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**NORTH WARWICKSHIRE LOCAL PLAN – EXAMINATION  
September 2018**

**Rep SLP447**

**Matter 3 – Housing needs and requirements**

3.2 – Whether the Coventry & Warwickshire SHMA is an appropriate evidence base:

The CW Joint SHMA is not a suitable evidence base. It has major faults because the Coventry population projections which are at its heart are greatly exaggerated. The March 2018 representation by KOGG (Keep Our Green Belt Green) (SLP294) sets this out. Extracted is a summary of the findings which is at **CD1/4 Segment SLP277 to SLP300, at p122:**

(g) To summarise, the excess of phantom students, being added to the Coventry population, would add at least 54,060 spurious individuals to the population projection and possibly up to 75,000.

(h) Taking the lower figure, 54060, (deriving from the components of change data and HESA info) this would mean that 22,907 houses would not be needed out of the projected SHMA total of 42,400 for Coventry. The total Housing need, for Coventry, at maximum, would actually be  $42400 - 22907 = 19493$  homes needed in the plan period

(i) Looking at the higher figure of spurious students (deriving from the national estimate of 90,000 overstaying their visas and HESA data on numbers of graduates at Coventry and Warwick University), the housing requirement would be  $42400 - (75,000/2.36) = 42400 - 31780 = 10,620$  homes needed in the plan period

(j) In either scenario, (the 75,000 ghost students or the 54060 ghosts) the housing requirement would fit comfortably within the land available in Coventry. Coventry City Council has stated that they have availability for 24,600 homes.

3.2 (a) The 2014-based household projections: The 2014-based SNHPs were not used by the GL Hearn report (the Joint SHMA). They are being replaced by the 2016-based SNHP in September 2018; however, those fail to correct the errors that the KOGG evidence sets out in at CD1/4 Segment SLP277 to SLP300, pages 111 to 144.

3.2 (b): The Greater Birmingham HMA Strategic Growth Study (generally called the ‘Hearn-Wood Study’ after the authoring firms), published February 2018, is about a different Area than the CW SHMA. The two are not comparable.

No weight should be placed on the Hearn-Wood Study. It has no clear brief, and it was not authorised by resolution of any of the fourteen local authorities whose areas are covered by it.

CPRE West Midlands Region has analysed the Study Report and made representations to the LPAs about it. This (in the form of a letter to Birmingham City Council) is attached to this statement.

3.7 (a) – housing redistributed from the CW HMA: See response to Question 3.2 above.

3.7 (c) – Unmet need predicted to arise in the GB HMA to 2031: See KOGG Representation on the Birmingham unmet need – Doc CD1/4 Segment SLP277-SLP3000, pages 145-153. The conclusion reached in that response on the extent of unmet need from Birmingham is

**Effect on the unmet housing need for Birmingham:**

The Birmingham Development Plan (BDP, adopted January 2017) quantified its shortfall as 37,900 (2011 –31). Given the overcounting of international students, the shortfall for Birmingham should be no more than  $37900 - 22949 = 14951$ .

If 10% of this number were to be provided for in North Warks, which the KOGG representation opposes, the requirement to be met from Birmingham (the GBHMA area) would be much less, about 1500 dwellings.

***The Greater Birmingham HMA Strategic Growth Study (Doc CD 8/23)***

The Greater Birmingham HMA Strategic Growth Study has not been used or drawn on in preparation of the North Warks Local Plan. There is no case for doing so. There may be representations from other parties to the Examination that it should be taken into account or its figures used in the North Warks Local Plan in some way. This report has been appraised by CPRE West Midlands Regional Group and a detailed response submitted to the lead authority, Birmingham City Council. CPRE's conclusion expressed in that response is

While the Study makes a useful preliminary contribution to the debate about future housing need, supply and provision in Greater Birmingham, it has a number of serious defects. Further work is required on several key aspects before any sound conclusions can start to be drawn.

