

NORTH WARWICKSHIRE LOCAL PLAN EXAMINATION

PHASE 1, STRATEGIC MATTERS

MATTER 3 – HOUSING NEEDS AND REQUIREMENTS

ON BEHALF OF RICHBOROUGH ESTATES (SLP430)



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1. INTRODUCTION

- 1.1 This statement has been prepared by Pegasus Group on behalf of Richborough Estates who has land interests within North Warwickshire Borough. This statement provides a response to Matter 3 and should be read in conjunction with representations submitted to the Draft Submission Local Plan **[CD1-1]**. Richborough Estates' interest relates to land off Packington Lane, Coleshill, land off Blythe Road, Coleshill and land off Birmingham Road, Water Orton.

2. HOUSING NEEDS & REQUIREMENTS

3.2 In respect of OAHN the LP is based primarily on a Strategic Housing Market Assessment covering CWHMA authorities (the 'SHMA') [CD8/10]. Is the SHMA an appropriate evidence base?

(a) what is the effect of 2014-based household projections?

(b) are the findings of the SHMA consistent with those of the GBHMA Strategic Growth Study published in February 2018 ('SGS')[CD8/13A INSP2]. If not, what are the reasons for any differences?

(c) are student numbers appropriately assessed in the SHMA?

- 2.1 It is accepted that in neighbouring Council areas within the HMA where Local Plans have been examined, the 2015 SHMA **[CD8/9]** and the August 2016 Update **[CD8/10]** have been tested and found to be appropriate for the purpose of determining a dwelling requirement for plan making in the policy context of NPPF 2012 and the PPG.
- 2.2 The implications of the 2014-based household projections have been considered in the 2016 SHMA update **[CD8/10]**. Whilst the figures for household growth and dwelling requirements for each individual authority in the HMA are different in the 2014-based projections compared to the 2012-based, the overall totals remain virtually the same. Importantly, the need to redistribute un-met housing need from Coventry has enabled changes in household projections when comparing the different series at an individual LPA level, to be accommodated across the HMA as a whole.
- 2.3 For the purposes of this examination of the Local Plan, at this point in time, we support the pragmatic approach of ensuring the housing needs of HMA are met as a whole.

- 2.4 In particular, given the level of agreement between Local Planning Authorities across the HMA and the previous extensive consideration of this particular part of the evidence base against NPPF 2012, it is considered that at this point in time the figures arrived at provide a credible basis for plan making.
- 2.5 The approach taken to assessing housing need in the GBHMA Strategic Growth Study **[CD8/23]** differs considerably to that in the SHMA. It is also noteworthy that it is not endorsed by GBHMA Councils and there is no extant mechanism for cooperation and agreement across the GBHMA.

3.3 LP Table 2, consistent with the SHMA, sets out that the overall OAHN for NWBC is 237 homes annually to 2031. Is that robust?

(a) With reference to INSP2, does that figure take account of local planning authorities' or Local Enterprise Partnership economic policies?

(b) Has the figure been suitably adjusted to reflect local circumstances, including demographics, headship rates, employment trends, and market signals in accordance with the PPG?

(c) What is the precise basis for the uplift to OAHN proposed on account of forecast economic growth and improving housing affordability?

- 2.6 Notwithstanding Richborough Estates' overall support for the process by which housing needs in the C&WHMA have been established, there are elements of the evidence which suggest housing need in North Warwickshire could be higher, including the relationship to jobs growth.
- 2.7 The SHMA 2016 Update considers the extent to which an uplift to the demographic baseline would be appropriate in order to reflect employment growth, however this analysis does not consider more up to date employment growth forecasts or the jobs growth set out in LEP economic policies at the local level. Furthermore, the approach of the Plan appears to be to provide employment land to in some way match the housing requirement, rather than reflect forecast or policy driven jobs growth.

3.6 LP table 1 indicates that 940 homes of the proposed LP housing requirement are attributable to 'economic uplift' from the CWHMA and GBHMA in a 35%/65% split (320 and 620 homes). With reference to

INSP2, is that approach consistent with the approach to establishing OAHN set out in the NPPF 2012 and PPG?

(a) what is the basis for the relative apportionment between the CWHMA and GBHMA?

(b) Is it accurate to describe 500 of those 940 homes as 'redistributed' from Tamworth Borough Council ('TBC')? If not, how should any previous and future housing delivery in NWBC relate to unmet needs of TBC within the context of the GBHMA and the previous commitment in the CS?

2.8 It is not clear what the basis is for this apportionment of unmet need arising in Coventry and Birmingham, and the relationship this has to an uplift applied to the baseline demographic forecasts in North Warwickshire to account for jobs growth. Richborough Estates looks forward to hearing further explanation from the Council on this point. Whether or not the identification and meeting of unmet need also addresses the uplift to baseline demographic figures to reflect jobs growth is a key point at issue, and presumably the explanation of the phrase 'double-counting' which appears in the plan.

