

WARWICK DISTRICT LOCAL PLAN EXAMINATION

MATTER 3 – THE SUPPLY & DELIVERY OF HOUSING LAND

Inspector's Key Issues and Questions in bold text.

Issue

Whether the approach towards the supply and delivery of housing land is justified, effective and consistent with national policy. Policy DS7 and Housing Trajectory

Questions

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?

The Council's latest Housing Trajectory (June 2016) shows an estimated total supply of 18,044 dwellings for the plan period 2011 – 2029 against a housing requirement of 16,776 dwellings (932 dwellings per annum). However the Council's identified total housing supply comprising of completions, commitments, windfalls, small SHLAA sites, consolidated employment site / canal re-generation opportunities and proposed site allocations is 17,991 dwellings. Therefore the Council is anticipating in excess of 100% delivery of its identified total housing land supply (see answers to Q3 & Q4).

2) What is the estimated total supply in the plan period from
a) completions since 2011
b) existing planning permissions
c) other commitments e.g. sites subject to S106
d) proposed site allocations (submitted Plan and Council's suggested modifications)
e) other sources specifically identified
f) windfalls

The Council has estimated the total land supply as follows :-

Land Source	Original figures as at April 2015	Up dated figures as at April 2016
Completions	1,483	2,102
Existing commitments	5,161	7,270
Windfall allowance	1,134	982
Small SHLAA sites	230	262
Consolidated employment sites / Canal re-generation	200	200
Proposed allocations	9,369	7,175
TOTAL	17,577	17,991

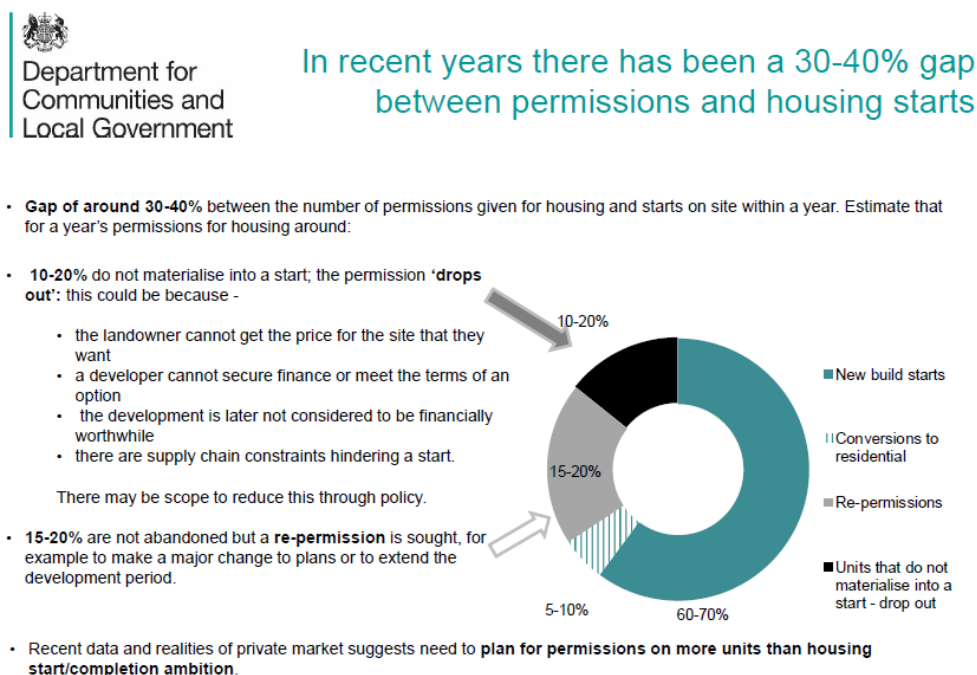
3) What are the assumptions about the scale and timing of supply and rates of delivery from these various sources? Are these realistic? Has there been any discounting of sites with planning permission for example?

The HBF does not comment on the merits or otherwise of individual sites. Therefore the following comments are based on the figures provided by the Council and as such our representation is submitted without prejudice to any further comments made by other parties on the delivery rates and availability of specific sites. It is essential that the Council’s assumptions on lead-in times and delivery rates are realistic as evidenced by historical empirical data and supported by parties responsible for delivering these sites.

It is noted that the only discounting undertaken is a 10% lapse rate for small SHLAA sites. There is no discounting of existing commitments, consolidated employment sites / canal re-generation or proposed allocations (see answer to Q4).

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

Only limited flexibility has been provided from a 7.2% contingency of 1,215 dwellings on the overall housing land supply (17,991 dwellings in land supply minus 16,776 dwellings housing requirement) plus 10% lapse rate (29 dwellings) on small SHLAA sites. The DCLG presentation slide from the HBF Planning Conference in September 2015 illustrates a 10 – 20% non-implementation gap together with a 15 – 20% lapse rate (see below). This slide also suggests “*the need to plan for permissions on more units than the housing start / completions ambition*”.



