

WARWICK DISTRICT COUNCIL LOCAL PLAN EXAMINATION - MATTER 3: THE SUPPLY AND DELIVERY OF HOUSING LAND

This Statement is prepared on behalf of Taylor Wimpey UK Ltd in relation to their various land interests within Warwick District. We respond to each question in turn below.

1) Taking the Council's latest Housing Trajectory (June 2016) what is the estimated total supply of new housing in the plan period 2011-2029? How does this compare with the planned level of provision of 932 dwellings per annum?

- 1.1 The Council's housing trajectory (Doc Ref: HO27PM) sets out the delivery of 17,991 (net) dwellings within the Plan period (2011-2029). Based on the Council's trajectory this includes a potential '*oversupply*' of 1,215 dwellings – which equates to a 7.2% potential uplift on the housing target of 16,776 dwellings.
- 1.2 We note that the discussions in relation to Matter 2 may amend the housing target further, however, without knowing the outcomes of Matter 2 we can confirm that we are generally supportive of the Council's attempt to add flexibility to the Plan. Such an approach should not in any way be seen as unjustified or excessive; in fact paragraph 14 of the NPPF states explicitly that as well as meeting objectively assessed needs Local Plans should have '*sufficient flexibility to adapt to rapid change*'. The provision of '*sufficient flexibility*' is in our view an essential component of successful Plan-making in accordance with the NPPF, with such flexibility being a critical aspect of demonstrating a Plan is '*aspirational but realistic*' as required by paragraph 154 of the NPPF.
- 1.3 Whilst the Plan has included an element of flexibility, in our view further flexibility should be added through increased or additional allocations. Indeed, the Council's housing trajectory envisages a rapid increase from 619 actual completions in 2015/16 up to 1,157 forecast completions in 2016/17 and rising to over 1,700 forecast completions in years 2018/19-2021/22 (2018/19 - 1,749 dw, 2019/20 - 1,943 dw), 2020/21 - 1,935 dw and 2021/22 – 1,775 dw).
- 1.4 To achieve such an increase over the first half of the trajectory is clearly challenging and will require the Council to allocate as many sustainable sites as is possible in a range of market areas to give the Plan the best chance of meeting the necessary objectively assessed housing needs.

2) What is the estimated total supply in the plan period from:

- 2.1 Based on the trajectory we understand the following to be correct:
- a) completions since 2011 – 2,102 dwellings (Row A of trajectory).
 - b) existing planning permissions – 7,270 dwellings (Rows B and J of trajectory).
 - c) other commitments e.g. sites subject to S106 – 0 dwellings.
 - d) proposed site allocations (submitted Plan and Council’s suggested modifications) – 7,175 dwellings (Rows F, G, H and I of trajectory).
 - e) other sources specifically identified – 200 dwellings (Row E of trajectory).
 - f) windfalls – 1,244 dwellings (Rows C and D of trajectory).
- 2.2 We comment below on the robustness of the above supply estimates in response to question 3 below.
- 3) 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?**
- 3.1 We seek to highlight a number of serious concerns in terms of the Council’s assumptions with the trajectory. These relate to the following four areas:
- Build rates;
 - Geographical distribution;
 - Windfall/employment assumptions; and
 - The inclusion of a lapse rate.
- 3.2 Firstly, in terms of build rates, we note that the Council appears to have generally applied a maximum delivery rate of 100 dwellings per annum for each site, barring a few exceptions. The exceptions to this are generally quite minor (up to 120 dwellings per annum), with the only site showing a marked difference in this maximum being land at Kings Hill Lane (Ref: H43) on which it is envisaged that 200 dwellings per annum are to be delivered from the first year of delivery in 2020/21 through to the end of the Plan period.
- 3.3 It is in our view inevitable that such a site will require significant infrastructure and thus is likely to have a period of time where it builds up to the maximum delivery rate, whether this be 200dpa or lower. Such an approach would be consistent with a number of sites in the trajectory where there is an expectation of a site starting to deliver at a lower rate and then rising to peak delivery (i.e. Land at Westwood Heath, Crewe Gardens Woodside Training Centre, Thickthorn).

