in time this will stabilise.

- g.2) In 2002, student age migrant outflow was 55% of the inflow, but by 2012 it had dropped to 25% because the inflow number had risen from 3,400 to 7,700 but the outflows had only risen from 1,800 to 2,800. Outflow numbers are not too reliable as students outflows are more 'invisible' than inflows as numbers are estimated on sample surveys not on measured data provided by the course registration process so they may in fact be higher.
- h) Members of the HMA have a Duty to Cooperate with each other. This is a 2 way process. It would be expected that Coventry would fully examine the SHMA high demand and determine whether or not it is attributable to the temporary student bulge. Further years of population estimates may be necessary, to be clear on the extent of this effect. In any event, the high number will not become a problem until much later in the programme if it occurs at all.
- i) Coventry indicates it can accommodate 16,500 dwellings or so in its urban boundary. That has to be its first line of supply. It also appears to be true that on the poorer parts of its green belt, it could take the numbers up to 23,000. Mid-2012 household projections currently take the requirement number up to about 34,000 but if the difference in students of 17 to 24 year olds coming and going reduces by only 2,000 a year from its current 4,000 a year, then over 17 years from 2012 to 2029, that will mean 34,000 fewer people will need to be housed.
- j) Then, the number of dwellings required by Coventry is reduced. Assuming, that students household size is 3.7 per dwelling, then, $34,000/3.7 = 9,190$ fewer dwellings would be needed giving a total of 24,741 and Coventry could accommodate most of that number within its boundary with an incursion into its own green belt. As shown in Table 3.

HOUSEHOLD PROJECTIONS IN HMA if temporary student bulge is removed						
		mid-2012		mid-2011		
	2011	2029	increase	2029	difference	% change
Coventry	128447	153188	24741	21222	3519	16.58%
North Warwickshire	25862	28756	2894	2970	-76	-2.56%
Nuneaton and Bedworth	52808	60640	7832	8892	-1060	-11.92%
Rugby	42089	50203	8114	11844	-3730	-31.49%
Stratford-on-Avon	52099	60311	8212	9684	-1472	-15.20%
Warwick	58714	69034	10320	12924	-2604	-20.15%
TOTAL	360019	422132	62113	67536	-5423	-8.03%

Table 3: household projections in the HMA without the temporary student bulge

Overall the HMA, the total requirement has reduced by 8.03% to the extent that if Coventry can use its green belt to increase its urban provision from 16,500 to 23,000 then it is only looking for 1,741 from its neighbours. Coincidentally or otherwise, that figure is very close the UPC figure that was applied to Coventry's household numbers between 2002 to 2012 of around 1,500 households.

- k.1) If the housing provided for Coventry is needed to provide the workforce for the anticipated jobs that will be provided, then it is better for the workforce to be located where the jobs are than using sites some 17 mile distant from Coventry in Warwick District. It would also be better financially for Coventry as the City Council would take the council tax and new homes bonus.
- k.2) If any housing should be found to be required to meet Coventry's need, then Warwick District is probably not the right place to put it. This is because the housing price differential between Coventry and Warwick is such that the people we are trying to provide for would find it unaffordable, or even unavailable because Warwick is a dormitory area with large numbers of people taking dwellings and commuting long distances for well paid jobs. As soon as they were built they would be occupied by others.

So there may be no need for Coventry to seek support from any of its neighbours. It would be wrong to take open countryside and best and most versatile agricultural land in the immediate future, 17 miles away from work opportunities, before it can be possibly known that it is required. It would be contrary to the Framework in environmental, social and even economic terms.

2) What do population and household projections indicate?

That we clearly need to make housing provision, but due to the mid 2012 reduced numbers and other factors that correlate to this trend, for Warwick district at least, those numbers may be high.

- 2.1 I would draw your attention to what has happened to the population size since 1/4/2011.
- 2.2 The ONS also produce population estimates annually, based on the best data sets available, such as doctors patient records. The **projections** say what may happen, whilst the **estimates** say what did happen.
- 2.3 For Warwick district, the population estimate in mid-2010 was 138,115 (after adjustments made to take account of the census 2011 results) and in mid-2013 it was 138,462. In 3 years the population grew by 347 people that is 115 per year.
- 2.4 Compare that with the 2011-based projections for mid-2013 that predicted 139,463. That is 1,001 people more than has actually happened. Now compare the mid-2012 projection for mid-2013 that was 138,811, which is 349 more than actually happened.

2.5 During that period 584 dwellings were completed so it is unlikely that population growth was constrained by insufficient dwellings for 347 additional people. That shows that the mid-2012 population projections and related household projections of 10,320 needed by 2029 are not too low but are probably too high.

