



WARWICK LOCAL PLAN EXAMINATION

MATTER 2: OVERALL PROVISION FOR HOUSING

REPRESENTATIONS ON BEHALF OF WARWICKSHIRE COUNTY COUNCIL

APRIL 2015

Introduction

1. Savills has submitted representations to the emerging Warwick District Local Plan on behalf of Warwickshire County Council Physical Assets Business Unit (referred to hereafter as "WCC"), most recently with respect to the Publication Draft and Publication Draft Focused Consultation stages. These included representations to Local Plan policy DS8 which highlighted the interrelationship between objectively assessed housing need (OAHN) for the District and the consideration of employment issues.
2. WCC owns an area of land to the south of Warwick / Leamington, bounded by Gallows Hill to the south and Europa Way to the east, within the Local Plan proposed 'Land West of Europa Way' allocation (ref H01) and for which outline planning permission was approved on 03 April 2015 for up to 425 dwellings¹.
3. As part of the Local Plan Publication Draft Focused Consultation amendments, an employment allocation was moved from the WCC site to land to the East of Stratford Road (ref EQ) which WCC fully supports. It is for this reason that WCC retains an interest in the employment land situation in the Borough and is accordingly seeking to ensure that the Local Plan is based on a robust and up-to-date employment and housing evidence base. The focus of this Hearing Statement is to provide an update to the representations submitted previously in response to this particular context and identify areas of potential uncertainty raised by the OAHN evidence base. WCC however wishes to stress that it is not seeking to delay the Local Plan Examination.

¹ Application reference W/14/0967 – Development of up to 425 dwellings (Use Class C3), medical centre, community hall, formal and informal open spaces, sports and recreation provision, structural landscaping, new roads, footpaths and cycleways, site access and ancillary works (outline application including details of access). Land North of Gallows Hill, Warwick, CV34 6SJ.

Question 1 – What is the position of the authorities in the HMA regarding OAN?

4. No comment

Question 2 – What do population and household projections indicate?

5. No comment

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

6. Paragraph 158 of the National Planning Policy Framework (NPPF) states that Local Plans should be based on adequate, up-to-date evidence about the economic, social and environmental characteristics of the area. In addition, NPPF paragraph 47 states that local planning authorities should use their evidence base to ensure that their Local Plan meets the full, objectively-assessed needs for market and affordable housing.
7. WCC notes that the Department for Communities and Local Government (DCLG) *'Household Projections 2012-based: Methodological Report'* (February 2015) identifies that the 2012-based DCLG projections currently provide the most up-to date and nationally consistent estimates.
8. The Government's Planning Practice Guidance (PPG)² advises that household projections published by DCLG should provide the starting point estimate of overall housing need. Therefore it is considered to be appropriate for the DCLG 2012-based household projection figures to be reviewed as part of the process being undertaken to derive the OAHN for Warwick District, to ensure that the emerging Local Plan is based on, and informed by, the most up-to-date evidence available.
9. The inference from Figure 5 of EXAM 4 is that the DCLG 2012-based household projections represent a minor reduction in housing need for Warwick District from the 606 dwellings per annum proposed through the Joint Strategic Housing Market Assessment Update (September

² Ref 2a-015-2014306

2014) to 592 dwellings per annum, but an overall increase across the wider Coventry and Warwickshire Housing Market Area (HMA).

10. However it is not clear whether Warwick District Council (WDC) is accordingly proposing to take 592 dwellings per annum forward as the OAHN for the District. WCC also wishes to seek clarification on the potential impact of any increase in the OAHN across the HMA if Coventry is unable to sustainably meet its own housing need within its administrative area.

Question 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?