*(Full letter from CPRE West Midlands Region to Corporate Resources Directorate, Birmingham City Council of 4 April 2018 responding to the Greater Birmingham HMA Strategic Growth Study is reproduced on pages 3-6 below.)*



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4 April 2018

Dear Ms Han,

#### GREATER BIRMINGHAM HMA STRATEGIC GROWTH STUDY

The Campaign to Protect Rural England (CPRE) has carefully assessed this Study by G L Hearn and Wood plc, published in February 2018. We wish to offer our comments on the Study as a contribution to the debate about future housing provision in Greater Birmingham.

CPRE has a long history of active involvement in the preparation of regional spatial strategies and local plans, during which we have built up considerable expertise on the subjects of housing need, supply and provision. We have also commissioned our own research in the form of two reports from the experienced planning consultant Alan Wenban-Smith. These are available on request.

We welcome the Hearn / Wood Report as a useful contribution to the subject. However we do not believe that its conclusions and recommendations should be taken at face value, for the reasons given below.

#### Housing Need

The Study does little more than bring together the results of previous studies on this subject, notably by Peter Brett and Associates. As a result it does not probe beneath the surface of the Government's population and household projections or their interpretation. A new set of projections is expected within the next three months and the Study will need to be revisited when they become available.

Particular issues on which further research may be needed are as follows:

- Household formation rates. Recent falls in the rate of household formation have cast doubt on the likely long-term trend. It is not yet clear whether these changes were merely a temporary hiatus in the long-term fall in average household size or a longer lasting change;
- International migration. Data based on the International Passenger Survey with its very small sample sizes has always been shaky. ONS seem to be making efforts to improve the quality of the data but it remains to be seen how successful they will be. Moreover, the Government's objective is to reduce net international migration to the UK and the post-Brexit situation is difficult to predict at this stage;
- Student numbers. It has been shown that assumptions that most students remain in situ after completion of their courses bear little relation to reality. Even the

Prime Minister has admitted that students starting and finishing their education and then leaving have no long-term impact on housing numbers.

- The treatment of institutional population, including the elderly (a growing proportion of the population), which can have a major impact on the balance between housing need and supply.

It should be noted that past estimates of housing need have often been shown to have been overestimated, and that housing provision has almost always fallen short of theoretically assessed need. Consultants need to work harder to ensure that their models align with reality.

At this stage, pending further work, we can have little confidence in the Study's overall assessment of housing need in Greater Birmingham. We also note that the Study acknowledges that application of the Government's proposed new method for assessing need would bring the baseline figure down from 205,000 (or 208,000 if an extra 3,000 dwellings in North Warwickshire and Stratford-upon-Avon districts are included) to 187,800 because of the capping procedure built into it. The consultants mention this but then appear to disregard it, continuing to take a bullish view of housing requirements. In some areas, a sluggish economy will have the effect of dragging actual housing need well below the theoretically assessed figure. For all these reasons, we cannot accept 205,000 or 208,000 as a realistic estimate of need.

#### Deliverability

The Study is largely silent on this issue, despite the fact that local authorities are required to show that their planning proposals are deliverable.

As the following table shows, delivery of 208,000 new dwellings between 2011 and 2031 would require an increase of 75% in the rate of house building achieved in Greater Birmingham during the first 5 years of that period for the remaining fifteen years.

	Total	Per Annum
Study's Baseline Requirement 2011-31	208,000	10,250
Completions 2011 – 16	33,282	6,656
Completions Required 2016-31	174,718	11,648
Increase in Completions Required = 75%		

The percentage increase would be even higher (116%) if the 'Economy Plus' requirement of 246,000 + 3,000 dwellings was to be achieved.

The Study does not consider factors that may inhibit house construction, such as (on the supply side) availability of skilled and non-skilled labour and materials, and (on the demand side) the overall health of the economy, interest rates and mortgage availability. There is also little or no consideration of the likely balance between market housing and public sector and subsidised housing. It is therefore not clear to what extent assessed

housing need will translate into actual demand which house builders are willing and able to meet.