3.7 The LP housing requirement includes 540 homes redistributed from other authorities within the CWHMA in accordance with a Memorandum of Understanding to that effect (the 'CWHMA MoU') [NWBC4]. The LP also aspires to deliver 3,790 homes redistributed from the GBHMA, 10% of the level of anticipated undershoot over the plan period relative to needs (as established in Birmingham City Council's Local Plan). Is that justified?

(a) Is accommodating an additional 540 homes redistributed from the CWHMA justified and appropriate, including in terms of the exercise of the DtC?

(b) I note that LP paragraph 7.36 explains that Nuneaton and Bedworth Borough Council, within the CWHMA, are updating their Strategic Housing Land Availability Assessment to establish whether or not they will be able to accommodate the level agreed in the CWHMA memorandum of understanding. Is there yet an outcome? Does that have any meaningful effect for the LP?

(c) Is the level of unmet need predicted to arise in the GBHMA to 2031 evidenced via the SGS consistent with that in the LP and SHMA? If not,

why not? What is a robust assessment of likely housing needs arising in the GBHMA that would be unmet by 2031/2033?

(d) What is the justification for the LP seeking to provide redistributed housing from the CWHMA and GBHMA in a 12.4%/87.5% proportion (540 and 3,790 homes respectively) compared to the 35%/65% split indicated in LP table 1?

2.9 There is no clarity at the GBHMA level as to the figure which should be used as the unmet housing need arising in Birmingham or the basis for any considered and comprehensive approach for its redistribution within the HMA.

2.10 The re-distribution of unmet need from Coventry has been agreed in the MoU signed by the C&WHMA Councils. There is very little in the way of justification for the figure of 3,790 homes to meet needs arising within the GBHMA.

3.8 In establishing the overall housing requirement, has appropriate account been taken of the wider economic context to NWBC, including HS2?

2.11 It is not considered that the drivers for economic growth in North Warwickshire have been properly assessed in relation to the housing needs of North Warwickshire to 2033. The implications of the approach in the plan to housing growth, including the spatial strategy, will not allow North Warwickshire to play its part in supporting economic growth in and around Birmingham.

3.9 With regard to INSP2, is the LP policy aspiration to deliver 3,790 homes redistributed from the GBHMA robustly evidenced and consistent with the NPPF 2012? If not, how should it be modified?

2.12 There is a marked contrast between the degree and transparency of cooperation in the CWHMA and that within the GBHMA. In the case of CWHMA, whilst there have been some difficulties with Nuneaton and Bedworth refusing for a long time to make provision for its share of unmet arising in Coventry identified in the MoU, this matter has now been resolved and all councils are fully signed up to the way of meeting housing needs across the HMA.

2.13 The same is not true for the GBHMA. There is a clear democratic deficit in the GBHMA and no effective means for cooperation and agreement on the most important strategic planning issue for the region; the unmet housing needs arising

in Birmingham. Bilateral agreements of the sort between Birmingham City Council and NWBC, concluded in the absence of any HMA-wide policy approach to the distribution of the unmet housing needs, are a very poor substitute for transparent and effective cooperation between the HMA councils.

- 2.14 The policy approach to refer to the figure of 3,790 dwellings as an aspiration is erroneous and should be modified to reflect a clear commitment to deliver this figure (at least).

3.10 As set out in NWBC2, the LP plan period is intended to be 2011 to 2033. Examination document CD8/13A sets out annual completions since 2011. The CS target was 175 dwellings annually (excluding 500 from TBC). INSP2 asks that NWBC produce a table setting out annual housing delivery over the last 15 years relative to the development plan target that applied in each year. In that context what should the 5YHLS requirement be?

(a) is the shortfall of 593 dwellings in the LP accurate?

(b) LP paragraph 7.34 states that as the SHMA 'is based on up-to-date demographic evidence it takes account of need arising from shortfalls in delivery against previous targets.' That conflicts with the approach in examination document CD8/13A, where the accrued shortfall in delivery since 2011 is added to the baseline OAHN. Which approach accords with the PPG?

(c) Is there the need to take account of any 'backlog,' i.e. under delivery from earlier plan periods, or is that accounted for in OAHN?

(d) Has there been persistent under-delivery of housing to justify a 20% 5YHLS buffer in addition to addressing any shortfall?

(e) Is there any evidence to indicate that household formation rates may have been constrained by supply across the HMAs previously?

(f) Should any shortfall be addressed within the first five years of the plan in accordance with the PPG, i.e. as part of the 5YHLS?

- 2.15 The reference period for considering and shortfall in delivery should be from 2011; the base date for the SHMA. The Council appears to acknowledge this is the correct approach in NWBC 11.

