

MATTER 3

The supply and delivery of housing land

Tuesday 29th November 2016

for CEG

**Nexus Planning reference
[14104 and 9156]**

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Matter 3: The supply and delivery of housing land

Question 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) The Council's latest Housing Land Supply Topic Paper (HO28PM) indicates a provision of 1,215 dwellings over and above the minimum requirement. This equates to 7.2% of the minimum requirement.
- 2) The Council accepts in its Housing Land Supply Topic Paper (HO28PM) that delivery rates between 2016/17 and 2023/24 are "*challenging and exceed total delivery rates across the District since monitoring commenced*", which could present a significant risk of failing to achieve these rates, which may lead to a lack of a five year housing land supply and under provision over the Plan period as a whole. Furthermore, and as detailed in our Regulation 19 representations, the King's Hill site is expected deliver 200 dwellings in the first year of completions (2020/21) and 200 dwellings per annum from then onwards, for the remainder of the Plan period. The Council report that a planning application is expected to be submitted following the adoption of the Local Plan, but Policy DS15 requires a Development Brief to be prepared and agreed by the local planning authority in the first instance. The long lead in times associated with strategic sites is well publicised [INSERT RELEVANT REFERENCE], and particularly relevant with the range of complicated infrastructure that must be delivered on this particular site. Whilst potentially achievable, this delivery trajectory is optimistic. A year delay, or slower than predicted completion rates within the early delivery years would impact on overall dwelling delivery within the Plan period. Allocating land controlled by CEG (site S1) for development would reduce the reliance upon King's Hill to deliver such a large quantum of the District's housing requirement over the Plan period and improve the robustness of the Council's housing trajectory.
- 3) It is worth noting that the recently adopted Stratford-on-Avon District Core Strategy over allocates by circa 12% of the housing requirement, but in addition to this, the Local Plan Inspector's Report recommended that additional flexibility should be introduced into the plan to take into account the potential impact of the Birmingham HMA, potential under delivery from the strategic sites and potential increases in employment. In that instance a 20% buffer was introduced to be allocated through reserve site allocations in a Site Allocations Plan (see Appendix A).

Question 3) What are the assumption 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?

- 1) Policy DS15 requires that planning applications for strategic sites to demonstrate how they accord with a Development Brief or a Layout and Design Statement (approved by the local planning authority). It is clear that this requirement applies to land at Westwood Heath (site allocation H42) and safeguarded land S1. The NPPF is however clear at paragraph 85 that safeguarded land is not allocated for development and this is further confirmed at Policy DS NEW2 'Safeguarded Land' of the Plan.
- 2) Our Regulation 19 representations were clear that if the Development Brief was developed in accordance with Policy DS15, it could be construed as going beyond the remit of supplementary planning documents or other guidance and instead, detailing matters which should be reserved for the statutory development plan. Such an approach would be in

conflict with the Town and Country Planning (Local Planning) Regulations 2012, namely Part 3, paragraph 5 and not therefore sound.

- 3) Without knowing the nature of the allocation CEG might achieve in the future on site S1, it is difficult to see how they would collaboratively engage in the preparation of a Development Brief with the owners of site H42. The landowners of site H42 may also raise concerns or object to proposals for certain infrastructure on S1, particularly with no guarantee when it will come forward, if ever. This could potentially cause delays in the preparation of the Development Brief and therefore the timing of site H42 delivery.