### Housing Supply

The Study identifies a supply of about 200,000 dwellings up to 2031, but then introduces a number of factors that may reduce this. We accept that there may be some double-counting between windfalls in the first three years and planning permissions, but we do not accept that all such windfalls will necessarily have planning permission already. Excluding these windfalls altogether is therefore likely to lead to an underestimate of supply. More generally, we remain to be convinced that windfalls have been adequately assessed. They are an important source of supply, particularly in major urban areas, and the study should have taken account of changes in Government guidance in the NPPF and NPPG.

The application of discounting factors – 15% in the Black Country and 10% elsewhere – to sites with planning permission seems arbitrary. Further work is needed here to establish an evidence-based approach that will command confidence.

In Section 5, the Study considers potential additions to urban land supply. However it does so in a very discursive way with little hard evidence presented. The conclusion that this factor is unlikely to be sufficient to close the gap completely between need and supply is not very helpful. They could still make a useful contribution.

We welcome the Study's extensive consideration of housing densities, which chimes well with the Government's consultation on changes to the National Planning Policy Framework. The information that housing densities increased from an average of 27 dwellings per hectare in the late 1990s to 40 dph by 2008-11 is valuable and significant. With that in mind, however, the targets the Study adopts for future densities – 40 dph in the conurbation and 35dph elsewhere – seem unambitious. There must surely be some scope for further increases in density in the future without loss of character and environmental quality.

### Green Belt Review

The consultants' review of the West Midlands Green Belt against its five purposes was a desk-study based on judgement. The consultants have not looked at how the Green Belt could be redefined for the twenty-first century (including possible additions in some areas) – merely which parts of it might be lost to development. There has been no public consultation or even discussion with interested organisations.

In CPRE's view, these are serious weaknesses which greatly limit the value of the analysis. Some of the results are, to say the least, surprising. While we fully endorse the 'principal contribution' attributed to the Meriden Gap Green Belt between Birmingham / Solihull and Coventry, we are surprised that neither the area of Green Belt west of the Black Country nor the area between Coventry and Rugby is similarly assessed. Much more information is needed on how these assessments, not all of which tally with more local green belt studies, have been made.

### Areas of Search

A wide range of locations have been identified for possible future development. Most of them are currently in the Green Belt; a minority are not. But even those locations not in the Green Belt could be fiercely controversial if actually proposed for large-scale development. Too little weight has been given to the environment and more specific issues such as agricultural land quality in making the assessment.

For the reasons given above, we believe that few if any of these locations will require significant development by 2031. However there could be very serious presentational

problems in introducing even one or two such locations into the public debate. A less responsible organisation than CPRE might already have written to local newspapers drawing their attention to what is now being suggested. Our impression is that little or no thought has been given to when and how these aspects of the Study are to be released to the general public and interest groups.

### Wider Issues

The Study is weak on the relationship of its ideas and proposals to wider policy issues such as sustainability, urban regeneration, social polarisation and social exclusion, the future of the existing housing stock, commuting and other travel patterns and environmental capacity. As usual, housing development is assumed to be either an end in itself or a support to economic development, which, it is assumed, should be maximised. This reflects a very old fashioned view of what planning is all about. CPRE is very concerned about this one-dimensional approach, which could in time do a great deal of damage to the environmental and social character of Greater Birmingham and to its overall reputation.

We would add that the Study's attempt to carry out a sustainability appraisal of the options it considers is so brief and superficial as to be almost worthless. For example it should not necessarily be assumed that new settlements will be sustainable. The study should take account of sustainability scoping as set out in the revised NPPF and NPPG.

### Conclusion

While the Study makes a useful preliminary contribution to the debate about future housing need, supply and provision in Greater Birmingham, it has a number of serious defects. Further work is required on several key aspects before any sound conclusions can start to be drawn.

CPRE is willing to work with the sponsoring authorities and the West Midlands Combined Authority to help ensure that future proposals for housing development are well founded and take into account the full range of relevant policy and other factors.

It would be appreciated if you would copy this letter to colleagues in the other sponsoring local authorities and if you could acknowledge its receipt.

Yours sincerely,

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