

**Response by NWBC on the Matters, Issues and Questions
Phase 1, Strategic Matters**

Matter 8, Viability and delivery

8.1 Is there appropriate evidence regarding viability, market conditions, and infrastructure funding to indicate that the level of development that the LP intends to enable would be delivered in practice?

- 8.1.1 The report by Adams Integra deals with the issue of viability and market conditions for the Plan and site proposals. The IDP deals with the expected infrastructure requirements generated by the plan proposals as far as is currently known and assessed.
- 8.1.2 Affordable housing provision will be achieved through on site provision or through a financial contribution in lieu of providing affordable housing on-site. This will be calculated using the methodology outlined in the Affordable Housing Viability report or subsequent updated document.
- 8.1.3 On sites of over 100 dwellings consideration will be given to land being gifted to the Borough Council in lieu of the total affordable housing provision. The amount of land will equate sufficient land to provide for the number of units and any associated works.
- 8.1.4 The Council and other Registered Social Landlord partners will continue to maximise numbers of affordable housing on other sites.
- 8.1.5 Proposals to provide less than the targets set out should be supported by a viability appraisal to verify that the targets cannot be met and the maximum level that can be provided without threatening the delivery of the scheme.
- 8.1.6 The Review and Update of the Council's Affordable Housing Viability Assessment, Local Plan Viability assessment and CIL Study (NWBC13) tested various different affordable housing percentages (0%, 20%, 25%, 30%, 35% and 40%) and a number of typologies of sites that are typical in the area (5, 11, 25, 50, 80 and 100 units) to assess if they are deliverable.

- 8.1.7 High level viability appraisals of 6 strategic sites were carried out (varying in size from 400 units to 2000 units) which included any identified site specific Section 106 contributions and infrastructure costs.
- 8.1.8 The report assumes an 85/15 tenure split of affordable rent/shared ownership. It applies CIL at various levels to determine the additional impact that varying CIL costs may have on development. The overall impact on viability of all the relevant policies in the Plan have been taken into account when assessing the impact of CIL and the various levels of affordable housing
- 8.1.9 The report concluded that 30% was viable in all locations, along with the CIL charge, on schemes of more than 10 dwellings except in the case of greenfield (previously agricultural use) sites where 40% on-site provision was found to be viable.
- 8.1.10 However, it is clear from the Viability Report that no account is currently taken of vacant building credit and that taking this into account is likely to increase the viability of residential intensification sites in particular.
- 8.1.11 Consequently, the Viability Report concludes that the Council can apply the proposed policy requirements i.e. the 30% and 40% for affordable housing and these percentages are therefore taken forward into Policy LP9 of the Draft Local Plan.

8.2 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? (NB this replicates an earlier issue in matter 4).

- 8.2.1 The relevance of this point is that it means that even if densities were to be increased the overall of amount of additional housing is unlikely to be more than the housing target as the market will not be able to deliver more.

8.3 What is the relevance of paragraph 2.14 of the 2016 Employment Land Review [CD8/7] which sets out ‘there are evident questions regarding the scale of development which can realistically be delivered’?

8.3.1 Paragraph 2.14 of CD8/7 states:

“There are evident questions regarding the scale of development which can be realistically delivered over the period to 2031, including issues regarding infrastructure provision. This report does not seek to prejudge decisions regarding future housing provision – but to test what level of employment land provision might be needed to balance with alternative options for housing growth. In identifying the ultimate scale of housing provision in the Borough, the Council will undertake a testing of development options informed by further evidence and Sustainability Appraisal. The Council is reviewing residential land supply, and undertaking a Green Belt Review.”

8.3.2 At the time that CD8/7 was written it was during the Plan preparation. The report was therefore a theoretical look at scenarios rather than having the detailed background of delivery information. It was therefore not prejudging decisions that may be taken in the future in to the exact level of growth.

8.4 Are anticipated delivery trajectories suitably comprehensive and thorough, including to enable appropriate monitoring [NWBC10, NWBC10a, NWBC10b]? What assumptions have been made in respect of delivery trajectories and are these robust (including in respect of lead-in times, lapse rates, build-out speeds etc.)?

8.4.1 The Council consider that the delivery trajectories provided are sufficiently comprehensive and thorough. The delivery trajectories include all sites in the Plan.