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

- 1) As detailed on in our response to Question 1, CEG consider that only limited flexibility and contingency has been provided in the supply of housing and that other potential sources of supply should be considered to ensure that the minimum housing requirement is realised over the Plan period.
- 2) As detailed in our Regulation 19 representations and response to Matter 7c, land controlled by CEG and currently identified as safeguarded land (site S1) in the Local Plan should be formally allocated within the Plan. The Council accept that it is an appropriate and sustainable location for growth, and accept that it can be developed without undue impact upon amenity (see paragraph New 1.6 of the Modifications to the Local Plan [LP25PM]). Furthermore, significant housing pressures exist in this specific area, with the 2014-based household projections suggesting that housing pressures from Coventry are considerably higher than identified by the 2012-based household projections.
- 3) Having regard to paragraph 29 of the Council's Distribution of Development Topic Paper (HO25PM), it is clear that the only reason the Council has not formally allocated site S1 for residential development, is due uncertainties surrounding the delivery of significant highways improvements in the area (the A46 link road).
- 4) In our Regulation 19 representations, principally in response to Policy DS NEW 2, it was detailed how a wider allocation of 1,500 dwellings could be accommodated on site H42 and site S1, and that phases beyond the initial 425 dwellings could be 'considered developable', having regard to the definition at footnote 12 of the NPPF. Since these representations in April 2016, CEG has actively engaged with key stakeholders relating to the delivery of A46 link road (which will unlock highway capacity in the area), including WCC, WDC and the University of Warwick (UoW). We consider that the degree of certainty relating to the delivery of the road has materially increased since the publication of the Modification to the Local Plan and a Statement of Common Ground (SoCG) is currently being prepared with WCC and other relevant stakeholders where possible in relation to the delivery of the link road to confirm this. We will submit this to the Inspector at the earliest opportunity, but importantly well in advance of the actual hearing sessions taking place.
- 5) Given the above, it is clear that site S1 is an appropriate source of additional housing supply, which could be delivered within the Plan period, either as part of a wider allocation of 1,500 dwellings (including site H42) or independently, providing up to 900 dwellings over the Plan period, with 425 dwellings prior to the completion of the A46 link road improvements.
- 6) In considering 'other potential sources of supply', it is also important to note that the Sustainability Appraisal (SA) (ref. SA11PM) does not appear to include an assessment of site

S1 as a reasonable alternative, creating significant difficulties in understanding the Council's justification for allocating H42 instead of site S1. We consider that site S1 would score favourably in the SA and this is detailed within the Technical Annex included in our Regulation 19 representations.

- 7) Given the above, it is clear that the SA (ref. SA11PM) will need to be revised to include a detailed assessment of site S1 and a comparison against H42 as without this, insufficient evidence exists to demonstrate why site S1 was safeguarded, rather than site H42, or indeed whether a single allocation for both sites would score more positively.

**APPENDIX A – EXTRACT FROM STRATFORD-ON-AVON CORE STRATEGY
INSPECTOR'S REPORT**

Dealing with unmet housing needs from outside the District

57. There is a marked difference of opinion between i) the Council and other LPAs; and ii) the development industry, as to how this should be dealt with. In short the Council and its partner authorities argue that anything above the basic demographic need is 'surplus' to the District's requirements and available to meet the unmet needs of others, i.e. Birmingham and Coventry. The Council argues that across the Country as a whole all that is required is a level of housing that meets the demographic need and hence any additional dwellings to meet economic needs are effectively meeting the unmet needs of others. Hence anything above the basic demographic need [28] would contribute towards meeting those unmet needs, which include migrants to the wider HMAs who would otherwise live in the cities and commute into the District. Pursuant to this rationale there is a Memorandum of Understanding [MoU] between the Councils of Stratford, Birmingham, Solihull, Redditch and Bromsgrove that records Stratford will take 165 dpa of Birmingham's need [3,300 homes] on that basis¹⁰³. There is a draft MoU with all the Warwickshire LPAs in which Stratford says it will take just over 100 dpa from Coventry¹⁰⁴.
58. At the other end of the spectrum, representatives of the development industry submit that the OAN meets the needs of the District and that the unmet needs of others should be in addition to that assessment. Discussion at the resumed Hearing sought to explore whether there might be any middle ground, given the acknowledgement by one participant that: "*there is a logic to the Council's proposition, as the purpose of the uplift to align with economic growth is to provide homes for additional workers to move into the District who may well come from elsewhere in the HMA*"¹⁰⁵. There was no agreement at the Hearing.
59. Echoing the point made by PAS¹⁰⁶, there appears to be a lack of guidance as to how to deal with this issue, which is only beginning to crystallise in the West Midlands as a result of emerging plans reaching a more advanced stage. In particular Birmingham's unmet need is now quantified at 37,900 dwellings¹⁰⁷ following issue of the Inspector's report into the examination of that Plan. The only independent source of advice to which reference has been made is the updated PAS advice. Figure 4.1 thereof '*Assessing needs and setting targets*' comprises a flow diagram in which '*Cross-boundary unmet need*' is identified as a policy and supply factor that needs to be taken into account after the OAN has been quantified. Its stated rationale is: "*Cross-boundary imported need belongs below the line, for two main reasons. One reason for this is that unmet need in neighbouring authorities results from a policy change in neighbouring authorities: if those authorities supply less development land than they did in the past demand in the subject authority will rise above past trends, resulting in cross-boundary unmet need. Another reason is that how much of that need the subject authority should accommodate depends partly on its own constraints, including policy constraints*"¹⁰⁸.
60. In considering the spectrum, with the Council at one end and the development

¹⁰³ Document Ref. CD.12.

