

WARWICK LOCAL PLAN EXAMINATION 2016

Matter 2

STATEMENT ON MATTER 2 BY THE CAMPAIGN TO PROTECT RURAL ENGLAND

MATTER 2 - OVERALL PROVISION FOR HOUSING

Qs 1-4) The Joint Strategic Housing Market Assessment

CPRE considers the Joint SHMA to be a poor piece of work, for the following reasons –

- It is not independent. It was closely steered by the local authorities¹ (which have been pressing for higher house building rates) and only organisations with a vested interest in growth were consulted;
- It misuses population and household projections, treating them as forecasts² and failing to consider how the trends and policies underlying them may change in future (see under Q5 below);
- It takes an uncritical approach to the range of models and assumptions it relies on in its attempt to quantify Objectively Assessed Need (OAN)³;
- It makes an arbitrary assumption about future trends in headship rates, assuming that there will be a partial return to past trends of a fall in average household size when it is still far from clear that this will happen⁴;
- It makes unrealistic assumptions about future commuting, assuming that patterns will remain as in 2011⁵;

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□ See correspondence released to Councillor Keith Kondakor, Nuneaton and Bedworth Borough Council, following a Freedom of Information request.

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□ Updated Assessment of Housing Need: Coventry and Warwickshire HMA, G L Hearn, September 2015, Chapter 3. The Office for National Statistics says 'The population projections have limitations. They are not forecasts and do not attempt to predict the impact that future government policies, changing economic circumstances or other factors....might have on demographic behaviour'.

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□ Ibid G L Hearn, Chapter 4

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□ Ibid G L Hearn, paragraphs 3.70ff

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□ Ibid G L Hearn, paragraph 4.31

- It fails to understand the factors responsible for the recent rapid growth in Coventry's population - and one-off jump in in-migration to the city of international students. The Coventry population numbers are badly distorted by student numbers; the ONS 2014-based Sub-National Population Projections for Coventry (issued May 2016) show that the high population increases projected for Coventry are largely an assumption that foreign students arrive annually in Coventry and do not leave. This is being examined by the parallel Coventry Local Plan Examination.
- It frequently identifies a range of possible outcomes and emphasises uncertainty throughout, but then plumps for single figures within the range, often without adequate justification. The resultant OAN gives the appearance of being a black box generated number rather than one backed by credible analysis at each step.

CPRE's view is that the OAN recommended by the Study is unrealistically high and should not have been accepted by the local authorities without critical analysis. The authorities have in fact increased the figure still further in moving from the OAN (4,272 dwellings per annum) to housing provision (4,408 per annum).

Q5) Population and Household Projections

The new projections show significant differences from their predecessors. The number of households in Warwick is projected to grow by less than 10,000 between 2016 and 2029, more slowly than in the 2012-based projections, whereas the number in Coventry is projected to grow by 58,800, faster than in the 2012-based projections.

It should be noted that the population of Coventry declined by about 5% between 1971 and 2001 (from 336,000 to 301,000). It only began to grow again significantly after 2011 and it is far from clear to what extent the rapid growth since then will be sustained in the longer-term. This makes projections of past trends more difficult to rely on and the very volatility of successive projections casts doubt on the reliability of any one set of projections.

Great caution should therefore be exercised in interpreting the figures. DCLG make clear⁶ that the projections indicate what the future might hold if recent trends were to continue, but neither the local authorities in their Memorandum of Understanding nor Warwick District Council in its local plan have considered the likelihood that this will happen.

The projections take no account of policy changes at national or local levels. Post-Brexit, there are reasons to believe that net migration to the UK will fall. The projections are based on long-term trends in headship rates and take little account of the recent slowing in the rate of household formation. It is not yet clear whether this is a short-term blip or the 'new normal'⁷. We believe that the projections should not be used at all without a

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□ DCLG – Household Projections 2014-Based: Methodological Report, July 2016

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reasoned debate about the trends and policies that underlie them and whether they are likely to continue.

Q6) Assumptions Regarding Economic and Employment Growth

The economic forecasts used by G L Hearn⁸ give divergent results and lack explicit assumptions about the relationship between Gross Value Added and job growth. They are based on past development trends over a relatively short, potentially unrepresentative period and therefore cannot be relied on.

The Strategic Employment Land Study reflects wishful thinking about the economic prospects of Coventry and Warwickshire, which have had lower than national growth rates and skills shortages in the past. While upward adjustments to the OAN have been suggested in relation to alleged economic prospects in some areas, no corresponding downward adjustments have been proposed in others. We can see no logical reason why the overall OAN should be increased to reflect economic prospects.

The relationship between homes and jobs is very poorly handled. In particular the assumption that commuting rates will remain as in 2011 lacks all credibility, particularly in view of the huge component of housing provision in Warwick that is designed to meet Coventry's alleged needs.

