

WARWICK LOCAL PLAN EXAMINATION 2016

Matter 3

STATEMENT ON MATTER 3 BY THE CAMPAIGN TO PROTECT RURAL ENGLAND

Matter 3

THE SUPPLY AND DELIVERY OF HOUSING LAND

Completions 2011-16

There are major discrepancies in the figures. As the following table shows, Government statistics¹ indicate that only some 1,040 dwellings were completed in Warwick District in the five years from 2011-12 to 2015-16 – an average of 208 per annum. The Council, on the other hand, state² that 1,483 dwellings were completed in four years up to and including 2014-15 – an average of 370 per annum – and estimate that 679 would have been completed in 2015-16, giving an overall five year average of 432 per annum, more than double the Government's figure. These differences are so substantial that they have a major effect on housing land supply and the credibility of the housing trajectory.

Year	Completions (Government Statistics)	Completions (WDC Statistics)
2011-12	100	144
2012-13	130	262
2013-14	180	345
2014-15	160	732
2015-16	470	679 (est)

QS1- 5) - The Housing Trajectory and Housing Supply

We regard the latest housing trajectory as highly unrealistic. It is inconceivable that it could be achieved in practice. There has been persistent under-delivery of housing in recent years. According to Government statistics, actual completions have been less than half of those claimed by WDC, and expectations of a rapid increase in completions over the next few years seem no more than a pipedream. House building rates are constrained by shortages in labour supply and materials, and above all by a lack of effective demand. House builders sit on planning permissions until they judge that they will be able to sell

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□ Government Statistical Datasets – Live Tables on House Building, DCLG 2016 – Table 253 – Permanent Dwellings Started and Completed by Tenure and District

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□ Warwick District Council – An Update of the Five Year Housing Land Supply, March 2016, Table 1

the houses concerned. The District Council do not seem to have considered these issues at all in assessing what is achievable.

A national downturn in house building is expected following the EU referendum result³ and there is no reason to think that Warwick can buck this trend. The suggestion that completions could rise to a peak of 1837 in 2020-21 (ie in four years' time) seems hopelessly over-optimistic. This would be 425% of the average achieved between 2011 and 2015 according to WDC, and 882% of the 2011-16 average according to Government figures.

Even using the Council's figures, the shortfall in construction during the first five years means that the average annual construction required for the remaining fifteen years would become almost 1,100 per annum.

The housing trajectory becomes even more fanciful when it is appreciated how heavily the plan relies on large housing sites for which master planning is required. Experience of large housing sites elsewhere (for example the Masts Site in Rugby) shows how easily delays can creep into the development process. This will make it even harder to achieve the dramatic rise in completions proposed over the next four years. The over-dependence on large sites makes the housing supply as a whole inflexible.

The Council claimed in March 2016 that sites with planning permission could provide 2,820 dwellings towards the overall supply. They arrived at this figure by applying a modest 5% reduction to the overall number of dwellings (2968) for which planning permission had been granted by 31 March 2015⁴. We believe this 5 % reduction is unrealistically low⁵. Nationally, housing permissions have exceeded starts by about 50,000 dwellings per annum since 2007⁶ and there is no valid reason to think that this pattern will change. In Warwick, allocating a large number of new green field housing sites is almost certain to reduce the take-up rate of existing permissions still further and make it more difficult to make good use of windfall and other urban sites.

House builders will only build houses if they are confident of selling them, and that confidence has been in short supply in recent years. Similar questions arise about the 5% non-implementation allowance in relation to small urban SHLAA sites and allocated sites. We do not consider it credible that 95% of the potential supply from these sources will actually be delivered. However we argue under Matter 2 that overall housing

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□ See for example Shelter – 'House Building Could Fall by 8% Due to Brexit' – 24 August 2016 – www.telegraph.co.uk/business/2016/08.24

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□ Ibid, Table 2

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□ To take just one among many examples, the large brownfield Avenue Road (Quicks Site) housing location in the Local Plan, which is on the north side of Leamington Spa station, remains undeveloped many years after a development brief for the Station Area was consulted on and adopted as Supplementary Planning Guidance.