¹⁰⁴ Document Ref. ED.13.10a.

¹⁰⁵ Source of quote: Matter A Hearing Statement HS-14, December 2015.

¹⁰⁶ Paragraph 4.4, PAS, Ibid, HD.77.

¹⁰⁷ Paragraph 2.1, Document Ref. CD.12.

¹⁰⁸ Source of quote: third bullet-point, paragraph 4.5, PAS, Ibid, HD.77.

industry at the other, the PAS rationale suggests that the starting point must be that any unmet needs should be in addition to the assessment of the OAN. The economic led projection, whilst well above the basic demographic need, is required to meet the level of jobs being created and so meets the needs of the District. Nevertheless it is reasonable to say a: "*very modest*"¹⁰⁹ component of the OAN would contribute to the unmet needs of others. If it were otherwise there would be no purpose in an assessment being conducted at the HMA level: the District could simply focus on meeting its own needs. However the demand for housing transcends administrative boundaries for a number of reasons, such as those identified in the Guidance¹¹⁰. To give an example, a person who works in Birmingham might choose to live in Stratford because of family, cultural or environmental reasons. The housing need strictly arises in Birmingham but is met in Stratford and the census and travel to work data can estimate the scale of that functional relationship. Since a proportion of the existing housing stock is meeting the needs of others this could be used as a proxy for the proportion of the new stock that would be similarly used.

61. The Council says that any soundly based method for allocating unmet need should take account of the strength of the functional relationship between potential recipient LPAs and the '*deficit areas*'; I agree. To take an extreme example there is no point trying to meet the unmet needs of Birmingham in Glasgow because the socio-economic links would be lost. A co-ordinated approach under the DtC needs to agree the precise parameters for any relationship but, as the PAS guidance infers, this needs to take account of policy and practical constraints. For example some Greater Birmingham authorities might not be able to fulfil their share of the unmet need arising from an approach that simply considered the functional relationship, whether because they are substantially built-up, and hence have the same capacity constraint as Birmingham, or for policy reasons, such as Green Belt.
62. On the evidence before this examination it would appear that a comprehensive approach has yet to be agreed in the Birmingham HMA. The MoU says: "*As at the date of this statement the necessary technical work required to reach a collective agreement on the way forward is being progressed but is not complete*"¹¹¹. Accordingly there appears to be some way to go before the relevant proportion of Birmingham's unmet need can be quantified for Stratford. A holistic response is required by the DtC rather than chipping away at the total. The MoU has identified a figure but this is based on an incorrect assumption that everything over and above the demographic need is '*surplus*' and available to meet the needs of others. Given that misconception it would not be appropriate to hold the Council to the figure in the MoU. Moreover it is unclear whether the Council has agreed with other members of the CW HMA¹¹² how to address the Birmingham HMA shortfall because, as noted elsewhere [57], it is not signed by other members of the CW HMA. It is material that Fig 4.1 of the PAS advice is pitched at the HMA level and hence any: "*Cross-boundary unmet need*" feeds in at that level, not to each District, even if only certain Warwickshire Districts are within both HMAs.

¹⁰⁹ Source of quote: Matter A Hearing Statement HS-14, December 2015.

¹¹⁰ Paragraph ID 2a-012-20140306.

¹¹¹ Source of quote: paragraph 2.3, Document Ref. CD.12, dated December 2015.

¹¹² As per Policy CS.xx and its reasoned justification.

