

WARWICK DISTRICT LOCAL PLAN EXAMINATION

MATTER 3: THE SUPPLY AND DELIVERY OF HOUSING LAND

Statement by:

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on behalf of
Bloor Homes Midlands (11532)
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1. ***What is the up to date situation regarding completions to date in the plan period and what is the residual amount of housing that needs to be delivered?***
- 1.1 It is understood from the Council's 'Five Year Supply of Housing Land 2014 – 2019', reflecting the position at 1 April 2014 (included as Appendix 1 to this Statement), that between 2011 and 2014 there were 689 dwelling completions; an annual average of 230. Although Updates of the Five Year Housing Land Supply position, reflecting the position at 26 August and 11 November 2014, have subsequently been published, the only component to be updated was the outstanding permissions. The completions data was not amended.
- 1.2 It is therefore possible to deduce that there were 283 net dwelling completions in 2013/14; approximately 32% of the annual housing requirement of 714. In comparison, the Housing Trajectory (H006) was forecasting in excess of 400 dwellings during this year.
- 1.3 On the basis of the Council's proposed housing requirement of 12,860 between 2011 and 2029, the residual requirement is 12,171 dwellings at 1 April 2014; an annual equivalent of 811.

2. What is the potential total supply of new housing?

2.1 The data supplied in the 1 April 2014 Five Year Housing Supply Calculation (Appendix 1 refers), provides the most comprehensive data on the current supply of new housing. However, it is not directly comparable to the sources of supply set out in Policy DS7. The comparison set out in the table below is therefore limited to the calculation of the residual requirement, firstly taking account of the completions achieved thus far and then the number of sites with outstanding planning permission. Other sources of supply are considered in response to Q3 below.

	Policy DS7	HLS @ 1.4.14
Dwelling Requirement (2011 – 2029)*	12,860	12,860
Dwelling Completions 2011 - 13	406	
2011 - 14		689
Sites with outstanding planning permission @ 1.4.13	1,906	
@ 1.4.14 (1,777 + 702)		2,479
Sites with permission granted between 1.4.13 – 31.12.13	1,317	0
Total Commitments	3,629	3,168
Requirement to be met from the policies and proposals in the plan		
@ 1.4.13 (12,860 – 3,629)	9,231	
@ 1.4.14 (12,860 – 3,168)		9,692

***NOTE:** This figure is used for comparative purposes only and is entirely without prejudice to the housing requirement advocated by Barton Willmore on behalf of the Consortium

Sources: Policy DS7 of LP23a, WDC Five Year Supply of Housing Land @ 1 April 2014 (Appendix 1) and H006.

3. *What is the estimated total supply in the plan period from:*

a) existing planning permissions

- 3.1 The components of housing supply, set out in Policy DS7, reflect the position at 1 April 2013, with an adjustment made to the supply to incorporate those sites which were granted planning permission between 1 April 2013 and 31 December 2013. As indicated in paragraph 1.1 above, although the Council has published updated Five Year Housing Supply schedules since then, the figures for sites with planning permission contained therein are not directly comparable as they only include those dwellings which are judged to be deliverable within five years.
- 3.2 Further the Council's practice of providing ad-hoc updates during the accounting year (most recently to reflect the position at 26 August 2014 and 11 November 2014) does not provide an accurate figure of the number of dwellings with planning permission because, it fails to make an adjustment for those sites / dwellings which have been completed between 1 April 2014 and the relevant date and nor does it take account of lapsed permissions. As a consequence, it is likely to overstate the number of outstanding planning permissions.
- 3.3 In the circumstances, if up-to-date information is to be made available in advance of the Hearings, it should be provided on the same basis as the data set out within Policy DS7; preferably reflecting the position at 1 April 2015 so that the components of housing supply, including completions, all relate to the same period. It is only in so doing that it will be possible to undertake a meaningful comparison of the data and determine if there have been any recent trends which should be taken account of.
- 3.4 The Housing Trajectory (H006, May 2014) provides the background information on the sites within each of the specified categories. Having considered the committed sites it is clear that those which were extant at 1 April 2013 were all, with one exception (SWW Phase 9), windfall sites. Consequently 1,834 of these planning permissions related to windfall sites. (1,906 – 72). Further of the 1,317 commitments which were granted planning permission between 1 April 2013 and 31 December 2013, three sites had

