

WARWICK DISTRICT LOCAL PLAN

EXAMINATION 2015

MATTER 3 – THE SUPPLY AND DELIVERY OF HOUSING LAND

HEARING STATEMENT

ON BEHALF OF GALLAGHER ESTATES LTD

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MATTER 3 – THE SUPPLY AND DELIVERY OF HOUSING LAND

Issue: Whether the approach towards the supply and delivery of housing land is justified, effective and consistent with national policy.

Question 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 latest Five Year Land Supply Statement of November 2014 that 689 dwellings have been completed in the District over a period, from the start of the Plan period to 11 November 2014. Policy DS7 and the Housing Trajectory (Ref: HO06) should be updated to reflect the most recent data – a point recognised at paragraph 1.4 of HO06. There remains, therefore, a residual need for 12,171 dwellings against the requirement figure of 12,860 new homes 2011 to 2029 as set out in Policy DS6. It should be noted, however, that Pegasus Group (see response to Matter 2) consider the actual dwelling requirement for Warwick District to be 1,000 dwellings per annum which equates to a total of 18,000 new dwellings to 2029 or 20,000 to 2031.
- 1.2 Concern is raised that the completions identified by the Council, include C2 completions. There are a number of good reasons not to count these units due to the paucity of information regarding for example closures, the lack of understanding of what level of discount should be put onto bed spaces to convert them to dwellings and the consistency with the approach taken in terms of the overall requirement figure.
- 1.3 There is concern that given the poor levels of completions since the beginning of the Plan period the Council does need to deliver an increasing level of completions later in the Plan period. In order to effectively do so, it is important that there is a plentiful supply of deliverable land to ensure the ongoing delivery of housing throughout the Plan period. At present, our view is that the Local Plan is neither sufficiently positively prepared nor effective in meeting arising housing needs in Warwick District.

Question 2: What is the potential total supply of new housing? What is the basis for this figure and is it justified? How much of this would be consistent with

policies in the Local Plan? How much would be developable within the plan period? How does total potential supply compare with the planned level of provision?

- 2.1 In light of time passing since the Local Plan was prepared and more completions being delivered, the sources of supply set out in Policy DS7 are likely to be out of date and therefore the most up to date potential total supply of new housing is unknown.
- 2.2 In terms of the 13,006 figure proposed by the Council, although this is in excess of the dwelling requirement proposed in the Local Plan (by 146 dwellings), there is concern that a number of the sources set out are overly optimistic as explained in further detail below. It is advised that Policy DS7 is revised in order to build in flexibility to allow for changing circumstances. It should also be noted that against the proposed Pegasus full OAN figure (as referred to above), 13,006 new homes is insufficient.
- 2.3 As set out in our Hearing Statement to Matter 2 (Overall Provision of Housing), we do not consider that the Council is planning to 'boost significantly the supply of housing' in that the Local Plan does not meet the full, objectively assessed needs (OAN) for market and affordable housing. Whilst this Statement considers issues relating to housing supply, identification of the appropriate OAN needs to be established first, to allow consideration of the adequacy of housing land supply. It is considered necessary for the Local Plan to include additional housing land to ensure the OAN is met.

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

- a) existing planning permissions*
- b) other commitments e.g. sites subject to S106*
- c) allocated sites*
- d) other sites specifically identified e.g. SHLAA*
- e) windfalls*

3.1 The supporting paper entitled the Housing Trajectory (Ref: H006) is broadly consistent with the figures in the Plan (at Policy DS7), however it should be noted that the total number of allocations identified in the Housing Trajectory paper is inconsistent with the total number of allocations in the Local Plan. The Housing Trajectory provides for 42 fewer dwellings.

3.2 It is acknowledged in the Housing Trajectory paper, at paragraph 1.4, that the trajectory will be updated following the publication of the Draft Local Plan to reflect the monitoring year of 2013/2014. It is assumed that this exercise has not yet taken place. Further information is included within the latest Housing Land Supply information published by the Council for the first five years dated November 2014 but it is noted that this hasn't been put before the Inspector.