Q7) Market Signals and Affordable Housing

It is important that housing provision reflects the likely effective demand for housing⁹. No matter how many dwellings are provided for in the local plan and how many planning permissions are granted, private sector house builders will only build houses they expect to be able to sell. At present and for the foreseeable future, there is a slump in effective demand because house prices are well out of reach of many potential house buyers. This has resulted in greater emphasis on renting from the existing stock, sharing and a slowing in the rate of household formation. If it is to be realistic, Warwick Local Plan must take full account of this situation.

CPRE supports the increased provision of affordable housing. However it should be a sub-set of overall housing need, not additional to it. Hearn's upward adjustment of the OAN to take account of affordability is therefore unjustified. We would support a stronger policy requirement for affordable housing in the local plan.

Qs 8 - 11) OAN Figures for the HMA and Individual Authorities; The Memorandum of Understanding; Meeting Coventry's Unmet Needs

⁸ Critique of West Midlands Housing Needs Assessments, Alan Wenban-Smith, January 2016 paragraph 2.9

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⁹ Updated Assessment of Housing Need: Coventry – Warwickshire HMA, September 2015

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⁸ Alan Wenban-Smith, *ibid*, paragraphs 3.29-3.31

For the reasons given in answers to earlier questions, the OAN recommended by G L Hearn for the HMA as a whole cannot be relied on. It is subject to great uncertainty and Hearn themselves found a potential error margin of -13% to +20% in the projections¹⁰. Government guidance is that OAN should be a starting point for assessing housing provision and that a lack of environmental capacity may prevent development requirements being met in full¹¹. On the contrary, the local authorities have accepted the OAN uncritically, ignoring the uncertainty the SHMA identifies, and have even added to the OAN figure¹². OAN figures for individual local authorities within the HMA are likely to be particularly unreliable.

The Memorandum of Understanding makes what appear to be arbitrary and unjustified assumptions about:

- The proportion of Coventry's OAN that it is able to provide for. This is deemed to be only 58% - 1230 of 2120 per annum. We cannot find any evidence of how this percentage was arrived at, or that it is appropriate in the wider context of the housing market area;
- The way in which an alleged surplus of 700 dwellings should be distributed between the Warwickshire districts. Only three of the five districts are expected to take Coventry overspill and Warwick's share (332 per annum) accounts for almost 50% of the total and increases Warwick's housing provision by no less than 55%. This seems particularly inappropriate in view of the high environmental quality of the district and the fact that some 80% of it consists of Green Belt. There is no evidence that these or any other environmental factors have been considered in arriving at the figures: no assessment of environmental capacity appears to have been made. The Memorandum simply describes the distribution as 'appropriate and robust': that is the limit of its reasoned justification. Government guidance¹³ says that 'unmet needs from neighbouring authorities should be met only where it is reasonable to do so and consistent with achieving sustainable development'. CPRE does not consider that either of these criteria are met in this case.

The Memorandum of Understanding and the local plan are also silent on the wider implications of 'transferring' such a large quantum of housing growth from

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□ Ibid, paragraph 7.5.

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□ National Planning Policy Framework paragraph 14. A letter from Brandon Lewis, Minister of State for Housing and Planning to the Planning Inspectorate in December 2014 said – "Councils will need to consider Strategic Housing Market Assessment evidence carefully and take adequate time to consider whether there are environmental and policy constraints, such as Green Belt, which will impact on their overall final housing requirement".

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□ Memorandum of Understanding Relating to the Planned Distribution of Housing within the Coventry and Warwickshire Housing Market Area

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□ National Planning Policy Framework, paragraph 182

Coventry to Warwick. They should have considered the implications, inter alia, for urban regeneration, commuting, other forms of travel, car dependency and service and infrastructure costs. Neither have these issues been dealt with adequately by the Sustainability Appraisal. It has been left to the consultancy study commissioned by CPRE and others¹⁴ to address these issues. It found that housing provision and its distribution within Coventry – Warwickshire would work against the overriding sustainable development objective of the NPPF¹⁵.

The effect of the housing proposals on the Green Belt is particularly alarming. Proposed housing development in the plan accounts for well over 500 hectares of Green Belt land, much of it in strategically significant locations where it currently meets all five purposes of the green belt. In this respect, the conclusions and recommendations of the Joint Green Belt Study¹⁶ have been consistently ignored. 5,336 (57%) of dwellings built on newly allocated sites would be in the Green Belt: hardly ‘exceptional circumstances’. What makes matters even worse is that policies DS19 and DSNEW2 take further land out of the Green Belt so that it can be safeguarded for possible future development.

