

Warwick Local Plan Examination

Matter 3: The Supply and Delivery of
Housing

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Introduction

1. Lenco Investments (Lenco) raises a number of soundness concerns regarding the Council's approach to quantifying the housing supply for the District and assumptions for the delivery of the housing supply. These are addressed as part of the questions 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?

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

a) completions since 2011

2. Lenco has not undertaken a thorough review of the Council's completions to date as it is expected that these records have been internally audited and verified. Lenco does however have a number of soundness concerns relating to the Council's approach, which are summarised below:
 - I. As part of the Council's five-year housing requirement (paragraph 36 of the Housing Topic Paper [H027PM]), 1,157 dwellings are forecast to complete between April 2016 and March 2017. There can be no certainty over this component of the supply and this should be removed from the table.
 - II. It is unclear from the presented supply whether any of the completions are C2 "Extra Care" properties. The Council should first be confident that the need for C2 properties has been established in addition to OAN before any of these schemes can be included within the supply. Confirmation from the Council is requested.

b) existing planning permissions

3. Lenco does not intend to scrutinise all permissions within the Council's supply, however following the comments above, the supply of planning permissions should be scrutinised to determine the extent of C2 housing within the supply. This approach has been considered recently within the Housing Market Area through the Examination of the Stratford Core Strategy, where the Council could not adequately quantify the extent of C2 OAN, which led to the exemption of such schemes from the supply. More recently, this issue has again been raised as part of the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy, where the Inspector has invited the Councils to conduct more research in this area to identify the extent of C2 need across the plan period before such properties can be accounted for in the housing supply.

c) other commitments e.g. sites subject to S106

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4. The Council includes an inconsistency as part of this component of the housing supply. As indicated in the Housing Topic Paper [**HO27PM**], the supply position been updated to 31 March 2016 (paragraph 19 refers). This approach would set out the supply along with the requirement as part of the financial calendar, which is a commonly accepted approach. The same paragraph of the Topic Paper suggests that the permissions should be updated to the end of May 2016, referring to three planning approvals in particular (Appendix 1(j)).
5. As the Local Plan Examination continues, there will be a desire to update the supply to account for the latest position, however unless the full annual supply information is available, it would be advised against cherry picking sites to include within the supply. These components of the supply are expected to come forward from 2018/19, the same year in which the Council's windfall supply is triggered. To include these sites in addition to the windfall sites would effectively be double counting. To address this, this component of the supply should be removed.

d) proposed site allocations (submitted Plan and Council's suggested modifications)

6. Comments relating to this component of supply are addressed as part of separate matter statements, or in relation to delivery rates as part of Questions 3 and 4.

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?

7. Lenco has a number of soundness concerns with the Council's approach to estimating housing delivery. Principally, Lenco is concerned with the approach applied to the larger sites of 500+ in the Council's supply (Appendix 1g, 1i [**HO27PM**]), which assume automatic rates of delivery of at least 100 dwellings per annum.
8. This assessment does not appear to be informed by informed discussions with the development industry and the potential for competition between sites within close proximity/delivery period to each other.
9. The trajectory would also benefit from an appreciation of infrastructure delivery which, for the significant sites in particular, will inform the formative years of housing completions. for a number of the more significant sites, the Council should expect lower rates of delivery as essential infrastructure is put in place which can facilitate higher levels of housing completions.
10. In addition to this, it is noted that the Council's housing trajectory makes no allowance for lapse rates or discounts as part of the assessment. It is beneficial to make such an

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adjustment as inevitably not all of the sites within the Council's supply will come forward as estimated as sites lapse or take a longer time to deliver than expected. In order to maintain flexibility in this regard, a comprehensive assessment of lapse rates should be undertaken. For the Council's benefit, such an assessment was undertaken in support of the emerging Gloucester, Cheltenham and Tewkesbury Joint Core Strategy, which is in the latter stages of Examination.

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

11. Little flexibility has been offered within the Council's preferred strategy for housing and there remains a level of doubt over whether the supply of housing can be maintained across the plan period.
12. The Council's trajectory for the first five years of the plan post adoption (Appendix 1a [HO27PM]) indicate significant levels of growth significantly above levels previously recorded by the Council. Given the challenge of meeting the planned targets for housing and the growing shortfalls in delivery, the Council will need to rely on all sites to come forward in order for the strategy to be met.
13. The Proposed Modifications to the Plan indicate (MOD20 [PL25PM] that a partial review of the Local Plan will take place within five years of plan adoption and MOD17 identifies additional criterion which may trigger a review. A number of these criterion relate to the ability of the Council to maintain a robust and flexible supply of housing land that is able to respond to future evidence of housing need. Rather than plan for an early review, Lenco considers that the Council should build in greater flexibility to the supply at this stage through the inclusion of additional sites and/or safeguarded land. Such sites can be brought forward in the event of non-delivery or in response to evidence of increased need, which will avoid an untimely review of the Local Plan and enable the Council to maintain a deliverable supply of housing land. The Inspector's attention is drawn here to the approach taken recently as part of the Stratford-on-Avon Core Strategy Examination where there was concern over the extent of the housing supply to meet the requirement, particularly as there was concern over potential future unmet need from outside the District. To enable the Council to bring forward a sound plan, the Council agreed to identify additional reserve sites that could come forward in the event of non-delivery of sites in the Council's supply. This mechanism is also under consideration as part of the Examination of the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy. The Council may want to consider this as a means to ensuring greater flexibility in the planned supply of housing.