Question 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 In terms of the timing and delivery of sites, the Council has crudely attempted to forecast delivery of sites for the purpose of demonstrating a continuous delivery of housing. There is concern, however, that the Local Plan only incorporates a 5% non-implementation allowance within the committed supply which provides limited flexibility. This is considered to be unrealistic, for example, often outline applications apply for a maximum number of dwellings, however, when the detailed design process takes place a reduced number of units is often delivered (due to infrastructure requirements). In addition, sites may not be implemented for various reasons (i.e. applications sought for valuation exercise and not for the purpose of delivering residential development).

4.2 It is advised that increased non-implementation discounts are incorporated in relation to sites with outstanding planning permission (10%), SHLAA sites (10%) and allocations (5%). This will assist in building flexibility into the housing land supply.

4.3 In terms of the proposed housing allocations, these sites provide less than 50% of the overall supply. There is concern that this lack of identified sites may

prejudice the continuous delivery of housing land. It is recommended that in place of the large windfall allowance, additional sites are identified and allocated in sustainable locations to ensure the full, objectively assessed needs are met. In any event additional allocations would need to be identified to ensure the full, objectively assessed housing need is met.

- 4.4 As identified below, past trends have influenced higher than normal rates of windfalls, which is explored in further detail below.

Question 5: Specifically, is the figure for windfalls realistic and justified?

- 5.1 It is considered that large amount of windfalls have arisen in the past due to there being a policy vacuum. As a result of there being no proactive, up to date Local Plan in place, speculative sites have come forward for development, which have resulted in an over inflated past trend of windfalls. In light of there being a regularly updated SHLAA and an adopted Local Plan, it is considered that fewer windfalls will come forward. To rely on a continuing high rate of windfall provision is likely to result in an under supply of housing compared to the overall dwelling requirement.
- 5.2 The Council has produced a document which estimates a windfall allowance (Ref: HO05). It is clear that a significant element of the allowance identified by the Council relies upon unidentified sites of 5 or more dwellings. This equates to roughly a third of the identified windfall supply. This, at the very least, should be removed from any allowance as it represents double counting with the supply that would already be identified within the SHLAA.
- 5.3 No compelling evidence has been put forward by Warwick District Council in justifying such a high windfall allowance. It is recommended that windfalls are treated as additional supply to be delivered in addition to that identified through the Plan.

Question 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 The windfall allowance included within the housing trajectory is significant. The Strategic Housing Land Availability Assessment explains that a '*very conservative estimate of urban and rural windfalls has therefore been made averaging 161 dwellings per year for the period 2014-2029.*' For reason explained above, it is considered unlikely that this rate of supply from unidentified sources will continue into the future.

6.2 The SHLAA methodology explains that a size site limit of 5 dwellings is applied in considering sites within Warwick. Therefore any supply from sites that can yield five or more dwellings should be identified through the SHLAA and should be excluded from any windfall allowance contained within the Local Plan to avoid double counting. Relying on unidentified large sites will result in the Council failing to deliver the relevant housing requirement within the Plan period.

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

7.1 Given the evidence provided by Pegasus Group to Matter 2 and for the reasons set out in this Paper, it is our view that there is no flexibility provided in terms of the identified supply of housing. Having reviewed the SHLAA prepared in May 2014, there is a considerable amount of land that has been identified by the SHLAA that is potentially suitable, available and achievable. In light of this, it is clear that there are no capacity issues preventing additional land from being allocated within the Local Plan. It is recommended that additional land is brought forward through further allocations in order to increase contributions from existing sources, particularly deliverable sites. Deliverable sites are likely to be greenfield and on the urban edge.

Question 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 Warwick has persistently under delivered against the relevant housing requirement.