been identified in the emerging Local Plan (Woodside Farm, N Harbury Lane and S Fieldgate Lane). Consequently allowing for the 2% deduction for “expiries”, 723 of these planning permissions related to dwellings on windfall sites (1,317 – 594). Therefore, in total 2,557 (1,834 + 723) of the committed dwellings included within Policy DS7 are on windfall sites. I return to this point below.

b) other commitments e.g. sites subject to S106

3.5 Not known

c) allocated sites

3.6 The capacity of the sites allocated in the Plan is given as 6,299 dwellings in Policy DS7 of the submitted Plan (LP23a); a slight increase on the figure of 6,238 in the pre-submission version (LP10). Further, by reference to Policy DS11, it is noted that the total capacity of the sites listed is in fact 6,319. The reason for the discrepancy in the figures is not known.

d) other sites specifically identified e.g. SHLAA

3.7 The Council has indicated that the capacity of these sites is 393 dwellings. However, as the windfall allowance is based on the contribution from windfall sites since 1996/7, (H005 refers), and as “small urban sites” would have traditionally formed part of this contribution, it is considered that the inclusion of these sites as a separate category constitutes double counting. The Council has recognised this point in paragraph 6.3 of H005 but only insofar as the first phase of the plan period is concerned, whereas it is considered that the need to distinguish between SHLAA sites and windfall sites is equally applicable to subsequent phases of the Plan. On this basis, 393 dwellings should be deducted from the windfall allowance.

e) windfalls

3.8 It is noted from paragraph 9.1 of H005 that the Council’s estimation of its Windfall Allowance for the period between 2013 and 2029 is equivalent to an annual average of 161 dpa. However, as shown in Table 6 the windfall allowance varies for each of the three phases of the Plan from a low of 122 dpa to a high of 217 dpa in Phase 2.

3.9 Although the windfall allowance of 2,485 dwellings is the same in the pre-submission (LP10) and submission (LP23a) plans, the Council has clarified

that it relates to the residual plan period (1 January 2014 to 31 March 2029) rather than the entire plan period. Consequently, it is clear that dwellings completed on windfall sites in the first 2 (or 3 years) of the plan period will be included in the total completions figure and similarly sites with outstanding planning permission (whether at 1 April 2013 or granted between then and 31 December 2013) will include windfall sites which need to be allowed for (deducted) when formulating an allowance based on past completion rates in order to avoid double counting.

3.10 As indicated above, the capacity of the outstanding planning permissions on windfall sites is 2,557. On the basis of the past rate of development on windfall sites (340 dpa), this is equivalent to 7.5 years supply of windfall development. As these permissions will create the completions on windfall sites, it is clear that either the Plan should not provide any allowance for the first three years of the plan period or alternatively any allowance should deduct the number of outstanding permissions in order to avoid double counting. On this basis, it is considered that the Plan should not allow for any additional windfalls during Phase 1 of the Plan (assumed to equate to 732 in Table 6 of H005).

4. ***What are the assumptions about the scale and timing of supply and rates of delivery from these various sources? Are these realistic? Has there been any discounting of sites with planning permission for example?***

4.1 The Council's approach to discounting in its Housing Trajectory is slightly confusing in that:

- No adjustment for lapsed permission or "expiries" has been made to the commitments figure at 1 April 2013;
- However, a 2% adjustment has been made to those commitments which came forward between 1 April and 31 December 2013.

