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Warwick District Local Plan Examination

Statement of behalf of Barwood Development Securities Ltd.

Matter 3: The Supply and Delivery of Housing Land

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1 INTRODUCTION

- 1.1 HOW Planning LLP ("HOW") has been instructed by Barwood Development Securities Ltd ("Barwood") to prepare and submit a Hearing Statement in response to the Matters and Issues identified by the Inspector. This Statement should be read in conjunction with Barwood's representations to the Proposed Modifications (April 2016) and Hearing Statements previously submitted to the Inspector, including all relevant appendices. Direct reference to these previous submissions is made for ease of reference.
- 1.2 This Statement addresses a number of questions raised by the Inspector under Matter 3, specifically questions 1 and 6. It sets out a summary of Barwood's position on the issues to be expanded upon at the Hearing Sessions.

2 MATTER 3 - THE SUPPLY AND DELIVERY OF HOUSING LAND

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?

2.1 The Council's Housing Supply Topic Paper (June 2016)¹ includes at paragraph 32 a table providing a summary of all sources of housing land supply as at 31 March 2016. This table is reproduced below.

Table 1: Warwick District Council Local Plan Policy DS7 Meeting the Housing Requirement

Source	Number of Units
<i>The housing requirement of 16,766 new homes between 2011 and 2029 will be met from the following categories:</i>	
Sites completed between April 2011 and March 2016	2,102
Sites with outstanding planning permission at 1 April 2016	7,045
Sites granted planning permission during April and May 2016	225
An allowance for windfall sites coming forward between April 2016 and March 2029	982
Small Urban Sites assessed in the Strategic Housing Land Availability Assessment as being suitable	262
Consolidation of existing employment areas and canal-side regeneration	200
Sites allocated in this Plan	7,175
Total	17,991
Level of flexibility above the minimum required	1,215

2.2 Policy DS7 states that the Council has identified sources of land (allocations, windfall sites, commitments and completions) to accommodate **17,991 dwellings**. Against the identified minimum of Objectively Assessed Need (OAN), which Barwood consider is not the full objectively assessed need required to meet development needs over the Plan period, of **16,776**, this provides just **7% flexibility** or buffer should the identified sources of housing fail to deliver the amount

¹ Examination Library Document Ref. H027PM

assumed in the Local Plan. Paragraph 14 of the National Planning Policy Framework (NPPF) states that for plan-making, the presumption in favour of sustainable development means that Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change. The issue of flexibility and responsiveness to changed circumstances is highly relevant when considering the very narrow margin for "error" that is being built into the supply position in relation to assessed needs (the need figure itself being expressed as a minimum).

- 2.3 The Report to the Communities Secretary and to the Minister of Housing and Planning (March 2016) undertaken by the Local Plan Expert Group states at paragraph 11.4:

"Accordingly, we recommend 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. Reserve Sites represent land that can be brought forward to respond to changes in circumstances."

- 2.4 Whist HOW acknowledge that the report to the Local Plan Expert Group provides recommendations and such recommendations do not (yet) form national policy, the Expert Group has been established by Government to consider how local plan making can be made more efficient and effective and we consider that the report provides a useful pointer to the direction of travel of relevance to plans which are being formulated now.
- 2.5 HOW strongly advocates that the Local Plan must provide sufficient flexibility to take account of rapid change and unforeseen circumstances through the allocation of an increased number of sites capable of delivering development early in the Plan period to ensure that the Plan has a flexible approach should larger site allocations fail to come forward as quickly as anticipated by the Council or at all. The failure to incorporate such an approach puts the Plan at risk of being unable to demonstrate a five year housing land supply on adoption and thus the Plan led approach to development being absent.