63. The position in Coventry is the opposite in the sense that the mechanism for distribution within the HMA appears to have a large measure of agreement and the basis for the split, which under the DtC is ultimately a matter for the Councils concerned, appears to be founded on sound principles¹¹³. However, whilst Table 53 of the SHMA Update¹¹⁴ identifies that roughly half of the HMA OAN is in Coventry, this figure has yet to be tested at examination. Moreover there might be policy or other constraints that restrict the capacity of the City to accommodate its housing need within its administrative boundary more severely than is currently envisaged. In short, whilst the mechanism is broadly agreed the precise scale of Coventry's unmet need that Stratford might have to accommodate is not known at the present time.
64. In light of the above it is not possible for me to identify what PAS, in Figure 4.1, describe as the housing provision target because the quantum of unmet needs arising from elsewhere is not precisely known at present. At the CW HMA level there is a good evidence base but that 'target' will be refined over time as a result of future examinations particularly because, as envisaged in Figure 4.1, a proportion of the unmet needs of Birmingham will have to be added to that total. However, applying the pragmatic approach that the Government seeks, this is not a reason to find the Plan unsound because it contains mechanisms to address the unmet need at the point that it is known. Firstly the Council has planned for a level of housing supply above the housing requirement, which is examined in Issue 5. Second there is a proposed Plan review policy and third is the reserve sites policy, which are examined in turn.
65. Policy CS.16D commits the Council to bringing forward a review of the Plan, in accordance with Policy 'CS.xx', if it is clear that the level of unmet need is beyond that which can be addressed by other mechanisms. Whilst focussed at the CW HMA part b. of Policy 'CS.xx' envisages other evidence of housing need arising from outside of the HMA, which is reinforced by the [unnumbered] last paragraph of the reasoned justification¹¹⁵. It is therefore a comprehensive approach which, following the PAS advice, is correctly focussed at the HMA level and so I reject the view that it would be ineffective. It is, however, an approach of last resort. The fact is that the CS will have taken some 9 years to get to the point at which it might be adopted. Whilst a review might be quicker, getting a strategic plan adopted is slow and expensive. So whilst I recommend Policy 'CS.xx' and the reasoned justification as a MM [MM35] to ensure that the Plan is positively prepared, in line with paragraph 182, it is a policy response of last resort because it is not the optimum mechanism to meet the identified level of unmet need at the point at which it is quantified.
66. In the May 2016 consultation responses a number of parties did however flag that the range in the first sentence of the reasoned justification is out-of-date and should be amended to align with the latest agreed position in the HMA¹¹⁶. Because the policy arose from the Hearings in January 2015 it had not been revisited and hence this had been overlooked. I recommend it be updated and whilst the Council has referred to an absolute figure of 4,277 given that the Memorandum is a draft and there is reference in the report to a higher figure

¹¹³ See Document Ref. ED.13.10 and ED.13.10a.

¹¹⁴ Document Ref. ED.14.3.2.

¹¹⁵ The last unnumbered paragraph on page 99 of Document Ref. ED.11.2a.

¹¹⁶ See ED.14.3.2 and ED.13.10a, including paragraph 1 of the draft Memorandum.

this should contain the caveat: "*at least*". This aligns it with the terminology of Policy CS.16 whilst also not excluding the higher figure in the report.

67. Policy CS.16D also commits the Council to allocate reserve sites in the SAP to fulfil 4 roles: i) to meet a shortfall in housing supply; ii) to meet the needs of JLR if the 100 ha site comes forward; iii) to meet the needs of the CW HMA; and, iv) to meet the needs of the Birmingham HMA. The Council has confirmed that it seeks to retain its figure of 10 % which, expressed as a proportion of the new housing requirement, would be 1,460 dwellings. The issue is whether 10 % is adequate, on the basis of existing information, to play all these roles?
68. The Council has sought to quantify its share of the unmet need from Coventry and Birmingham. It says, based on the current approach, the Council: "*would be expected to take 5.9 % of Coventry's unmet need of 890 dpa, or 53 dpa, and 2.1 % of Birmingham's unmet need of 1,895 dpa, or 40 dpa*"¹¹⁷. Over the 20-year life of the Plan this equals 1,860 dwellings¹¹⁸. On the basis of the Council's own calculation it is therefore evident that a 10 % reserve would be inadequate to meet the obligations that might arise from iii) and iv). Crucially this is without building in a reserve to meet: i) any shortfall in housing supply due to unforeseen circumstances; and, ii) the potentially very significant implications of bringing forward the 100 ha JLR allocation. Acknowledging that a very modest component¹¹⁹ of the OAN might contribute towards the unmet needs of others, there can be no question that it is necessary to increase the scale of the reserve to 20 % to provide a positive and effective mechanism. Ultimately there would be no jeopardy from adopting this approach. If reserve sites are not needed to fulfil these roles they do not need to come forward, but they would be available to provide a flexible response to any identified need.
69. In this context the issue is whether it is appropriate for 2,920 dwellings to be identified in this manner. The SAP was always envisaged to be a subsidiary Plan to the CS that would take a lead from it in terms of the spatial strategy. The Options Assessment¹²⁰ is evidence that the Council is not short of options to make up this scale of reserve, even without considering non-strategic scale sites. I therefore reject the view that an increase above 10 % should trigger a strategic plan review. For various reasons the role of the SAP has diminished over time, such that its main role would be to identify reserve sites. Without this role there must be doubt as to whether the need for this additional Plan is justified having regard to paragraph 153 of the Framework. The SAP would otherwise have a limited residual role identifying opportunities for small scale business, GI assets, retail development and Built-Up Area Boundaries [BUABs] for villages. The finding that the size of the reserve needs to increase does not mean that this role cannot be effectively undertaken in that Plan. It is properly something that can be delegated to the SAP, which the Local Development Scheme¹²¹ [LDS] identifies is scheduled to be adopted in spring 2017, well within the 3-year period that is set out within the Birmingham Development