4.2 The reason for this difference in approach is not explained.

4.3 Further, it is noted that instead of applying a discount or non-implementation allowance in Policy DS7, as is frequently the case when determining the amount of land to be allocated for housing, the Council relies on an *"element of flexibility in the event that some sites fail to come forward or are delivered"*

with reduced capacities than that allowed for in the plan.” (Paragraph 2.21 of LP23a refers). However, in reality this “flexibility” is minimal as it is equivalent to a mere 146 dwellings (13,006 – 12,860) or 1.2% of the residual requirement of 12,171 dwellings, identified in paragraph 1.1 above. This is unlikely to be sufficient to allow for those circumstances which can arise and inevitably delay development being implemented or delivered at the rate originally anticipated.

4.4 In comparison, it is notable that when calculating its Five Year Supply of Housing, the Council applies a 5% non-implementation figure. (Appendix 1 refers). This appears to be a reasonable approach and one which should be replicated in the calculation of the amount of land to be allocated for housing in the emerging Local Plan.

5. ***Specifically, is the figure for windfalls realistic and justified?***

5.1 No, it is considered that the contribution from windfall sites has been overstated for the following reasons:

- The Council's methodology, as set out in Section 3.0 of H005, acknowledges that *“completions are a more realistic indication of permissions which are actually implemented, the sites analysis looks at completions rather than permissions.”* Paragraph 8.1 of H005 confirms that *“completions data is a more realistic measure of new permissions likely to be granted and implemented.”* It is agreed that a completions based allowance is the most appropriate basis for the windfall calculation, **provided** that there is no element of double counting which can only be avoided by the deduction of all outstanding permissions on unidentified sites. It is clear from the information provided in the Housing Trajectory that the Plan relies on significantly more windfall sites than indicated because of the number of extant permissions which relate to such sites.
- If the extant permissions on windfall sites (2,557) is added to the windfall allowance in Policy DS7 (2,485), the total allowance for windfalls in the Plan will necessitate 5,042 completions on windfall sites during the plan period; an annual equivalent of 336 dwellings, virtually the same rate as achieved over the last 17 years (Appendix 1

of H005 refers). This is equivalent to over 41% of the residual requirement (12,171 dwellings as noted in paragraph 1.1 above).

- The Council's approach is further confused because it discounts **permissions** in the final phase of the Plan to allow for those windfall sites which obtain planning permission within the plan period but will be built outside the plan period. The implication of this approach is that the allowance is based on permissions.

6. *What are the potential sources of windfalls? Given that the Local Plan and SHLAA have provided the opportunity to identify specific sites, are windfalls likely to come forward on the scale envisaged? What would be the implications if they didn't?*

6.1 It is recognised that without an up-to-date Local Plan, the Council has been largely reliant on windfall sites coming forward to meet the need for housing within the District. However, having undertaken a full and thorough SHLAA assessment and subsequent updates, which has informed the preparation of the Local Plan, it is reasonable to expect that the development plan process will identify those sites it requires for housing, both within the urban area and beyond. Consequently it is not considered that the windfall allowance should reflect past completion rates.

6.2 Other areas of concern are:

i. Student Accommodation

6.3 Paragraph 5.24 of H005 notes that in order to allow for changes to the character of future windfall sites, the Council, in assessing the likely delivery of new homes from windfalls, propose to increase:

- (i) urban provision by 40%, including student accommodation on Campus; and,
- (ii) the conversion allowance by 20%, to allow *inter alia* for student accommodation.

6.4 The SHMA (paragraphs 10.68 – 10.88 of H004 refer) considered the issue of student housing. In so doing, it noted that at 2011, 1.7% of all households in Warwick District were student households. If that population were to be

mirrored in forecast housing requirements, they would constitute in the order of 218 dwellings of the overall provision. ($12,860 \times 1.7\% = 218$).