Sites with Outstanding Planning Permission

- 2.6 Table 1 expects 7,045 dwellings to be delivered by sites with extant planning permission. A review of the Council's housing trajectory has identified a number of sites with expired planning permission, and which have not commenced development, and therefore should no longer be included as commitments. The following sites should therefore be deleted as commitments:

- 1 Warwick Street: 17 units
- 73 Warwick Street: 18 units
- Land at Earls River, Earls River Court: 24 units
- Security House, Nelson Lane, Warwick: 10 units
- Potterton, Portobello Works: 5 units
- Sites <5 units (11 sites): 19 units
- **Total expired commitments: 93 units**

2.7 HOW therefore recommend that the 'Sites with outstanding planning permission at 1 April 2016' should be reduced to 6,952 units. Notwithstanding any other concerns, this reduces the total identified supply of housing to 17,898 units and therefore reduces the 'flexibility' to under 7%.

Windfall Allocations

2.8 The Inspector's interim findings clearly identified that the Council's approach to windfall sites is a key concern, concluding that in the terms sets out at paragraph 48 of the NPPF, the Council had not identified compelling evidence that windfall sites will continue to provide a reliable source of supply on the scale envisaged. As such, the windfall allowance of 2,485 dwellings (138 dwellings per annum) was neither justified nor reliable.

2.9 Policy DS7 identifies that 982 units will be delivered via windfall allocations over the period April 2015 to March 2029, equating to approximately 75 dwellings per annum. Appendix 1 to the Council's Housing Supply Topic Paper anticipates windfall development to only contribute to the Council's supply from 2019/20 and is anticipated at a rate of 98 units per annum. Following the Inspector's interim findings, the Council's updated 'Estimating a Windfall Allowance' (June 2016)² paper seeks to adjust the sources of windfall as follows:

- Rural: +5%
- Conversions & Changes of Use: -5%
- Redevelopment/New Build (<5 dwellings): -10%
- Redevelopment/New Build (5+ dwellings): -100%

2.10 Whilst the Council has indicated within the windfall paper that the allowance for rural windfalls should be increased by 5%, there is an error in the Council's calculations and a reduction has been applied to the category in error. This is set out at Table 4: Apportionment of Adjusted Windfall

² Examination Library Document Ref. H029PM

Allowances 2017-2029 of the 'Estimating a Windfall Allowance' paper. This error clearly has an impact on the Policy.

- 2.11 The Council has acknowledged through its approach to small SHLAA sites that not all identified sites may come forward and therefore a 10% reduction has been applied to this supply source. HOW consider that this approach should also be applied to windfall sites throughout the Plan period. As such, based upon the figure included at Policy DS7, windfalls should be reduced by 98 units and the total be 884 units.
- 2.12 HOW agree with the approach to the removal of all sites within the 'redevelopment/new build (5+ dwellings)' category, as these sites should already be identified within the Council's SHLAA (in accordance with the SHLAA's criteria) and therefore cannot be considered to be windfall sites.

Assumed Delivery Rates

- 2.13 The Council's Housing Trajectory assumes delivery rates of 100 dwellings per annum on a number of allocated greenfield sites. To achieve such a delivery rates, it would be anticipated that at least three housebuilders (outlets) are being developed simultaneously and on a site allocated for circa 400 units (Land at Westwood Heath) this is not considered to be feasible or realistic. HOW do not consider that there is any evidence to justify these delivery rates, which are clearly overly optimistic. There is no evidence confirming such delivery rates historically within Warwick and therefore HOW consider that the Council has severely overestimates site delivery rates.

Summary

- 2.14 Based upon the high level assessment of the Housing Trajectory, as set out above, HOW are of the opinion that the Council's presumed housing supply has been significantly overestimated. There are errors within the Council's assessment of commitments (as a number of permissions have now expired) and within the Council's calculation of windfall delivery. The Council's approach to the identification has sought to identify all possible sources of supply (completions, commitments, small urban SHLAA sites, windfall allowance, canalside & employment regeneration areas, allocated brownfield sites, allocated greenfield sites, and villages), however the identified sources provide **less than 7% flexibility** over the entire Plan period. Should any of the allocated sites fail to come forward, the Plan does not provide any flexibility to be able to react to changing market circumstances, especially in the short term.
- 2.15 Fundamentally, the Council has assumed high delivery rates, which are not considered to be feasible. These concerns result in a Local Plan which is unsound as it is not effective; it is not deliverable over the Plan period. Furthermore, the Local Plan is not justified as it fails to promote the most appropriate strategy and does not allow for any meaningful flexibility. Crucially, the

strategy promoted by the Council will not meet objectively assessed development and infrastructure needs.