8.2 Looking at the evidence, the requirement in the adopted Local Plan was based on the Regional Spatial Strategy. Between 2006 and 2011 the requirement for Warwick District was 2,070 dwellings. To 2011 completions equated to 1,709, some 361 dwellings short. Completions from 2006 are set out in Table 1 below:

Table 1: Comparison of Net Additional Completions against Annualised Plan Targets, Warwick

<i>Year</i>	<i>Net Additional Completions</i>	<i>Annualised Plan Target RSS 2004</i>	<i>Under/ Overprovision</i>	<i>Annualised Plan Target Phase II Rev</i>	<i>Under/ Overprovision</i>
2006/ 2007	465	514	-49	540	-75
2007/ 2008	580	389	+191	540	+40
2008/ 2009	410	389	+21	540	-130
2009/ 2010	177	389	-212	540	-363
2010/ 2011	77	389	-312	540	-463
2011/ 2012	144	347	-203	540	-396
2012/ 2013	262	347	-85	540	-278
2013/ 2014	283	347	-64	540	-257
<i>Total:</i>	<i>2,398</i>	<i>3,111</i>	<i>-713</i>	<i>4,320</i>	<i>-1,922</i>

Source: Warwick District Council

8.3 In addition, it is demonstrated above that the Warwick District Council failed to meet the residual requirement for the RSS from 2009/10 to 2010/2011, as well as beyond the Plan period.

8.4 As explained previously, the Council has failed, by a considerable margin, to meet the annual requirement set out in the submitted Local Plan in every year since 2011, the proposed start of the Plan period.

8.5 It is also useful to look back to see what number of dwellings were estimated to be delivered by Warwick District Council in the years from 2006 through their forward housing trajectories. Table 2 below considers actual completions against forecast completions from each of the Annual Monitoring Reports from 2006 to 2011.

8.6 The table shows that in the years since 2006 the Authority has regularly suggested a higher completions figure than that which was subsequently achieved. In fact, in the last five years to 2013 the table shows that Warwick has always delivered below what was actually forecast.

Table 2: Comparison of actual completions against forecast completions from the 2006 to 2010 Annual Monitoring Reports

	2006 /07	2007 /08	2008 /09	2009 /10	2010 /11	2011 /12	2012 /13	2013 /14	2014 /15	2015 /16	2016 /17
Actual Completions	465	580	410	177	77	144	262	-	-	-	-
Projected 2006 AMR	500 (-35)	500 (80)	500 (-90)	500 (-323)	500 (-423)	-	-	-	-	-	-
Projected 2007 AMR*	-	400 (180)	400 (-290)	700 (-523)	700 (-623)	700 (-556)	300 (-38)	300	300	300	300
Projected 2008 AMR	-	-	527 (-117)	418 (-241)	570 (-493)	570 (-426)	570 (-308)	295	295	295	295
Projected 2009 AMR	-	-	-	247 (-70)	273 (-196)	407 (-263)	376 (-114)	324	116	116	162
Projected 2010 AMR	-	-	-	-	120 (-43)	231 (-87)	313 (-51)	463	508	253	110

Note: Figures set out come from the AMR trajectories showing what Warwick DC considered they were going to provide to meet housing requirements. These are then compared with actual completions in the top line.

8.7 It is clear that in recent years that Warwick District Council has also persistently failed to meet either the requirements of the Local Plan average completions figure, the residual completions figure since 2006, or their own projected completions. In addition when looking at the figure from 2011 compared to the annual requirement in the submitted Local Plan (the figure of 12,860 dwellings/714dpa) the average annual completions figure achieved 2011-2013 (203 dpa) is well below that necessary (714dpa).

8.8 As demonstrated above, there is evidence of persistent under delivery of housing in Warwick irrespective of the moratorium and therefore the appropriate buffer to apply is 20%.