8.4.2 The Council has used the following to arrive at the trajectory:

- 1 Information from the landowners and agents as well as local knowledge of the sites
- 2 Infrastructure considerations, particularly highways
- 3 Build out rates – generally 50 per annum per retail unit. H7 has 4 retail units due to the nature of the site and H13, Robey’s Lane has 3.
- 4 Lapse rates

Information by Landowners/Agents

8.4.3 The Council’s assumptions have been informed through discussions with land owners and developers in respect of potential application submission dates, issues on lead in times, site delivery, expected infrastructure requirements and impacts (as

detailed in the IDP March 2018 CD0/4, and updated in Matters Paper 7, Appendix 2, PS.M7.01a) and expected projected start dates including numbers and names of potential housebuilders/developers involved. The monitoring team regularly update this information and knowledge as part of the 5 year housing land supply monitoring to help inform the delivery of the plan and highlight any issues arising that may need addressing.

Infrastructure

- 8.4.4 The main assumptions made in respect of delivery trajectories have been in regard to the likely delivery of infrastructure to enable the strategic sites to come forwards. This is most prevalent in respect of the major works considered necessary in the later stage of the Plan as identified in the Council's STA (CD8/18A). The STA addresses the impact of the individual sites over a range of scenarios between 2021, 2026 and 2031 in tables 4 to 6 and the level of development (housing numbers) expected in paragraph 4.1 to 4.4 The mitigation measures considered necessary are detailed and costed in Table 19, paragraphs 5.29 to 5.32, for each of the Stage 1 (2021), Stage 2 (2026) and Stage 3 (2031) Assessments dealt with in Chapter 5 of the STA. These have helped inform the trajectory assumptions made.
- 8.4.5 Elements of sites can come forward. But the exact timing will be determined on a case by case basis. The Borough Council, County Council, Homes England and Highways England are working on the HIF Bid to bring forward the highway improvements that will enable the dualling of the A5. The progress on this infrastructure bid has already been noted in Matters 7.

Build Out rates

- 8.4.6 In respect of build out rates the Council considers that 50 dwellings per annum per retail outlet should generally be used. This is because:
1. An assumption has been made that 50 dwellings per annum will be delivered per developer/retail outlet within the Borough, with up to a maximum of 3 developers/outlets on most sites, except for site H7, as noted below. This figure is based on national averages and some local information, due to the historical low number of sites over 50 units in size available to compare. Nevertheless, between December 2016 and March 2018 (a period of 16 months) the main large site under construction in the Borough, Taylor Wimpey site (143 units) at land south of Grendon Road, Polesworth completed 88 units, an average of 5.5 units per month, or 66 per

annum (a list of the specific plots completed by month is available) . A 50 unit per annum rate is also therefore considered reasonable locally. The figure of 50 units per annum will be used unless there is clear evidence from the developer that this is not feasible.

2. Information provided from agents of site H7 have given the Borough Council a trajectory of delivery which is included in Appendix 1. This includes a 50 per annum per developer up to a maximum of 4 developers/outlets, particularly as multiple developers are expected and the site has multiple access points (A5 and B5000). The most dwellings therefore that would be expected to complete on the H7 site per annum is 200 units

3. In recent appeals for housing sites, which involved the 5 year supply, the Inspector's noted from the appellant/developers information that build out rates are "Generally ... accepted that the maximum delivery from a large site (following the implementation of any enabling infrastructure) will be 50 dpa per developer per site". (See Appeals - APP/R3705/W/16/3149572 and APP/R3705/W/17/3189584 Ansley).

8.4.7 As the Borough has a good range of small/medium to large sites within the Draft Local Plan it is considered that this also provides a wide spectrum of build out rates. This is supported by the HBF Report, "*Reversing the decline of small housebuilders*" January 2017 (page 26), which notes that "*the time taken to complete a site of 10-49 units varies only by a few months regardless of the strength of the local housing market. Large sites on the other hand, can be built out very quickly in the strongest market areas whereas maintaining a good source of effective demand in the weaker market areas is more difficult*". The same Report indicates in a Market Strength (HPI ranking) table on page 27, that on sites of around 150 units the build out rate per calendar month is on average between 3 per calendar month (pcm) in poorer (bottom third) market areas and 5 to 6 pcm in better top third market areas, providing a range of 36 to 70+ dwellings per annum is reasonable subject to the state of the market within which the sites are located (See table extract in Appendix 2) .