- 3.4 We would suggest that the trajectory should be amended to show this more realistic approach to site delivery expectations across the trajectory, to ensure that the assumptions made are more robust.
- 3.5 Secondly, as set out in Table 3 of the Council's 'Distribution of Development Strategy Paper', it is expected that a total of 3,720 dwellings will be delivered through allocations to the south of Warwick, Whitnash and Leamington Spa in a relatively tight geographical area during the Plan period, in addition to a number of existing commitments.
- 3.6 Whilst Warwick and Leamington Spa benefit from a relatively buoyant housing market, there remains the risk of over saturation of the market in such a tight geographical area. There are inevitably a limited number of national housebuilders to take forwards sites in such proximity to another, and there is a market capacity to such assumptions – however buoyant the market may be. We ask that caution be applied in the trajectory to the expectation of numerous strategic sites all delivering at such a high rate simultaneously – as is foreseen to the south of Warwick.
- 3.7 This matter in our view highlights the importance of offering locational choice for new residents and developers by providing growth around the main town and in other sustainable locations, including through releases to the north of Warwick and Leamington Spa, and around sustainable rural settlements.
- 3.8 Thirdly, we note that there are a number of assumptions made linking to the inclusion of windfall sites and employment sites, such as Common Lane for which the redevelopment is predicated on the existing occupier relocating. The Council has historically benefitted from a number of windfall sites, however, this could be considered to be as a result of not being able to demonstrate a deliverable five-year housing land supply and not having an up-to-date Plan in place. If the Council achieves both of these targets, then the rate of windfall delivery would be expected to reduce substantially.
- 3.9 Finally, we also note that there has been no allowance for a lapse rate and discounting of sites with planning permission to account for the percentage of consents which will inevitably lapse – or come forward at a slower rate than is expected. Sites can lapse for a variety of reasons and, to ensure the robust delivery of housing and sufficient flexibility to be provided, we would be suggest that a minimum lapse rate of 5% should be applied.

- 3.10 In this regard we note that historically the Council have applied a 5% lapse rate to consented sites not under construction (Paragraph 4.1 of the Five Year Housing Land Assessment 2013-2018: July 2013). It is unclear why the Council have determined that a 0% lapse rate is now appropriate, and will be for the remainder of the Plan period.
- 3.11 For all of the above reasons, we would again stress that the level of flexibility afforded by the Council should be considered as a minimum level, with there being considerable scope for greater flexibility by allocating additional sustainable sites to provide housing during the Plan period.
- 4) How has flexibility been provided in terms of the supply of housing? Are there other potential sources of supply?**
- 4.1 The provision of additional sites and allocations through the modification process has added to the flexibility of the supply of housing over the Plan period.
- 4.2 The addition of further sites, or increasing the allocations on existing sites, would allow for greater flexibility in terms of supply; particularly as there remains some uncertainty in terms of deliverability for some sites which have no known developer on board at the present time. As set out in response to question 3; there are a number of factors that could impact on the supply of housing over the Plan period.
- 4.3 There are a number of potential small-scale sources of supply, including: permitted development conversions from industrial/commercial uses; or indeed windfall sites. However, an option to add greater flexibility would be to change the status of the areas that are currently designated as 'safeguarded' sites.
- 4.4 We note that 'safeguarded' sites, in accordance with paragraph 85 of the NPPF, should be highlighted to *'meet longer-term development needs stretching well beyond the plan period' (our emphasis)*. In our view, it appears that the safeguarded sites will be required – at the latest - immediately following the Plan period, and potentially during it to assist the Council in demonstrating a five-year supply. Therefore, additional flexibility could be added by either releasing the wider sites at this time, or describing them as 'reserve sites' to be released should a five-year supply not be demonstrable at any time.
- 4.5 The safeguarded sites have clearly been selected by virtue of the sustainability credentials and fit with the distribution strategy for the Council and consequently, should the preferred strategy fail, they would make logical sites to be prioritised for release within this Plan period.

- 4.6 Another option would be to seek to intensify the assumed capacity of allocated sites.
- 5) 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?**
- 5.1 We consider that there has been a persistent under delivery of housing within Warwick District as demonstrated within the Council's latest housing trajectory, and in previous annual monitoring reports. Whilst it is appreciated that the District were operating a housing moratorium from September 2005 to February 2009, it is clear that housing delivery has not recovered appropriately since and this position has continued during the early years of this Plan period. Using an annualised requirement it is now seven years since the close of the moratorium and the requirement has not been met in any single year.
- 5.2 It is therefore considered in light of paragraph 47 of the NPPF that a 20% buffer should be applied to the calculation of five year housing land supply.
- 5.3 It is noted that the Council's latest assessment of five year housing land as set out in the June 2016 Housing Supply Topic Paper considers that a 5.18 year supply of housing land is demonstrable as at 31st March 2017.
- 5.4 We have no disagreement with the Council's methodology we note that the margin for error is extremely tight, and ideally the Council would be embarking on a new Plan period with greater margin for error in this regard. It would be incorrect to treat five years' worth of supply as a limit, when national policy is clear that this is a minimum level of supply.
- 5.5 Furthermore, as per Barton Willmore's Statement on Matter 2, we consider that the housing requirement should be 18,720 dwellings (1,040 dwellings per annum) and at **Appendix 1** we enclose a five-year supply assessment using this housing requirement; which gives a supply of 4.43 years.
- 6) Should the annual housing requirement figure be staggered to reflect the need for additional site allocations to meet unmet needs in Coventry and realistic lead in times (see Appendix 4 to Council's Housing Supply Topic Paper June 2016) i.e. a lower figure in the early years of the plan period, increasing later? If so what would**

be a reasonable basis for the annual figures? Should the early years be based on OAN for Warwick? How would this affect the requirement for a five year supply?