	ACTUAL ESTIMATES				MY UPDATED PROJECTION BASED ON 2013 ACTUAL				
	2008	2009	2012 projection 2010	2011	138640 2012	138811 2013	139404 2014	140195 2015	141122 2016
	136655	137448	138189	138115	137736	138640	138462	138750	138855
Total changes	793	741	-74	-379	904	-178	288	105	109
birth	1527	1577	1553	1546	1632	1,546	1,555	1,556	1,564
death	-1192	-1182	-1078	-1120	-1097	-1,184	-1132	-1122	-1131
Uk in	8411	8396	7881	7577	8388	7,521	7953	7864	7861
Uk out	-8478	-8008	-8203	-8319	-8086	-8,118	-8147	-8175	-8169
World in	1251	1090	924	1071	821	849	1001	959	938
world out	-696	-1108	-1140	-1210	-753	-799	-951	-994	-974
special change	-1	-2	-16	18	-1	0	0	0	3
UPC	-27	-19	6	58	0	0	9	15	16
other	-2	-3	-1	0	0	7	1	1	2
Mid- year to cf	137448	138189	138115	137736	138640	138462	138750	138855	138964
	cumulative increase				904	726	1014	1119	1228
	ANNUAL INCREASE					-178	288	105	109

Table 4: Potential effect of population estimates on future projections.

Using the SNPP projection method as far as is possible without their national moderation data, averaging forward from the 2013 estimated figures, then the next 3 years show a similar low growth.

3) How do the recently published 2012-based household projections affect the situation?

Substantially as set out above.

4) Does the Coventry and Warwickshire Joint SHMA 2013 and Addendum of 2014 provide a robust evidence base for OAN in the HMA and individual authorities?

What factors were taken into account and is the methodology appropriate?

AND

5) What are the assumptions in terms of population change, migration, householdsize and household formation rates? Are these justified?

The SHMA is not transparent and many of the conclusions are derived from a 'model'. There are assumptions on headship rates, that the document does say may or may not apply, but in that case, councils cannot judge, so take the worst case .

When I look at headship rates by household reference persons, I find that the loose definition used in the Joint SHMA of looking at 25 - 35 age group percentages are lower in 2011 than 2001, but I also find that the 24 and under age group is higher.

HOUSEHOLD REFERENCE PERSONS CENSUS COMPARISON								
census	All categories: Age	Age 24 and under	Age 25 to 34	Age 35 to 49	Age 50 to 64	Age 65 to 74	Age 75 to 84	Age 85 and over
2001	53353	2032	8594	15333	13671	7311	4608	1804
2011	58679	2587	8518	17420	14995	7064	5529	2566
2001%		3.81%	16.11%	28.74%	25.62%	13.70%	8.64%	3.38%
2011%		4.41%	14.52%	29.69%	25.55%	12.04%	9.42%	4.37%

Table 5: HOUSEHOLD REFERENCE PERSONS CENSUS COMPARISON

Given that household size has reduced in 2011 since 2001, and that in that decade the take up of University places increased substantially, leading to a greater number of later formation of relationships and families, it is more likely the formation of households, in the traditional sense, will occur in the later age ranges. Remember the ONS UPC explanation that said this post graduation group were difficult to keep track of, so the only reliable figures are those from the censuses, estimates not being too dependable.

But it is more likely that household formation is about affordability given that 55% of the workforce in Warwick district were on incomes that would not support the current house prices. This is not a new phenomena, and households in the past were used to being multi-generational. Today there are expectations, not unreasonably, of a better provision, but the housing market price level has got out of step with income levels, partly because of the current method of housing delivery through the development market because the competitive element that keeps prices down has fallen into fewer hands and with the demise of interest rates, the property market has become a better investment and financial security opportunity.

6) How has the issue of unattributable population change been dealt with and is this justified?

Since not even ONS understand how it has come about, it is being avoided. It only affects Coventry numbers, but there it could be very material and student related. But ONS advise that in time it will work itself out.

7) What are the assumptions regarding economic/employment growth and are these justified?