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

9.1 The Local Plan does not realistically provide for a five year supply of housing land upon adoption. The latest five year housing land supply position published by the Council considers there to be a 4.5 year supply at 11 November 2014. However

the calculation seems mathematically flawed and only assumes a 5% buffer. In light of our view that the appropriate buffer to apply is 20%, our interpretation of the position at 11 November 2014, based on the Council's identified supply is as follows:

Warwick District Housing Requirement	Local Plan Strategy
Total Requirement 2011 to 2029	12,860
Completions 1 Apr 2011 – 11 Nov 2014	689
5yr req. based on annual req.	3,572
<u>Add</u> Shortfall to 11 Nov 2014	1,897
Total 5 year req. 11 Nov 2014 to 10 Nov 2019	5,469
Annual req. 5 years	1,094
5 year requirement + 20% (NPPF)	6,563
Annual req. 5 years	1,313
Warwick District Council stated supply	5,262
Number of years supply (5,262/1,313)	4.0

9.2 It is clear that Warwick District Council fall short of being able to demonstrate a five year supply based on information within the public domain. It is accepted that adoption of the Plan would boost the supply, but the Housing Trajectory (HO06) demonstrates that many of the proposed allocations are assumed to deliver homes beyond the first five year period, with a peak in forecast supply from these sources in 2019 to 2021. It is therefore doubtful whether the proposed allocations would significantly boost housing land supply enough to secure a five year land supply upon adoption.

9.3 The way to achieve higher rates of delivery as advocated by Pegasus Group is to identify further sites for inclusion within the Plan. In any event additional

allocations would need to be identified to ensure the full, objectively assessed housing need is met.

- 9.4 It is considered appropriate for a minimum 10% contingency in addition to any appropriate requirement to be included within the supply to allow for additional sites to come forward. This would not only assist in boosting significantly the supply of housing, but would also provide greater flexibility for the rolling supply of housing land, particularly in respect of years 6-15.
- 9.5 It is considered necessary for the District Council to provide an updated position as at 1 April 2015 prior to the hearing sessions to allow for robust scrutiny.

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

- 10.1 As evidenced in our response to Matter 2, the Local Plan as submitted does not propose to deliver the required number of homes to meet the full objectively assessed housing requirement. In addition, we have raised a number of concerns within this Statement in terms of the supply, which include a number of assumptions relied on by the Council which will result in a shortfall in expected delivery. As a result, the Local Plan as submitted, would not 'boost significantly the supply of housing' as required by the NPPF.

Headroom

- 10.2 The headroom provided within the modified Housing Trajectory Table is just 146 homes over and above the Council's proposed housing target of 12,860 homes. This equates to a 1% buffer. This provides insufficient flexibility within the trajectory which is likely to result in a shortfall in provision within the Plan period. This could be rectified by increasing the headroom by providing a 10% contingency above any established housing requirement.

Windfall Allowance

- 10.3 The supply identified by the Council is overly reliant on windfall sites. The Council's trajectory includes the provision of almost 2,500 homes on unidentified windfall sites, which equates to almost 20% of the total requirement. As these

windfall sites are by their nature unidentified, it is unrealistic to expect such a high level of supply from this source, especially as no compelling evidence has been provided by the Council, as required by the NPPF. To provide greater certainty of delivery within the supply, the windfall allowance should be replaced through the identification of specific sites and further housing allocations within the Local Plan.

Non-implementation Rates

- 10.4 The Council recognises within their latest Five Year Housing Land Supply Calculation (Nov 2014) that there is a need to provide enough flexibility to take account of non-implementation of sites. The methodology applied by the Council assumes a 5% deduction for non-implementation on sites with planning permission, windfalls and care homes for the purpose of a 5 year supply calculation. The approach of assuming a deduction for non-implementation is supported, but it is considered a 10% deduction would be more realistic and provide greater resilience within the overall trajectory.

History of Poor Performance

- 10.5 It has been demonstrated that Warwick District Council has persistently under delivered against the relevant housing requirement. In addition, Warwick District Council's published housing trajectories, as set out through Annual Monitoring Reports, have historically been over ambitious in assuming levels of housing delivery in future years. This raises concern that the trajectory contained within the Local Plan is also unrealistic and will fail to deliver the intended levels of completions.
- 10.6 In summary, the trajectory does not provide for the delivery of the quantum of homes to satisfy the full objectively assessed need and is unrealistic in quantifying the number of homes the submitted Local Plan will deliver. The Local Plan would not realistically deliver the number of dwellings required over the Plan period.