- 6.1 We are of the opinion that the housing requirement figure should be annualised as currently set out within the housing trajectory at 932 dwellings per annum (or our proposed figure of 1,040 dwellings per annum depending on the outcome of Matter 2). We consider this to be a reasonable and consistent basis upon which to monitor and record the delivery of housing over the Plan period. Furthermore, we consider that the back loading of delivery in a Plan period is not a positive basis upon which to commence the Plan period.
- 6.2 Furthermore, after many years of under delivery as set out above, there is clearly a pent up demand to deliver within the District to meet the local housing needs of the housing market area, including those of the adjoining authority of Coventry. This has contributed towards significant affordability issues in the District. To further delay the delivery of the objectively assessed need would only serve to further exacerbate this position.
- 6.3 An annualised target also provides transparency within the calculation of five year housing land supply. This will ensure that the calculations remain consistent year on year, which will in our view provide clarity for monitoring and enable the Council to react swiftly should the Plan be failing to deliver the appropriate level of housing.

7) Would the Local Plan realistically provide for a five year supply on adoption? Will a five year supply be maintained?

- 7.1 In order for a five year supply to be demonstrated and indeed maintained throughout the plan period to 2029, the Council's challenging housing trajectory will be required to be met. In order for this to occur, the Council will require as many sustainable and deliverable sites to come forward as possible.
- 7.2 The Housing Supply Topic Paper June 2016 contains an updated five year housing land supply calculation within it which demonstrates that the Council believe that they are able to deliver a five year supply of land with 5.18 year.
- 7.3 It further sets out that the five year supply will continue to improve throughout the Plan period to 2029 as the sites allocated for development are released and developed accordingly. We have above set out our concerns over the ability of the Council to demonstrate and maintain a five year housing land supply post adoption, which is dependent on a range of factors beyond the Council's control materialising.

- 7.4 Consequently, we would be supportive of appropriate wording alongside Policy DS NEW2 to allow 'safeguarded' sites the opportunity to come forward earlier for development should the Plan begin to fail to meet the objectively assessed housing needs.
- 7.5 Furthermore, any such conclusions are reliant on the objectively assessed housing needs not increasing as a consequence of discussions in relation to Matter 2.
- 7.6 We have enclosed at **Appendix 1** our own five year housing land supply calculations which indicate a 4.43 year supply based on the requirement of 1,040 dwellings per annum as put forward by Barton Willmore in relation to the Matter 2 Hearings.
- 8) In overall terms would the Local Plan realistically deliver the number of dwellings required over the plan period?**
- 8.1 On balance we have concern over the ability of the Plan to deliver the number of dwellings required over the Plan period. The Council is reliant on almost all matters linked to housing supply materialising perfectly in the District over the Plan period and there is minimal flexibility built in should there be issues.
- 8.2 We consider that it would add flexibility and robustness to the Plan, as well as accord with the NPPF, to add further allocations on sustainable sites that accord with the overall distribution strategy, increase the level of delivery on the currently allocated sites and add a trigger mechanism for 'safeguarded' sites to be released should a five year housing land supply not be demonstrable.

APPENDIX 1

WARWICK DISTRICT COUNCIL**REVIEW OF FIVE YEAR LAND SUPPLY POSITION - 2017-22**Based on **BW suggested Requirement****TABLE 1 - Calculating Historic Under/Over-Supply**

	Completions (net)	BW suggested requirement
2011-12	144	1040
2012-13	262	1040
2013-14	345	1040
2014-15	732	1040
2015-16	619	1040
2016-17	1157	1040
Total	3259	6240
Total over/under supply		-2981

TABLE 2 - 5 Year Supply Position for 2017-22

	BW suggested requirement
5 Year Requirement incorporating Historic Under/Over-Supply	
2017-18	1040
2018-19	1040
2019-20	1040
2020-21	1040
2021-22	1040
Under-supply (Sedgefield)	-2981
Sub-total, 2017-22	8181
Requirement plus 20% buffer	9817
Annual Requirement (Sedg 20%)	1963
Supply, 2017-22	
Council's Deliverable Housing Supply	8694

TABLE 3 - 5 Year Supply Position for 2017-22 (Council Supply)

	Years supply
Sedgefield / 20% / Council supply	4.43