6.5 It is noted in paragraph 10.73 of the SHMA (H004) that in 2009 permission was granted to provide, inter alia, some 2,000 – 3,000 additional student bedrooms on the Warwick University Campus and permission has now been granted for a further 500 bed spaces. It is understood the University has no specific plans to further expand student numbers in the short term and any specific proposals for the University's further expansion should be the subject of a specific allocation.

6.6 Further, with the introduction of an Article 4 Direction to restrict the conversion of properties to HMOs, frequently occupied by students, in Leamington Spa, it is not considered that there will be the opportunities for additional student accommodation which may have existed in the past. It is therefore considered that the proposed increases in the windfall allowance are not fully justified by reference, in part, to the future demand for student accommodation.

ii. Rural Sites Schemes

6.7 The Council propose to adjust upwards the allowances for windfall completions from rural sites and for conversion schemes, notwithstanding the limited opportunities which exist in the rural areas, much of which is within the designated Green Belt.

6.8 The NPPF, at paragraph 47, anticipates that in order to boost significantly the supply of housing, authorities should identify a supply of specific developable sites on broad locations for growth in years 6 – 10 (2019 – 2023) and, where possible, 11 – 15 in their plans. Emphasis is placed on the identification of specific sites. Increasing the allowance for windfall sites coming forward over the plan period is contrary to this approach. It is therefore considered that the annual average rate of provision from these sites should be significantly reduced.

Other Sources of Windfalls

6.9 Policy DS7 also includes, as separate supply components:

(i) small urban sites recorded as suitable in the SHLAA

393

- (ii) sites arising from the consolidation of existing employment sites and canal-side regeneration 269

6.10 Sites such as these would have been recorded as windfall sites over the period 1996/97 to 2012/13. Their contribution has therefore informed the completions based windfall allowance. Consequently, if they are specifically referred to, they should be subtracted from the windfall allowance as it is only in so doing that double counting will be avoided .

6.11 Paragraph 47 of the NPPF expects local planning authorities to identify a supply of specific and developable sites for growth. Such a significant reliance on windfall sites is contrary to that expectation and gives rise to a level of uncertainty as to the delivery of the housing requirement over the plan period. This uncertainty is increased by the very limited amount of flexibility in the scale of allocated land when compared with the estimated requirement for homes from those sites. As a consequence, it is considered that the Plan does not provide sufficient opportunities for new housing and additional sites will need to be allocated if the housing requirement is to be met.

7. *How has flexibility been provided in terms of the supply of housing? Are there other potential sources of supply?*

7.1 As indicated in response to Q4 above, the Council relies on an *“element of flexibility in the event that some sites fail to come forward or are delivered with reduced capacities than that allowed for in the plan.”* (Paragraph 2.21 of LP23a refers). However, in reality this “flexibility” is minimal as it is equivalent to a mere 146 dwellings (13,006 – 12,860) or 1.2% of the residual requirement of 12,171 dwellings, identified in paragraph 1.1 above. This is unlikely to be sufficient to allow for those circumstances which can arise and inevitably delay development being implemented or delivered at the rate originally anticipated.

7.2 There are no known other potential sources of supply which could come forward within the emerging planning policy framework. Consequently, if it is found that the Plan, as submitted, is not sound as it does not meet the identified requirement for new homes and/or has not identified sufficient sources of supply, it will be essential for further strategic sites to be identified.

8. *Has there been persistent under delivery of housing? In terms of a buffer for a five year supply of housing sites, should this be 5% or 20% in relation to para 47 of the NPPF? How should the level of completions since 2011 be taken into account? What would the requirement be for a five year supply including a buffer?*

8.1 The moratorium on new permissions for housing on windfall sites was in place between 2005 and 2009 which covered a period of economic and housing growth as well as the subsequent downturn. However, as a result of the moratorium, it is not possible to meaningfully review, say, the last 10 years of dwelling completions and determine whether, or not, there has been a persistent under supply of housing. It is therefore necessary to focus on the three years between 2011 and 2014 for which data is available. This period does not commence until two years after the moratorium ended and therefore provides sufficient time to allow planning permissions to have been in place and sites made available for residential development.