Government guidance¹⁷ is that, once established, Green Belt boundaries should only be altered in exceptional circumstances. The only attempt we can find to argue that exceptional circumstances exist, either for the overall proposal to delete over 500 hectares of Green Belt for housing development, or for the 27 individual deletions listed in modified paragraph 2.81, comes in the paper on ‘Distribution of Development’ where the Council put forward a three stage process for assessing exceptional circumstances¹⁸. However this process is at odds with government policy¹⁹ that the need for housing is unlikely to outweigh harm to the green belt and constitute the very special circumstances needed. That policy applies as much to local plans as it does to the determination of individual planning applications. It also ignores the fact that the presumption in favour of sustainable

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2016. □ ‘Critique of West Midlands Housing Needs Assessments’, Alan Wenban-Smith, January

15 □ Ibid, paragraph 5.12 – 5.14.

16 □ Joint Green Belt Study, Land Use Consultants, June 2015

17 □ National Planning Policy Framework, paragraph 83

18 □ Distribution of Development, paragraph 14

19 □ DCLG Press Release and Policy Statement, 4 October 2014

development does not apply in the Green Belt²⁰. Their failure to recognise this fact goes to the heart of the Council's cavalier approach to the Green Belt.

We strongly disagree with the statement in the 'Distribution of Development' paper that 'the requirement to provide for Coventry's housing needs combined with a limited supply of further appropriate sites outside the Green Belt provide the exceptional circumstances to justify the release of land from the Green Belt'²¹. The Council's flawed analysis comes nowhere near the level of justification required to remove land from the Green Belt.

Q12) – Nuneaton and Bedworth

We welcome the courage Nuneaton and Bedworth Council have shown in refusing to accept the nonsensical housing proposals set out in the Memorandum of Understanding. Their resistance to the very high level of Coventry overspill proposed must not however be used as an excuse for transferring an even higher proportion of the overspill to Warwick. This is because the Memorandum of Understanding's total housing provision for the HMA is far too high.

Q13 – Birmingham's Unmet Need

While the issues are not yet fully resolved, it is proposed that two Warwickshire districts – North Warwickshire and Stratford-upon-Avon – should take housing overspill from Birmingham. We can see no justification whatsoever for adding Warwick to this list.

Qs 14-16 – Overall Housing Provision and its Implications

CPRE considers that 932 dwellings per annum is far too high a level of housing provision for Warwick. The level has grown in successive versions of the plan – from 714 in the January 2015 submitted local plan, 680 in the Revised Development Strategy and 600 in the version before that. Under Matter 3 we also argue that 932 dwellings per annum would be unachievable. In view of the high environmental quality of the district and in particular the large area of Green Belt between Coventry, Kenilworth, Warwick and Leamington Spa, it is not necessarily appropriate to meet housing need in full, and in particular the vast quantum of overspill from Coventry proposed to be accommodated in Warwick is unsustainable and potentially extremely damaging.

Warwick District Council has changed its planning strategy dramatically in recent years, in defiance of the wishes of local people as expressed in successive rounds of public consultation. From a conservation-minded, environmentally aware approach in the adopted local plan, the Council now opts for a growth-oriented strategy in which employment, population and housing growth are all much higher than they need to be and

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□ National Planning Policy Framework page 4 footnote 9

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□ Distribution of Development, paragraph 27.

than can be achieved in practice. Maintaining and enhancing the environment of the district no longer appears explicitly in the list of five key priorities in paragraph 1.40. The environment, so important to the character of the district and its individual towns and villages, is increasingly being treated as a ‘poor relation’ of economic and housing development. This is contrary to NPPF policy²² that ‘economic, social and environmental gains should be sought jointly and simultaneously through the planning system.’

Population has grown in Coventry in the past five years but the rate of growth was not typical of longer-term trends and is unlikely to be repeated over the plan period. The economic plans for Coventry and Warwickshire are over-ambitious and have little grounding in reality. They should not be used to artificially inflate Warwick’s housing figure.

The population of Warwick District grew by 14,800 (11.9%) between 2000 and 2010. This was fuelled by net in-migration averaging 460 per annum between 2005 and 2010. However this average conceals wide variations from year to year – from net in-migration of over 2,000 per annum immediately following the millennium to net out-migration of 700 in 2009-10. In view of this volatility, it is nowhere near good enough simply to take an average for the full period and project it forward over the plan period.

Our recommendation is that the level of housing provision in Warwick should be reduced to between 600 and 650 per annum. Unlike the Council’s figure, this would be both sustainable and achievable. It would also mean that no sites would need to be removed from the Green Belt (contrary to Government policy) for housing development.

Q17) – The Approach to a Review of the Local Plan

We strongly oppose the modification to policy DS20. This opens the door for even higher housing provision in future to meet unspecified needs in other areas. While future changes in housing provision in either direction cannot be ruled out, this policy is biased and ignores the NPPF tests for provision to meet the needs of other authorities – see footnote 13.