WARWICK DISTRICT: FUTURE EMPLOYMENT

- 3.1 a) Here again there is a lot of theory but very few facts. In 3.1 the PPG is quoted on the alignment of housing and jobs. It particularly points to the economically active population being related to the expected job growth otherwise unsustainable commuting patterns will occur. Simply put, housing should be located where jobs are.
- b) At the 2011 census, there were 69,608 economically active 16 to 74 year olds in Warwick District. They lived in 58,679 households. That is an average of 1.186 full time equivalent jobs per dwelling.
- c) If we build 10,320 dwellings then we will need 12,240 fte jobs more within the district, or 679 jobs per annum over 18 years.
- d) The GL Hearn 2012-based SNPP projections & Economic forecast dated September 2014 says in para 3.12 that Experian forecast economic growth to 2031 of 10,300 jobs for Warwick. This is 9,270 fte jobs in the 18 year programme.
- e) Therefore, on the same basis this will only require $9270/1.186$ dwellings = 7,816 dwellings to support the expected economic growth.
- f) In addition to that, 19,284 (or 27.7%) of the currently available jobs are part time – 10.33% being for less than 15 hours per week and 17.38% for 16 to 30 hours per week. An unspecified number of people in full time as well as in part time employment are under employed in skills or hours available to work. This is generally accepted that a 1% annual growth can be taken up the existing workforce.
- g) It would therefore appear that the number of dwellings being promoted will not be matched by the expected job forecast without commuting to other areas thus expanding the district's dormitory character. This is counter to the NPPF requirement for CO2 emission reduction.
- h) The critical issue is employers. We can provide the land for employment, the houses for an increased workforce, but without employers, there will just be under-employment. Part of the reason for the current outflow to other parts of the UK could be better job prospects elsewhere. No one seems to have produced a plan to attract employment, although there are opportunities in the automotive industry, mainly in Coventry and to the north in Ansty. But this is not on the scale required to support this level of housing growth.
- g) Within Warwick district there a considerable number of empty or underused employment sites. It is part of the reason for the considerable number of new dwellings which is occurring from permitted development of offices to residential.

8) How have market signals and affordable housing needs been taken into account?

Developers seem to build to control the market price. They certainly don't build very fast, commonly said to be only possible at 50 per year. As an architect I can advise you that if I were to build at that rate I would not be doing so for very long.

Affordable housing targets are being met. To date 2,221 affordable homes have been granted planning permission since 1st April 2011 and of these I have recorded at least 365 completions. The emerging local plan contains a total of 3,439 affordable homes. This is in excess of the assessed need of about 3,000 which is about 50 :50 split between need and suitability.

9) What effect have all of these factors had on the figures for OAN in individual authorities and the HMA as a whole? i.e. how have household/population projections been adjusted?

See other questions that answer this one

10) Will there be unmet needs? Specifically what is the situation in Coventry?

See answer to question 1 section f.

11) Will these needs be met elsewhere in the HMA? Is this clear?

See answer to question 1 section f.

12) What is the approach of the authorities in the HMA to addressing this issue? What additional work needs to be undertaken and over what timescale?

13) Is the approach of the Local Plan to this issue (in particular Policy DS20) appropriate? What are the implications of this approach in terms of soundness?

14) What is the specific basis for the figure for OAN in Warwick District? Is it justified and appropriate?

Warwick have, from about 1st April recognised the DCLG projections at 573 per annum but have updated that to 660. This is probably more than we need because

- a) in the first 3 years of the programme, population change has been much lower than forecast, see answer to question 2
- b) the reasons for increasing the number from 573 to 660, roughly in line with the JSHMA, for the reasons stated above, it is not clear that those reasons are robust enough to overbuild at the expense of other parts of the Framework. It must be recognised that 80% of Warwick District is in green belt to constrain Coventry's growth, but here we have ONS statistical projections trying to make Coventry grow by over 26% without regard to its ability to do so.
- c) Proper demographic trend analysis indicates that population growth will not be as great as is still being said in the mid 2012 projections. ONS say that their projections are only dependable for 2 years and after 5 years they are only reliable if nothing changes that may affect population size. If plans are reviewed on a 5 year cycle, and

adjustments made then it only make sense to work to the 5 years with a view to know where the next 5 could come from if it proved to be needed. Infrastructure related costs for schools, hospital roads etc if spent too early before the total number is really known could be wasted expenditure on the public purse.

15) Is the level of housing planned in the Local Plan sufficient to meet OAN in the District? And in the HMA?

Yes

16) What would be the implications for population change, migration and employment growth?

See previous answers

17) Is the level of housing planned appropriate? Should it be increased or decreased? If so to what level and on what basis?

See previous answers

18) Is the plan period to 2029 appropriate? Should it be extended?

It is still for 15 years from now and projections will change. It would be completely unreasonable to plan for any time beyond that since the future cannot be predicted and the answer will most certainly wrong. We know that since 2000 and freeing of eastern Europe, many have taken the chance to see the world, but, barring crises, people will travel and many will return to the place they regard as home. Prior to 2000 the net migration into UK was an outflow. That is probably the situation we could find ourselves in in due course as with all the advanced countries. As the new developing countries emerge, they will seek to retain their more able citizens and that is how they will develop.

A clue may be that of those that come to the UK the majority expect to stay for about 2 years, with a small number intending to stay more than 4 years , but for those emigrating, the large majority intend to emigrate for more than 4 years. This reflects our tradition of exploration and opportunity seeking.