8.2 As shown in paragraph 1.1 above, between 2011 and 2014 there were 689 dwelling completions; an annual average of 230 which is approximately 32% of the annual housing requirement of 714. Having regard to the Framework's exhortation to boost housing supply, it is considered that in the context of Warwick District, this rate of development constitutes a persistent under supply justifying the application of a 20% buffer.

8.3 On the basis of the figures provided in the most recent and complete calculation of the Council's Five Year Housing Supply position (that reflecting the position at 1 April 2014, as subsequent calculations have not updated the completions data but only the commitments), the application of a 20% buffer would increase the 'Five Year Requirement 2014-2019' by 754 dwellings to 6,028; an annual requirement of 1,206. Using the Council's calculation of its total supply of deliverable sites and sites under construction (3,832 no.), the adjusted requirement would result in the years' supply of housing falling to 3.17.

9. *Would the Local Plan realistically provide for a five year supply on adoption? Will a five year supply be maintained?*

9.1 As reflected in the most recent housing land supply calculations, Warwick District Council has started to grant more planning permissions, notably on sites identified in the emerging Local Plan which it is reasonable to anticipate

will improve the supply of housing which on the basis of the Council's own figures was 3.6 years at 1 April 2014.

9.2 The Housing Trajectory 2011 – 2029 (H006) shows a significant increase in completion rates from 2014 / 15 but as indicated in paragraph 1.2 above failed to deliver the forecast rate in 2013/14. On the basis of the current proposals for residential development, it is therefore questionable whether approximately 1,000 dwellings will be completed for each of the next four years, commencing in 2014/15.

10. *In overall terms would the Local Plan realistically deliver the number of dwellings required over the plan period?*

10.1 No, for the reasons given above, the Local Plan does not enable the provision of the requisite number of dwellings over the plan period. In particular, the Council's approach to the calculation of its housing supply is not justified by the evidence and hence is neither positively prepared nor sound. It is therefore considered that the Council should be asked to reappraise its various components of housing supply to eliminate any double counting and thereby enable full provision for housing to be made and the identified housing requirement met.

10.2 Further, Bloor Homes, Hallam Land Management and William Davis are all confident that the higher requirement for housing, they consider is justified in Warwick District, could be delivered but only if a sufficient range of suitable sites are provided in sustainable locations within the District; the scenario which existed when the District Council previously delivered in the order of 1,000 dpa (1999 – 2003).

Jane Gardner
16 April 2015

APPENDIX 1

Warwick District Council

Five Year Supply of Housing Land

2014-2019

The Five Year Housing Requirement @ 1st April 2014

TABLE 1 THE FIVE YEAR REQUIREMENT WARWICK DISTRICT LOCAL PLAN (PUBLICATION DRAFT)	
	Dwellings
Requirement 2011 - 2029	12,860
Annual Requirement	714
Five Year Requirement 2011 to 2019 8yrs x 714	5,712
Completions 2011-2014	689
Balance	5,023
Plus Buffer of 5%	+251
Five Year Requirement 2014-2019	5,274

TABLE 2 THE FIVE YEAR HOUSING LAND SUPPLY 2014 – 2019	
Component of Supply	Dwellings
Dwelling sites with permission (not started)	1,777
SHLAA sites	908
Windfall allowance (@122 per year)	610
Total	3,295
Less 5% non-implementation	165
Deliverable dwelling sites (total less 5%)	3,130
Add dwelling sites under construction	702
Total (deliverable sites + sites under construction)	3,832
The 5 Year Requirement 2014-2019	5,274
Requirement per annum (5,274 /5)	1,055
Number of Years Supply (3,832/1,055)	3.6

NB All housing figures are net rather than gross