- 2.16 The Council also accepts that any shortfall should be addressed in the next 5-year period, a position with which Richborough Estates concur.

3.11 Is the windfall allowance of 60 dwellings a year set out in policy LP8 justified? Why does LP table 6 refer to planning applications rather than consents or completions?

- 2.17 The windfall allowance of 60dpa set out in policy LP8 is unsound as it currently results in a housing trajectory that includes an element of double counting in identifying future supply. This double counting in future supply relates to the inclusion of committed sites whilst also applying a full windfall allowance of 60 dwellings per year in every year from 2018. Clearly, in the first years of implementation of the plan, the supply will correlate directly to the identified committed supply. To rectify this double counting, the windfall allowance should be removed from the 5 year period from the last monitoring period.
- 2.18 The trajectory [**NWBC 10**] does not exclude sites under 5 dwellings/0.2ha from the 'Housing coming forward from sites with planning permission and allocated sites' row. It is however noted that NWBC10 excludes windfall provision in years 2018-2021 which is at odds with LP8.
- 2.19 LP table 6 is assumed to relate to completions.

3.12 What is the relevance of paragraph 9.67 of the Greater Birmingham Strategic Growth Study [CD8/23] which sets out that there is 'no effective potential' for additional housing supply beyond housing growth of 1.8% per annum? What is 1.8% per annum?

- 2.20 This statement in CD8/23 should carry no weight in the consideration of housing growth in North Warwickshire. Richborough Estates considers that there are delivery constraints in parts of the Borough. However, the spatial strategy the Council has pursued to date, and wishes to follow in this Plan, plays a significant part in creating low expectations and an unambitious plan for growth by focusing development in the parts of the Borough beyond the Green Belt, constraining supply where it is most in demand, and can be met sustainably.
- 2.21 The GBSGS is focus of this section is on assessing potential Areas of Search for Strategic Development. The report at paragraph 9.3 recognises "*the analysis is strategic and high level in nature, and inevitably further more detailed assessment*

would need to be taken forward through the preparation of individual local plans and to support allocations therein.”

- 2.22 The GBSGS, in considering delivery models, undertakes a very high level of exercise of considering past housing stock growth rates within the constituent LPAs [**CD8/23, Table 62**] and considers future growth rates based on current or emerging plans [**CD8/23, Table 63**]. It is perhaps not surprising that NWBC is identified as having the largest annual housing stock growth (1.8%) as it remains the only LPA that includes a reasonable element of growth to meet the wider HMA shortfall within the table, besides the 1,000 additional homes included within the Solihull target. It should also be noted that reflecting the now extended plan period of the LP (2033) would result in the annual housing stock growth rate reducing.
- 2.23 The exercise is high level and does not take account of spatial differences within each LPA area (e.g. changes in market conditions across a wide geographic area or spatial distribution of growth vs. locally derived need). Instead, it provides a high-level tool to allow for comparisons to be made between each LPA area at a snapshot in time. The GBSGS states at paragraph 9.50 that *"the assessment should be considered as an initial high-level indicative assessment which can be used to provide a comparison between locations for the purposes of this Study. More specific local assessments of network capacity and infrastructure requirements will be required for Areas of Search which are taken forward, but this is beyond the scope of this Study."*
- 2.24 The report provides a snapshot in time, therefore it doesn't recognise that to deliver the identified unmet need within the GBHMA, all constituent LPAs would need to see an annual growth rate considerably higher than those included within Table 63. This step change in growth to be determined through reviews of each LPAs Local Plan.
- 2.25 As set out in representations submitted by Richborough Estates, it is clear that there is significant potential to increase supply within a number of settlements within North Warwickshire Borough. Examples include settlements such as Coleshill and Water Orton, where development is artificially constrained by Green Belt. In these settlements it can be demonstrated that locally derived housing needs will not be met through the implementation of the emerging strategy resulting in increased house prices, which are already significantly above the Borough average. In addition, as these settlements have strong functional links

with the conurbation, including train stations with direct services to Birmingham and good access to existing and planned employment provision such as UK Central and Hams Hall, market attractiveness of these settlements will only increase.

- 2.26 Therefore, the statement within paragraph 9.67 of the GBSGS is of no relevance to the determination of an appropriate level of uplift in the supply. It is a high level indicative assessment that requires further consideration at the local level. This further consideration should include infrastructure capacity and delivery, detailed consideration of market conditions in locations across the Borough and the proposed distribution of proposed growth in relation to locally derived needs and the Major Urban Area where a significant housing shortfall exists. In addition, the opportunities to increase housing supply growth will relate to the site specific issues related to proposed allocations and the relative dispersal of sites across all settlements that lie within different sub-housing market areas.