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

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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?

14. The principal evidence provided by the Council in this regard is the Housing Topic Paper [HO27PM], which includes a trajectory of completions since 2011 (Appendix 1a refers). The Topic Paper aligns the completions to date with the currently proposed housing target of 16,776. As illustrated in the trajectory, delivery to date has fallen significantly below the annual figure of 932 dwellings and the Council is currently operating at a significant shortfall. Lenco considers that this evidence provides an appropriate basis for justifying the application of a 20% buffer to be applied to the five year housing land supply until a time where the Council can eliminate shortfall and demonstrate delivery above the planned targets for a suitable period of time.
15. If it were the Inspectors view to look back further, the most reliable source of evidence is the Council's Annual Monitoring Report, the most recent of which was prepared for the 2013 period [LP17]. This document includes a schedule of completions between 2001/02 and 2012/13 (page 22 refers). This indicates that against the Council's current target of 932 dwellings per annum (dpa), the Council would have only met this target once over this period and under the proposed figure of 600dpa in the 2015 SHMA [HO22PM] this target would not have been met since 2005/06. Lenco would encourage the Inspector to consider the current plan period as a means of establishing whether shortfall against targets has been significant, however, it is evident that for a number of years the Council has struggled with supply and delivery continues to be an issue.
16. Lenco is of the view that the Council has correctly accounted for shortfall in the five year supply calculations as indicated in the table accompanying paragraph 36 of the Housing Supply Topic Paper [HO27PM]. This indicates that the buffer is added to the requirement and shortfall. Further to establishing the correct OAN and requirement for Warwick District, it would be correct to continue using this methodology.

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?

17. The scenario referred to in Appendix 4 [HO27PM] seeks to apply a lower housing requirement of 720dpa for the first four years of the plan and increase the remainder of the plan period accordingly.

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18. There would be clear benefits for the Council to adopt this stepped approach, as this would reduce the scale of the shortfall and present the Council with a smaller housing requirement, which would place the Council in a better position when compared against supply. Though it might be beneficial for the Council, consideration needs to be given to whether this is the correct method to follow.
19. In approaching this issue, it is pertinent to consider the scale of the shortfall and the relationship to the planning guidance. As indicated above, the Council's shortfall up to 31 March 2016 is significant and whilst the Council has yet to meet the annual requirement of 932dpa, the Council expects to be in a position where this figure can be exceeded for eight consecutive years from 2016/17 onwards.
20. If the requirement is reduced to date, the immediate shortfall is reduced. This will however need to be met through increases to the requirement for the remaining 14 years of the plan and the Council may face greater challenges to maintain a five year supply under the increased requirement.
21. The Planning Practice Guidance (PPG) is keen for Council's to plan positively to meet shortfalls within the first five years of the plan (cite). There is good reason for this, as this period has already taken place and a need has been identified. A stepped approach effectively delegates this need to a later period of the plan. The need still exists however and the stepped approach would only delegate this need, rather than addressing it immediately as recommended by the PPG.

7) Would the Local Plan realistically provide for a five year supply on adoption? Will a five year supply be maintained? 8) In overall terms would the Local Plan realistically deliver the number of dwellings required over the plan period?

22. The Council's Housing Supply Topic Paper considers (Table presented within Paragraph 36) that the Council can maintain a 5.18 year supply, based on the current site schedules.
23. Lenco considers that that this position is currently fragile and there is doubt whether this figure can endure the next five years. The difference between the Council maintaining the current figure and falling below the 5 year requirement is only 303 dwellings. This is equivalent to 3.5% of the total purported supply, which means that if any of the significant sites stall or fail to come forward as planned, the Council may fail to balance the requirement with the supply.
24. Lenco advises the Council to look again at potential deliverable sites that are capable of making a short and medium term contribution towards housing delivery rather than waiting for the supply position to lapse and leave the Council vulnerable. As indicated in other submissions as part of this examination, Lenco considers that Land at Baginton



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has the potential to make a short-medium term contribution towards supply and deliver sustainable growth around the edge of Coventry.