

**Examination of the Warwick District Local Plan
Initial Examination Hearings
Matter 3: The Supply and Delivery of Housing Land**

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

Inspector's 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?

Response

1. This question is most appropriately confirmed by the Council from the latest housing trajectory evidence, as submitted in the Housing Trajectory Sites (May 2014) [HO07].

Inspector's 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 the total potential supply compare with the planned level of provision?

Response

2. The Housing Trajectory (May 2014) [HO07] identifies a total potential supply of new housing of 12,964 dwellings across the plan period. This is compared to a requirement for housing sites of 12,860 dwellings for the Plan.
3. The Local Plan states in para 2.7 '*This involves ensuring a good supply of development sites for new housing is available*'. However, the level of supply is considered fragile in that there is no consideration of any flexibility in the Plan to accommodate changing circumstances. In order to ensure that "a good supply" is actually maintained, the housing trajectory should include additional supply. This would ensure that if sites do not come forward as expected, the housing requirement for the District can still be met across the plan period and the authority can maintain a continuous five year supply of housing land.
4. Presently, there is a lack of certainty that the plan will deliver homes at the level identified in the housing trajectory, and the limited flexibility in supply means that if provision does not come forward the District will fail to meet its housing requirement for the plan period.

Inspector's 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

5. This question is most appropriately confirmed by the Council from the latest housing trajectory evidence.

Inspector's 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?

C2 Use Sites

6. The Housing Trajectory illustrates how it is expected development will come forward across the plan period. However it is considered that there are a number of areas where the housing Trajectory contains errors or has a reliance on C2 and student accommodation, despite no specific inclusion of C2 or student accommodation within the housing need assessment for Warwick.
7. The precedent for not including C2 uses in the housing supply has been established by other authorities such as Hereford, where C2 dwellings were removed from the housing supply in the latest Five Year Supply Update (March 2015) as the institutional population had not been taken into account in the '*Local Housing Market Requirements Assessment*'. It was also argued in the Decision for the appeal for land off Stratford Road, Hampton Lucy (3 November 2014)¹ that C2 uses should not be included in the housing supply, until Stratford District Council's approach to dealing with C2 uses is examined. It is considered therefore that C2 dwellings cannot be included in the supply at this stage.
8. Land off Queensway – identified in Housing Trajectory Sites [HO07] for 178 units, should not be included as planning permission is for affordable extra care apartments, which should not be included in the supply. The requirement for C2 uses is not defined in the housing requirement and there is a lack of justification for inclusion of C2 development in the housing requirement in the submission Local Plan.
9. Student Accommodation at the University of Warwick – identified in Housing Trajectory Sites [HO07] for 167 units, but should not be included as the planning permission is for halls of residence. The Local Plan supports the provision of student accommodation as well as the expansion of the University of Warwick, however there is no housing requirement for student housing defined in the housing requirement.
10. Warwickshire Policy HQ was granted planning permission for redevelopment for 114 residential units in July 2012. No reserved matters application has been approved for the site, despite the decision notice stating that reserved matters application must be received within three years of the decision of the outline application.

¹ APP/J3720/A/14/2215727

Committed Sites

11. Soans Site, Sydenham Drive – is included in the Housing Trajectory Sites for 100 dwellings, with delivery starting in 2015/16. However, an application on the site was refused in November 2014, and therefore the dwellings should not be included in the committed sites.
12. 2-24 Kenilworth Street is included in the Housing Trajectory Sites for 30 dwellings. Planning permission was granted for the development in 2012, however, according to Warwick District Council Building Control, no development appears to have been started on the site. It is considered that the permission has lapsed as the decision notice required that development was started within 3 years.

Delivery Rates

13. Discount of supply figures for non-implementation is supported in principle, however, it is considered that 10% rather than 5% is more appropriate. This was suggested by the Inspector in the Decision at Hampton Lucy, in order to ensure that housing supply figures are robust and boost significantly the supply of housing.

Windfall Sites

14. As considered in further detail below, the figure of 2,485 dwellings to be delivered by windfall developments through the plan period is not considered to be realistic or achievable. Therefore this should be removed from the supply, to ensure a robust housing supply is identified for the plan period.

Summary

15. Therefore, while the housing trajectory suggests that 12,964 dwellings will be delivered during the Plan Period, this figure should be 9,890 at the most. Therefore in order to ensure that the requirement of 12,860 dwellings over the plan period is achieved, further sites should be identified and included. In addition, it is considered that a 10% non-implementation delivery rate should be applied to ensure the 5 year supply position is robust and maintained.

Inspector's Question 5) Specifically, is the figure for windfalls realistic and justified?

Responses

16. The figure of windfalls is not realistic or justified.
17. Warwick District Council however considers that the level of windfall allowance is justified, as set out in the publication, Estimating a Windfall Allowance (April 2014) [HO05]. This document identifies the housing completions on windfall sites between

1996 and 2013. It states that the table includes all windfall sites including garden land, this is contrary to para 48 of the Framework, which states that windfalls should not include residential gardens. This shows that a high proportion of development in the District has been on windfall sites, in a number of years this exceeded 75% of development, and highlights a reliance on windfall development to deliver housing. This approach is flawed.