8.4.8 The Council would consider that the Borough housing market is at least in the "mid third" market strength noted in the HBF table, given both the increased housing applications and completions achieved in recent years, as noted in the 5 year housing supply (CD8/13A). and the continued pressure from applications on non-allocated sites that either result in appeals or approvals over and above current allocations. It is therefore considered reasonable to look at around 50 dwellings per

annum as an average, per developer/retail outlet. A copy of the report is available to view at –

https://www.hbf.co.uk/documents/6879/HBF_SME_Report_2017_Web.pdf

Lapse Rates

8.4.9 The Borough Council are applying a lapse rate of 40 units over the 5 year housing period, 8 units per annum based on the information in tables 1 and 2 of Appendix 3 'Information on expired Dwellings since 2011'. The figure of 8 per annum is considered reasonable as over the period 2011/12 to 2017/18 the figures have varied from a minimum of 9 in 2011/12 to a maximum of 33 in 2013/14. Applying a discounted rate provides further flexibility to the plan, which is considered a robust assumption. (The figure is taken as a percentage of the average annual number of dwellings with planning permission (1012) multiplied by the current years expiry percentage –(0.77%) see Appendix 3).

Lead in times

8.4.10 There is no set lead in time identified for site allocations or planning applications. Each site is considered individually. Generally, Development Management experience locally has been that there is a 12 to 18 month lead in time following the approval of a planning application.

8.4.11 The Council considers the information above supports the trajectories in the Local Plan.

8.5 Is viability evidence in support of the plan based on reasonable assumptions reflecting the particular nature of the Borough?

8.5.1. The *Review and Update of the Council's Affordable Housing Viability Assessment, Local Plan Viability assessment and CIL Study report* (NWBC13), provides an overall assessment of the viability of allocations including specific strategic sites and a range of reference sites. The report demonstrates the level of surplus value available from sites for the fulfilment of site requirements and is considered to be based on reasonable assumptions as outlined in NWBC13 and the studies strategic sites assessments in Appendix 8a to 8f.

(a) Have the full range of expected requirements been taken into account (including developer contributions)?

- 8.5.2 Build costs have been updated to reflect current BCIS rates
- 8.5.3 A small residual allowance of £500 per dwelling was made within the appraisals for any matters that are not covered by CIL and still need to go in to a S106 agreement along with affordable housing obligations (where applicable).
- 8.5.4 Expected section 106 contributions have been included for the strategic sites and reflected in Appendix 8, a to f, of the Review and Update of the Council's Affordable Housing Viability Assessment, Local Plan Allocations Viability Assessment and CIL Study (NWBC13). The S106 information is derived from the current IDP and/or any agreed S106 agreements on sites with current planning applications or decisions. The number of S106 contribution areas/topics are based on the HCA development tool and include the main headline figures for strategic education, sport and recreation, health, social and transport infrastructure where known from the IDP. This list may alter at the planning application stage.
- 8.5.5 The report does not allow for abnormal or infrastructure costs for the notional sites. Those can only be properly reflected with detailed site-specific knowledge. If such varying costs were to be considered within this study, it would affect our ability to accurately compare like with like, when assessing the impacts of affordable housing requirements. Any demonstrated abnormal costs or site-specific S106 costs will always need to be considered as part of scheme specifics on application of policy.
- 8.5.6 The IDP CD0/4, and, Appendix 2 of PS.M7.01a, provides the framework and detail of currently known contributions expected to be sought towards strategic infrastructure and services. The IDP is a working document and will be updated as circumstances change over the life of the Plan.

(b) what consideration has been given to mineral resources/ mine working in respect of viability or delivery in practice?