11. The 2014 Addendum takes account of the more recent 2012-based sub-national population projections (SNPP), published by the Office for National Statistics (ONS) rather than the 'interim' 2011-based projections and are therefore considered to represent a more up-to date starting point for considering the OAHN. However it is noted that assumptions on headship rates have been made to convert the 2012-based SNPP figures into household estimates. It is also noted that the 2014 Addendum proposed to take forward the demographic-based 'Part Return to Trend' household projection scenario.
12. Whilst consideration was given within the 2014 Addendum to economic forecasts, market signals, affordable housing and household formation rates, no firm conclusion appears to have been reached as to how these ought to be taken into account in arriving at the OAHN. Instead, the 2014 Update suggests that these factors could be dealt through treating the demographic-based scenario figures as minima.
13. It is also noted that the 2014 Update places greater weight on the HMA conclusions relating to the overall level of housing need across Coventry and Warwickshire than on the need for housing within the individual local authority areas, which are described as 'indicative'.
14. On this basis, whilst the 2013 Joint SHMA and 2014 Addendum include consideration of the components required by the PPG³ for assessing the OAHN, given the uncertainty over the

³ PPG Paragraphs 19 and 20 ID Ref 2a-019-20140306.

actual housing need figure and distribution within the HMA, it is not clear whether these evidence base documents robustly support the OAHN position for Warwick District. These documents appear to suggest that the OAHN may be higher than the reported household projection figures (i.e. higher than 606 dwellings per annum), given that the projections are being reported as minima.

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

15. No comment.

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

16. WCC notes that the Core Projections in the 2013 SHMA Report did include adjustments to migration to seek to account for unattributable population change (UPC). The 2014 Addendum has not made adjustments to the projections on the premise that the ONS did not account for UPC within the SNPP figures and the difficulties involved in providing a clear and defensible basis to adjust SNPP figures. WCC questions what impact this has on comparing the 2013 and 2014 assessment figures on a like-for-like basis.

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

17. The 2014 Addendum considers Experian and Cambridge Econometrics economic forecasting, but states (at paragraph 3.24) that a detailed interrogation of local economic dynamics, opportunities and risks should inform planning assumptions regarding future employment growth and the implications of economic growth on housing need. The 2014 Addendum conclusions (paragraph 5.48) state that the implications from the consideration of economic forecasting is that housing provision could be higher than shown in the 2012 SNPP, *“reinforcing the case for treating this as a minimum level of provision”*. It is therefore not clear whether economic factors have fully been taken into account in considering the OAHN.

18. Whilst Figure 6 of EXAM4 reproduces the 2014 Addendum findings, no further consideration of economic forecasting appears to have taken place alongside the consideration of the DCLG 2012-based household projections.

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

19. Please refer to the response to question 4.

Question 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?

20. Please refer to the response to question 4.

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

21. It is not clear how any of OAHN from the HMA attributable to Coventry, which cannot be accommodated within the Coventry City Council administrative boundary, might be met within the remainder of the HMA.

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

22. It is not clear how any of OAHN from the HMA attributable to Coventry, which cannot be accommodated within the Coventry City Council administrative boundary, might be met within the remainder of the HMA.

Question 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?

23. WCC notes that WDC has set out in its letter to the Inspector (EXAM 2A) that a Joint Green Belt Study is under way and that there is a commitment between the local authorities in Coventry and Warwickshire to agree / establish an approach and governance for a coordinated review process.

24. Question 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?

No comment

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

25. The approach taken by the most recent housing evidence base documents (EXAM 4 and HOU8) in deriving the OAHN for Warwick District appears to have been focused on treating the demographic scenarios as minima, without making specific changes to account for economic forecasting, market signals or household formation rates. It is not clear whether further modelling would be required to produce a robust OAHN.

26. Question 15 – Is the level of housing planned in the Local Plan sufficient to meet OAN in the District? And in the HMA?

27. The level of housing being planned through the Local Plan appears to exceed the Warwick District apportionment of the HMA housing need calculated within the evidence base through the use of demographic-based scenarios based on updated household projections. Warwick District already has a strong housing land supply pipeline as a result of the planning permission being granted on many of the Local Plan proposed housing allocation sites, including the WCC site (part of strategic allocation H01).

28. At this stage, it is not clear what impact any redistribution of the apportionment of the HMA housing requirement might have on the level of housing planned in the Local Plan.

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

29. WCC seeks clarification on whether it would be prudent to undertake further modelling to assess in more detail the interrelationship between housing need, housing supply and economic considerations.

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

30. In assessing the level of housing planned through the Local Plan, consideration should be given to those sites within proposed (strategic) housing allocations, which are in sustainable locations where the market wishes to deliver housing, and especially those which already benefit from planning permission, including the WCC site (outline permission W/14/0967), even if this introduces an element of flexibility through planning for more housing than is potentially sought through the OAHN.

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

31. No comment