18. The recent appeal decision at Land North of Southam Road and East and West of Church Lane, Radford Semele, Warwickshire ² considered the inclusion of windfalls in Warwick's housing land supply. In this case the appellant argued that 20% of total housing supply coming from windfalls was highly unlikely, which was not challenged by the Inspector in his Decision.
19. By delivering such a high proportion of development through windfall development, this shows a deficiency in the identification and allocation of land for housing in the District in previous years. An effective site allocation and SHLAA process should allocate sufficient sites to deliver the housing requirement for the plan period and therefore minimising the reliance on windfall developments. It is accepted however that it is likely that small scale windfall developments will come forward through the plan period, but not at the levels seen previously in the district.
20. The inclusion of windfalls within housing supply was considered by the Inspector in the Hampton Lucy appeal decision. Stratford has a history of high levels of windfall development, similar to Warwick, however the Inspector concluded that despite the historic windfall delivery there was no compelling evidence to justify inclusion of a windfall allowance within the 5 year housing land supply.
21. The inclusion of C2 uses is explained in Estimating a Windfall Allowance, but it is considered that this is not justified. Rather, the Local Plan should allocate sites for both student accommodation and housing for older people, in line with planned future requirements; it should not assume that these will be delivered through windfall developments. The Local Plan recognises the national planning requirement to plan for a mix of housing, but the housing requirement does not include specific requirements for older people or student accommodation. Therefore, it is not appropriate to include C2 accommodation in the housing land supply.

Inspector's Question 6) What are the potential sources for 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?

Responses

22. The Local Plan and SHLAA processes have provided opportunities for sites to be promoted and considered for allocation by the Council. It is assumed that if sites are

² APP/T3725/A/14/2222868

suitable and will be available for development, they will be promoted and allocated as appropriate. Despite the past delivery of windfall sites, the likelihood of a consistent supply of 122 dwellings coming forward each year throughout the plan period is questionable and should not be necessary with the sufficient allocation of sites to deliver housing.

23. If the expected level of windfall development did not come forward, a lower than necessary level of development would result for the District. The level of supply identified is such that the requirement is reliant upon windfall sites. This approach is not considered to be an effective way of maintaining a housing land supply, and there should be a greater emphasis on allocating sites sufficient to maintain a consistent supply.

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

Response

24. There is considered to be insufficient flexibility in the Plan.
25. There is limited difference between the housing requirement and supply, therefore there is a considered to be a lack of flexibility in terms of supply. By using a 5% buffer and 5% non-implementation rate deduction, this does not provide sufficient flexibility to ensure a robust and consistent supply for the plan period.
26. The supply figure could be boosted by an additional buffer to ensure flexibility. For example, in the Stratford District Local Plan Consolidated Hearing Modifications (pages 17/18 refers), the strategy of identifying Reserve Housing Sites to provide flexibility is included. It states that Reserve Sites will be included with the capacity to deliver up to 10% of the housing requirement. By including Reserve Sites with a capacity of 10%, this would provide a more robust supply for Warwick District and ensure housing delivery is maintained throughout the plan period.

Inspector's Question 8) Has there been persistent under supply 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?

Response

27. There has been persistent under delivery of housing in Warwick.
28. Past housing delivery in Warwick is illustrated in the Coventry and Warwickshire Joint SHMA [HO04] from 2001/2 to 2011/12. This showed that delivery of housing in this time varied, however, between 2009/10-2011/12, delivery was significantly lower

than the target. There was a housing moratorium in place in Warwick, however housing delivery has not recovered since this was ended.

29. The Five Year Supply of Housing Land (April 2014) provides the figure for completions in 2011-2014 of 689, in comparison to an annual requirement of 714, highlighting that there is a pattern of continuing poor delivery in the district.
30. The issue of the appropriate buffer to use for housing supply after a moratorium was considered by the Inspector in the Hampton Lucy decision. Stratford had a similarly poor record of delivery following the end of the moratorium, and the Inspector concluded that it was appropriate to apply a 20% buffer, in line with the para 47 of the NPPF. This states: *'Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land'*.
31. Therefore, following the previous 5 years of severe under delivery of housing and in order to ensure that housing delivery is boosted, the plan should include a 20% buffer. This would increase the housing requirement to 6,027, which equals 1,205 dwellings per annum.

Inspector's Question 9) Would the Local Plan realistically provide for a five year supply on adoption? Will a five year supply be maintained?

Response

32. RPS does not consider that there is a realistic 5 year supply of housing in Warwick currently, or that one can be maintained based on the existing housing trajectory and supply information available. The lack of 5 year supply was confirmed in the Radford Semele appeal decision³ dated 10 March 2015, where the Council accepted that it did not have a 5 year supply of housing.
33. The latest Five Year Housing Land Supply Situation (at 11 November 2014) states that there is a 4.5 year supply of housing land in the District. However, there are a number of points where the November update appears to be inconsistent with the methodology used and does not fully reflect the situation at this time.
34. The November update includes updates for several components of the supply, but not any completions. Therefore, completions between April and November are not included. This distorts the supply positions, as it is assumed that some dwellings will have been completed in this time, and therefore cannot contribute to the future supply situation.

³ APP/T3725/A/14/2222868

35. The update included additional windfalls of 76 dwellings. The inclusion of additional windfalls is not supported, as this is not a reliable source of dwellings. While it is likely that some dwellings will come forward as windfall developments, this should not be relied on to deliver the housing land supply.
36. This update also included additional care home units, which as C2 uses should not be included in the supply position, as no specific requirement for these uses is provided by Warwick District Council. It also included a 5% non-implementation rate which should be increased to 10% to ensure a robust housing supply is maintained.
37. Due to the discrepancies and inaccuracies in the November update, an April 2015 housing supply position should be produced. This should be accompanied by an updated housing trajectory, in order to provide an accurate and up-to-date position on housing supply. Unless this is produced, the five year supply cannot be relied upon and is unlikely to be maintained.

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

Response

38. In order to deliver the required number of dwellings over the plan period, a more robust supply should be produced including a greater number of site allocations. The current reliance on windfall development to deliver housing supply is not an effective strategy for delivering housing, despite previous high levels of windfall development. The supply should also include a greater non-implementation rate, as well as a 20% buffer, due to previous under delivery of housing.