- 8.5.7 The Borough Council understands the issues of building in an area of former mining operations. For this reason it is open minded to issues of viability. However it has discussed the allocations with colleagues from the County Minerals Team.
- 8.5.8 Proposal site H7 for example has previously in part been opencast, although now a greenfield site in agricultural use. Ground conditions reports have been prepared and will be shared with the examination. In addition, at the very start of considering development to the east of Polesworth and Dordon meetings were held with the colleagues from the County Minerals Team and the Coal Authority. It was determined that due to the issues and reduction in using coal as a form of powering the national power stations, climate change considerations, the cost of carbon capture and the environmental impact of extracting coal close to residential properties put the likelihood of the need to extract coal prior to development extremely low. However there will be a need to create areas of developable land. The owners and agents are working to provide information to the examination on how this will be done and the indicative costs that this will incur.
- 8.5.9 The Borough Council is always flexible in its approach on development viability, but with an eye on delivery and balance of housing need or other priorities that may be identified at the application stage.

8.6 Has all necessary infrastructure provision been costed and timetabled? If not, would that compromise either deliverability or development viability?

- 8.6.1 The IDP March 2018 (CD0/4) and the information for acute health (hospital) needs in Matters Paper 7 Appendix 2 PS.M7.01a) provides the most up-to-date information on the costing and timetabling for infrastructure and services and provides a site proposal by site proposal assessment of expected contributions for the most significant infrastructure or service requirements covering highways, health and education including primary and secondary education.

8.7 What is the interaction between the Infrastructure Delivery Plan and NWBC's intention to progress Community Infrastructure Levy ('CIL) (LP paragraph 6.18)? What bearing would CIL have on viability and delivery?

- 8.7.1 The Review and Update of the Council's Affordable Housing Viability Assessment, Local Plan Viability assessment and CIL Study (NWBC13) allows for the application of CIL at varying levels on the notional sites and notes in paragraph 2.4.12 that the modelling also allows for the application of CIL at varying levels. The study looked at a range of fixed overall costs (per m²) to determine the additional impact that varying CIL costs may have on development. This fits with the necessary strategic overview approach. The study used CIL levels of £20 per m², £40 per m², £60 per m² and £80 per m² and indicates that the majority of residential schemes in the Borough should be able to absorb a CIL rate of £40 per m² leaving a margin for site-specific factors that might affect viability (See Chapter 5, paragraph 5.2.3). The conclusions of the report proposed a CIL rate of £40 per m² for residential development.
- 8.7.2 On the strategic sites potential expected S106 required contributions have been included for the main strategic needs of education, health, open space and recreation, from the items listed in the IDP, where known, and, where not known by assumptions for other areas of infrastructure including transport, the public realm and art, and assessed and included in the HCA Appraisal Development Tool used for these sites, outlined in NWBC13 in Appendix 8a to 8f, in the Examination .library.
- 8.7.2 The strategic site assessments in the Local Plan Viability assessment and CIL Study (NWBC13) indicate these sites still generate a surplus once the assumed, expected S106 contributions have been taken account of, and identified in paragraph 35 of the Executive Summary and 3.6.1 of the main study.

Land east of Polesworth and Dordon Site Allocation

Housing Trajectory

The housing trajectory in respect of land to the east of Polesworth and Dordon has been informed by information provided on behalf of the landowners; namely the Church Commissioners for England (CCE), Cathedral Agricultural Partnership (CAP) and The White's. It is expected that following adoption of the Local Plan towards the end of 2018, the landowners will prepare and submit outline planning applications around the end of 2018 / spring 2019 which accord with an agreed site-wide masterplan framework. It is expected that outline planning permissions will be secured by approximately autumn / winter 2019 which will allow for the preparation and submission of reserved matters applications towards the end of 2019 / early 2020. It is estimated that reserved matters approval will be obtained by around summer 2020 allowing enabling works and access works at the site to commence the same year.

It is expected that the site will start to deliver dwellings around Q3 2020, within the first five years of the plan period (1st April 2017 – 31st March 2022). This could include 25 completions on land immediately south of the Taylor Wimpey development at Polesworth (south of Grendon Road) via an extension of the access road on land owned by The Whites, and 25 completions at the southern end from the A5 on land owned by the CCE. This is based on a six month period from October 2020 to March 2021 at a delivery rate of 50 dwellings per annum with one outlet each on the CAP and CCE sites.

Delivery will increase from year 6 with the opening of more outlets. It is anticipated that from year 6 there will be 4 outlets across the whole site each delivering 50 dwellings per annum, which provides a combined delivery rate of 200 dwellings per annum. This will mean that between years 6 – 15 of the plan period the site will deliver 1850 dwellings. It is expected that the site will be complete by 2032 delivering at least 2000 dwellings.