¹¹⁷ Source of quote: page 11, Matter A Hearing Statement HS-33, December 2015.

¹¹⁸ The maths are $53 + 40 = 93 \times 20$ [years] = 1,860.

¹¹⁹ I suggested that it might be 8 % but the Council has, quite properly, criticised the derivation of that figure [see Document Refs. HD.74 and HD.75, respectively]. Pending further work in this area it would only be appropriate to attach this estimate very limited weight and so it does not dissuade me from the view that the 10 % reserve is inadequate.

¹²⁰ Document Ref. ED.13.4.

¹²¹ Document Ref. ED.13.8a.

Plan¹²², and on this basis would form part of the current round of Plan making activity. In the circumstances the claim that the CS needs to set a deadline for the production of the SAP is not accepted. For reasons explored elsewhere [526] it is in the Council's own interest to identify reserve sites.

70. Although the adopted Local Plan identified 3 reserve sites it is evident from paragraph 2.4.12 of that Plan that a key factor which informed that approach was that the date of adoption was much less than 10 years from the end of the Plan period, whereas the national advice at the time was that a Plan should make provision for at least 10 years potential supply of housing. That can be distinguished from the position here, where the Plan period is to 2031, 15-years ahead, reflecting paragraph 157 of the Framework. This examination is not geared up to fulfil a similar role by identifying strategic reserve sites which, at this late stage of the examination, would delay the date of adoption.
71. In passing it is material to note that 2 of the reserve sites identified in the Local Plan have been built and the third, the land west of Shottery, has planning permission. In other words, from the land owner and developer's perspective, such a mechanism has a proven track record in this District. The point is considered further, in terms of spatial distribution, in due course [276], but for the above reasons this approach is appropriate. Accordingly I recommend that the 10 % reserve be increased to 20 % [MM33] to ensure the Plan is positively prepared in line with the Framework.

Picking up on points that were raised during the consultation in May 2016

72. A number of parties have made significant submissions at this stage. The first is CPRE but the content¹²³ appears to go over ground that was discussed in the Hearing sessions. Amongst other things this report deals with the migration assumptions elsewhere [27]. However a new report entitled "*Critique of West Midlands Housing Needs Assessments*" by what appears to be a company "*Urban & Regional Policy*" has been submitted. Paragraph 1.3 says: "*I have been commissioned...*", but there is nothing in the document to explain the author's credentials. No disrespect is intended, the author is plainly familiar with the topic, but this does mean it is appropriate to attach limited weight to the document because the author's professional qualifications are not stated. The perceived tension between the household projections and the Framework might be of academic interest but the approach in the Guidance is clear.
73. My attention has particularly been drawn to page 21 of the report but the risks of under-allocation appear to have been understated. If the supply of housing is not significantly boosted to meet the full objectively assessed need for housing, as per paragraph 47 of the Framework, households, i.e. real people, are adversely affected. If there is no demand or a scheme is not viable a site will not be developed and so an allocation in a Plan is not merely a one-way process. In short this does not appear to be a balanced, independent report and it is really of general or even academic interest rather than being of assistance in helping me to discharge my duties in this examination.
74. The second¹²⁴ seeks to justify revisiting the jobs figure of 12,100, based on

¹²² See page 9 of representation 1151, dated May 2016, for wider context.

¹²³ Reference 6075, dated May 2016, the latter comprising the new report.

¹²⁴ Reference 0448, dated May 2016.