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□ Critique of West Midlands Housing Needs Assessments, Alan Wenban-Smith, January 2016, para 3.16

provision for Warwick District is far too high, so the likely shortfall from these sources should not be used as an excuse for allocating additional sites for housing development.

We support the Council in their inclusion of an allowance for windfalls in the Five Year Land Supply. Windfalls have been an important source of housing in the District for many years and it would be unrealistic to exclude them. In our view the criteria in the NPPF⁷ have been met. However the allowance of 1134 over 18 years (policy DS7) – 63 per annum - is less than a third of past rates. Before the final sentence was deleted in a modification, the Council stated in paragraph 2.22 that between 2002 and 2012, windfalls averaged 191 units per annum.

What would happen if the plan was approved in its present form? Delivery of housing would lag well behind planned delivery. This would mean that the Council had effectively surrendered control to house builders of where and when houses would be built. House builders would cherry pick the sites that maximised their own profits – not necessarily those best suited to meeting the district's housing needs – from within the overall supply. We would expect the chosen sites to be disproportionately outside existing urban areas, on green fields (often good quality agricultural land) and in the Green Belt. Such sites would be among the least sustainable in terms of NPPF policy and would have serious consequences for the environmental quality and character of the district. This would be far too high a price to pay.

Q6) – Staggering of the Housing Requirement Figure

It might in theory be possible to phase housing supply so that the major shortfalls in early years of the plan period were made up in later years. This might help to deal with the point made above about the plan's over-reliance on major sites and master planning. However there is nothing in the past house building record in Warwick to suggest that provision of 1,100 dwellings per annum over the remaining fifteen years of the plan could be achieved, even if implementation is phased back to the later years of the plan period.

Qs 7 and 8) – Five Year Supply and Overall Delivery of Dwellings

Even with a much more reasonable and achievable figure of overall housing provision in its current adopted local plan, Warwick District have struggled to demonstrate a five year housing land supply for a number of years. In view of the huge increase in provision now proposed, we see no prospect of the Council being able to demonstrate a five year supply at any stage during the plan period. It is a big step from a paper plan to implementation on the ground, and the Council depend greatly on the private sector to implement their plans. Continuing failure to demonstrate a five-year supply would enable developers to exploit the situation, opening the way for housing development to take place by planning application and appeal outside the policy framework provided by the plan. This would be a disaster for the proper planning of the district.

Although house building has been rising slightly during the past five years, this is from a very low base. No evidence has been put forward to demonstrate that a combination of the Council and private house builders will suddenly be able to raise their game to the extent required to deliver this plan.

The answer to the Inspector's final question under this matter is therefore very clear. It is impossible to believe that the local plan will deliver an average of 932 dwellings per annum over the plan period. The Council (together with their fellow local authorities and the Local Enterprise Partnership) have become fixated with a fundamentally misconceived growth agenda that bears little relationship to reality. Allocating more and more land for housing, regardless of Government policy on Green Belt and sustainable development, will not in itself lead to any increase in actual house building, which depends on many other factors. Beyond a rather vague reliance on master planning, the Council seem to have made little or no effort to address the implementation problems that would have to be solved if such a hugely inflated level of house building was to be delivered in practice.

CPRE's view therefore is that the plan is not sound and that it does not comply with Government policy⁸ that a local plan must be deliverable. We also consider that the housing requirement for the HMA as a whole has been greatly overestimated and that Warwick's share of Coventry overspill is excessive.

Under Matter 2, we recommend that housing provision for the plan period should be between 600 and 650 dwellings per annum. If achieved, this much more realistic figure would represent an increase of between 39% and 50% over the rate of house building achieved between 2011 and 2016⁹. Unlike the proposals in the plan, our proposal would be consistent with the principles of sustainable development. It is achievable provided the District Council redirect their efforts towards the implementation process and away from pie-in-the-sky plans with no basis in reality.

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□ Planning Practice Guidance – Methodology – Stage 5: Final Evidence Base

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□ Using the Council's figures. If the Government's figures were used, the increase would be between 188 and 212%.