Polesworth and Dordon Strategic Site	No. of units expected	First 5 years	5 – 10 years	10 – 15 years
	2000 minimum	1 st April 2017 – 31 st March 2022	1 st April 2022 – 31 st March 2027	1 st April 2027 – 31 st March 2032
	CC south of Dunns Lane – 75 CAP northern part of allocation – 75 Land south of The Beeches, Laurel Avenue, Polesworth – 31 units in	CAP/White – 492 CC – 493 Total – 985	CAP/White – 417 CC – 417 Total – 834	

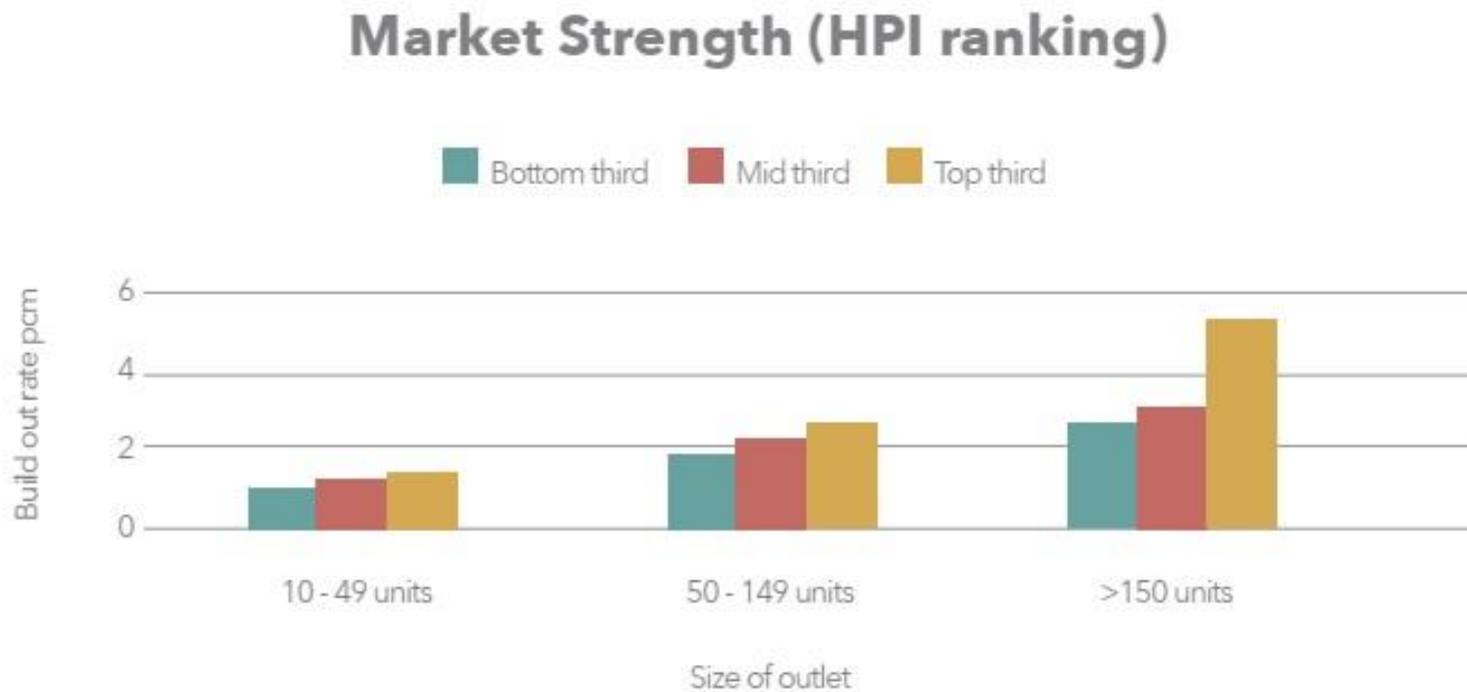
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		Table 2	Total – 181	
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Years 1 – 5					Years 6 – 10					Years 11 - 15					Year 16
2017 – 2018	2018 – 2019	2019 – 2020	2020 – 2021	2021 – 2022	2022 – 2023	2023 – 2024	2024 – 2025	2025 - 2026	2026 – 2027	2027 – 2028	2028 – 2029	2029 - 2030	2030 - 2031	2031 – 2032	2032-2033
	15	16	50	100	197	197	197	197	197	166	166	166	166	170	

“Reversing the decline of small housebuilders” HBF - January 2017

Table Extract – Market Strength impact on build rates.