Extract from slide presentation “DCLG Planning Update” by Ruth Stanier Director of Planning - HBF Planning Conference Sept 2015

Whilst it is acknowledged that this presentation slide shows generic percentages across England the Council should provide robust evidence to demonstrate that 1,244 dwellings provides sufficient headroom in the proposed housing land supply for Warwick.

The recently published Local Plans Expert Group (LPEG) Report also recommends that *“the NPPF makes clear that local plans should be required not only to demonstrate a five year land supply but also focus on ensuring a more effective supply of developable land for the medium to long term (over the whole plan period), plus make provision for, and provide a mechanism for the release of, developable Reserve Sites equivalent to 20% of their housing requirement, as far as is consistent with the policies set out in the NPPF”* (para 11.4 of the LPEG Report). Therefore a potential source of land supply may be provided if the safeguarded land identified in Policy DSNew1 and Policy DSNew2 came forward earlier within the plan period rather than beyond the plan period. This potential land supply could be confirmed in the next 5 years on completion of the early review of the Plan.

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?

There has been persistent under delivery of housing. The HBF agrees with the Council’s use of a 20% buffer in the calculation of its 5 YHLS. The level of completions since 2011 should be compared to the annualised housing requirement of 932 dwellings per annum for the period. Any shortfall should be recouped as soon as possible in the next 5 years (NPPG ID 3-035-20140306)). The 20% buffer should be added to the annualised requirement and the shortfall.

Using this methodology the Council calculates the requirement for 5 year period 2016/17 – 2021/22 is less than 5 years and 2017/18 – 2022/23 is 5.18 years (assuming that the Council’s estimated number of completions of 1,157 in 2016/17 is correct). If the Local Plan proceeds to adoption during 2017 the 5 YHLS calculation should be re-calculate to establish that the assumptions about completions in 2016/17 are correct.

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?

The HBF concurs with the Council’s preference for 5 YHLS calculation based on an annualised housing requirement, Sedgefield approach to shortfalls and 20% buffer (see para 38 of Housing Topic Paper). However 5 YHLS of 5.18 years with a margin of only 302 dwellings is somewhat precarious. Even more

so if the Council cannot justify lead in times, delivery rates, limited application of lapse rates and inclusion of C2 uses in the completions. Any calculation of housing supply should be formed in terms of the requirement it is seeking to meet. The OAHN does not include a separate C2 component so it is inappropriate to include C2 uses in the land supply calculation. The C2 units included in the completion figures should be removed from the housing land supply.

In order to provide greater headroom to the Council's 5 YHLS position the HBF suggests that more housing sites are allocated and / or a firmer commitment to an early review together with the early release of safeguarded land as reserve sites.

However if an alternative stepped trajectory approach is considered appropriate then the Council's proposal in Appendix 4 is reasonable. This proposal uses 720 dwellings per annum for the period 2011/12 – 2014/15 representing the housing requirement figure previously agreed by the Coventry & Warwickshire HMA authorities and set out in the submitted Local Plan. Thereafter the annualised housing requirement figure is 993 dwellings per annum. Shortfalls are recouped as per Sedgefield. The 20% buffer is applied to these shortfalls and annualised housing requirement. The 5 YHLS is 5.5 years. The use of 720 dwellings per annum rather than OAHN for Warwick alone of 600 dwellings per annum means at least some contribution to Coventry's unmet housing needs is met in the early years of the plan. This proposal is not dis-similar to the Stratford upon Avon Inspector's approach which uses a lower annualised housing requirement for the period 2011 – 2016 (para 317 of Stratford upon Avon Inspector's Final Report). It is arguable that a similar approach in Warwick provides some consistency across the HMA in meeting Coventry's unmet needs.

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

Currently both calculations undertaken by the Council demonstrate 5 YHLS on adoption of either 5.18 years (302 dwellings) or 5.5 years (808 dwellings). Whilst the HBF do not comment on the merits or otherwise of individual sites other parties may be able to demonstrate that the Council's assumptions about the land supply are not robust thereby reducing the supply below 5 years on adoption and questioning the Council's ability to maintain a 5 YHLS throughout the plan period. Therefore the HBF would advocate as large a contingency as possible especially given that the housing requirement is a minimum not a maximum figure.

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

In overall terms the Warwick Local Plan may not deliver the number of dwellings needed over the plan period. There is a question mark over the level of OAHN / housing requirements for the Coventry & Warwickshire HMA, Warwick District itself and beyond the HMA in Birmingham therefore there is no certainty about the number of dwellings required to be delivered over the

plan period. There is also a discrepancy between the Warwick Local Plan time period of 2011 – 2029 and the time period 2011 – 2031 covered by the 2015 SHMA assessment of OAHN. Therefore an early review policy (Policy DS20) is essential however this is not ideal indeed as described by the Stratford upon Avon Inspector (para 65 of Stratford upon Avon Inspector's Final Report) this is a policy of last resort due to the slow response time of such reviews meaning it is not the optimum mechanism to meet the identified level of unmet need at the point at which it is quantified. Therefore the release of safeguarded land / reserve sites is a more responsive policy solution to ensure delivery of the required number of dwellings over the plan period because they are available to provide a flexible response to any identified need but if reserve sites are not needed they do not come forward.

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