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?

- 2.16 HOW do not consider that the annual housing requirement figure should be staggered as per the Council's Housing Supply Topic Paper Appendix 4 due to the following reasons (which are all interrelated):
- i) The Council's approach would only seek to defer a problem which is needs to be addressed to ensure that a positively prepared Local Plan can be adopted;
 - ii) The Council is part of the Coventry and Warwickshire Housing Market Area (HMA) and has signed a Memorandum of Understanding to ensure the full OAN of the HMA can be delivered; and
 - iii) The long running policy of housing restraint in Warwick has suppressed true housing need in Warwick and therefore the 'Warwick need' is not as per the Joint SHMA.
- 2.17 The Council's suggested alternative calculation assuming delivery of Coventry's need is spread across the whole Plan period does not seek to meet objectively assessed development needs, including unmet requirements from neighbouring authorities, in accordance with paragraph 182 of the National Planning Policy Framework ("NPPF"). As noted within HOW's representations to the Proposed Modifications and previous Hearing Statements, HOW do not consider that the Council's present approach meets full OAN and therefore a reduced housing requirement most certainly would not either. These matters are discussed in further detail within Barwood's Matter 2 Hearing Statement, prepared by Peter Brett Associates (PBA).
- 2.18 The Local Plan, at Policy DS2, advises that full housing provision will be provided for the OAN for the District and for unmet housing need arising from outside the District where this has been agreed, i.e. housing needs arising from the HMA and detailed within the agreed Memorandum of Understanding. Planning Practice Guidance (PPG) defines a HMA as:

“A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work.”³

- 2.19 The Coventry and Warwickshire HMA, which Warwick is part of, includes the following Local Planning Authorities: Coventry, North Warwickshire, Nuneaton and Bedworth, Rugby, Stratford-upon-Avon, and Warwick. It is therefore agreed by all the authorities that they form part of the same HMA. Warwick has been evidenced to have the greatest functional relationship and HOW Planning agree with this evidence, however the Council’s justification that the delivery of the housing growth redistributed from Coventry has to be physically adjacent to the City is incorrect and rather should be based upon an approach led by Warwick’s previously identified spatial distribution of development. As such, meeting the unmet needs of Coventry should not be considered as a separate component to delivering housing growth for Warwick.
- 2.20 Furthermore, it is of significant importance to note that Nuneaton and Bedworth, a member of the Coventry and Warwickshire HMA, has not agreed to the Memorandum of Understanding as the authority has concerns regarding their own capacity and their ability to plan for an additional 4,020 homes identified as a result of the authority’s functional relationship to Coventry. The consequence of this is that the spatial distribution of development identified to deliver the HMA’s identified OAN cannot be as per the Memorandum of Understanding as one authority is not willing to sign up to the agreement. The additional 4,020 dwellings required to meet housing needs for the HMA will therefore need to be redistributed to ensure that the identified OAN, which we contest, is able to be delivered.
- 2.21 In summary, there is no reasonable basis to consider the Council’s alternative approach to housing requirement. To artificially restrict the supply of housing land risks a mismatch with the economic strategy and the principles of sustainable development, and will undermine the national policy of significantly boosting housing supply. The Local Plan is not sound as it is not positively prepared; it is not based upon a strategy which seeks to meet objectively assessed development needs, including unmet requirements from neighbouring authorities in accordance with the NPPF. Furthermore, the alternative approach is not justified. The approach taken will result in a Local Plan which is out of date on adoption, thus undermining the whole process.

³ Paragraph: 010, Reference ID: 2a-010-20140306

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