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Appendix 3

Information on Expired Dwellings since 2011

Table 1: Number of expired dwellings per annum

<i>Year</i>	<i>No. of dwellings with planning permission</i>	<i>Number of dwellings expiring during year</i>	<i>Number of dwellings expiring shown as a % of total dwellings with planning permission</i>
2011/12	733	9	1.23
2012/13	827	10	1.21
2013/14	1006	69	6.86
2014/15	1020	77	7.55
2015/16	1056	19	1.8
2016/17	1135	23	2.03
2017/18	1306	10	0.77
Total	7083	217	3.06
Average no of windfall			

Table 2: Details of expired housing sites with the number of units

EXPIRED SITES IN 2011/12	
60, High Street	2
Dunton Stables, Marston Lane	1
68 North Street, Atherstone	1
Rear of 92-94 High Street, Coleshill	3
Land adj 9 Green Lane, Grendon	1
TOTAL	9

EXPIRED SITES IN 2012/13	
Land rear of 113-121 Long Street, Dordon	3
Rear of 35 & 36 Springfield, Coleshill	1
Little Brook Farm, Ansley	1
6 Church St, Atherstone	3
1/2 Orchard Cottages, Atherstone	2
Total	10

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EXPIRED SITES IN 2013/14		
Yew Tree Cottage, Hawkeswell Lane, Coleshill B46 3JQ	1	
Wantage Road, Grimstock Hill, Coleshill	1	
Slacks Farm, Pipers Lane, Ansley	1	
Land adjacent to the Dog Inn Public House, Marsh Lane Water Orton, B46 1NW	31	Discovered it is village green from 1960's
Former Michael Drayton Middle School, Church Road, Hartshill	35	
Total	69	

EXPIRED SITES IN 2014/15		
Nursery Farm Barn, Ansley Common	2	
Ivy House, Taverners Lane, Atherstone CV9 2BA	14	Business stayed in use
Land adj to 3 St Nicholas Estate, Baddesley Ensor	1	
Land adj 18 Newlands Road, Baddesley Ensor	1	
Kerrycroft, Coventry Road, Kingsbury B78 2LJ	1	
Caldecote Hall Industrial Estate, Caldecote Hall Drive, Caldecote CV10 0TW	4	
157-159 (Atherstone Garage), Long Street, Atherstone	40	
Bridge House, Coleshill Road, Atherstone CV9 2AD	14	
TOTAL	77	

EXPIRED SITES IN 2015/16		
Achray, Coventry Road, Kingsbury, Tamworth B78 2NP	4	
12 Fosters Yard Hotel, Market Street, Polesworth	12	
Holly Cottage, Pooley Lane, Polesworth B78 1JD	3	
TOTAL	19	

EXPIRED SITES IN 2016/17		
The Vicarage, Newlands Road, Baddesley	2	
Land at 8 Potters Lane, Polesworth	1	
Hollies Cottage, Church Rd, Dordon	1	
Poplars Yard, New Road, Shuttington	5	
Homer House, Kingswood Avenue, Corley	1	
Reynolds Cottage, Square Lane, Corley	1	
91 Ratcliffe Road, Atherstone	4	
United Reformed Church, Keys Hill, Baddesley Ensor	4	
Land adjacent to 1 Ivyleigh Villas, Church Lane, Shuttington B79 0EB	1	
75 Coleshill Road, Hartshill CV10 0NZ	1	
30 & Ivydene, Grendon Road, Polesworth B78 1HB	1	
Cow Lees Cottage, Astley Lane, Bedworth CV12 0NF	1	
TOTAL	23	

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EXPIRED SITES IN 2017/18	
Slacks Farm, Pipers Lane, Ansley	1
Grendon Boarding Kennels	5
Nether Cottage, 72 Coton Road, Whitacre heath	1
Kingsbury Mile, Nether Whitacre	1
Heathland Farm, Nether Whitacre	2
TOTAL	10