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23657/A3/DH/ac

26th June 2014

Dear Mr Barber,

**WARWICK DISTRICT LOCAL PLAN – PUBLICATION DRAFT
RESPONSE ON BEHALF OF VARIOUS CLIENTS**

We are instructed by a Client Group comprising house builders and developers to submit representations to the Warwick District Council Local Plan – Publication Draft 2011-2029. The Client Group have major land interests both within Warwick District and across the wider Coventry and Warwickshire Housing Market Area (HMA) and therefore welcome the opportunity to comment on the Publication Draft of the Local Plan. For your information this Consortium includes (in alphabetical order):

- Barratt & David Wilson Homes
- Bloor Homes Midlands
- Catesby Property Group
- Crest Strategic Projects
- Hallam Land Management
- Richborough Estates
- Taylor Wimpey
- William Davis

Scope of Representations

As required at the Publication stage of the Plan Making process, representations to this Plan are to be focussed on whether or not the Draft Plan is legally compliant in respect of the Duty to Co-operate (DtC), and whether it satisfies the Tests of Soundness.

Whilst individual members of the Consortium have site specific interests within Warwick District and/or elsewhere within the wider Coventry and Warwickshire HMA, Barton Willmore has been instructed to review matters solely in relationship to the strategic matter of housing and specifically the Objective Assessment of Need (OAN) in the HMA – these representations therefore relate specifically to Policies DS6 and DS20 of the Publication Draft Local Plan. As such, these representations provide an overarching, high level focus on such matters that may be supplemented

by individual Consortium members via separate, site specific representations where necessary, drawing on the findings of the evidence which accompanies this submission.

National policy and guidance clearly states the importance of objectivity in the assessment of housing requirements and emphasises the need for plans to be positively prepared in order to achieve aspirations for growth. In doing so, authorities are required to clearly understand housing needs in their area and that to do this, they will need to prepare a SHMA in conjunction with neighbouring authorities where housing market areas cross administrative boundaries. This evidence should then be used by the relevant authorities to work collaboratively so that the identified housing needs across the HMA can be met in full, and where these cannot be met wholly within an individual local authority, that provision is made for these to be met elsewhere within the HMA.

It is acknowledged that following the withdrawal of the Coventry Core Strategy in 2013, issues regarding housing need and where this should be located within the wider HMA are critical to the delivery of sound and legally compliant Development Plans. A strategic and collaborative approach to this matter, as required by the National Planning Policy Framework (NPPF) and the Planning Practice Guidance (PPG), is therefore essential. Our Clients are therefore keen to work constructively with the Council and the wider HMA to assist them in delivering a sound strategy for the delivery of new housing that meets objectively assessed needs in a logical and comprehensive manner, ensuring full compliance with national policy and guidance.

In order to help inform these representations, Barton Willmore was commissioned by the Consortium to prepare an Objective Assessment of Need (OAN) for housing development across the Coventry and Warwickshire HMA, in accordance with the NPPF and PPG. The study, which accompanies these representations, uses POPGROUP which is an industry standard demographic model to forecast population, households and the labour force to provide a detailed, up to date analysis of key socio-economic and housing market data to place the study's findings into context and set out a comprehensive assessment of housing need.

The nature of our representations therefore seek to identify the OAN for the HMA to determine whether the quantum of new housing proposed within the Plan will be sufficient to meet the District's housing need during the Plan Period. In addition, having established the OAN within the HMA, we also consider whether the Plan satisfies the DtC, taking account of the housing need within the wider HMA and what provision is made within the Plan to help meet the potential unmet need that may arise from neighbouring authorities.

In summary, the key headline findings of the Study demonstrate that the minimum recommended housing target for the HMA is at least **5,100 dwellings per annum** – a total of **102,000 dwellings** during the period 2011-2031. This compares with the Coventry and Warwickshire Joint SHMA (2013) that recommends a figure of **3,750 dwellings per annum**. Whilst our recommended minimum housing figure is significantly above that identified within the Joint SHMA, the Study demonstrates that by adopting this figure, it would enable:

- Demographic need to be met;
- Forecasted economic growth to be accommodated (particularly those identified by the Coventry and Warwickshire LEP);
- Sufficient affordable housing to be supplied; and
- A significant contribution made towards addressing adverse market signals.

In respect of Warwick District, the Study demonstrates a minimum requirement for **900 dwellings** per annum or **18,000 dwellings** over the period 2011-31. Again, this is above the target of **720 dwellings per annum** currently proposed within the Draft Plan.

Notwithstanding the Study's findings in respect of both the HMA and Warwick District, it is also relevant to note that distribution within individual authorities within the HMA will be informed further by the extent to which Coventry City's housing supply is constrained, meaning that any

unmet need will be required to be accommodated within the other authorities within the HMA. In addition, whilst beyond the scope of the Study, it is possible that authorities within the Coventry and Warwickshire HMA will also be asked to accommodate growth resulting from any shortfall of housing capacity in Birmingham.

We now turn to consider the findings of the enclosed Coventry Sub Regional Housing Study in the context of Warwick District and the following issues:

Soundness of the Plan

Policy DS6 of the Publication Draft Plan states that the Council will provide 12,860 new homes between 2011 and 2029, noting in the supporting text that this has been informed by the preparation of the Joint Coventry and Warwickshire SHMA (2013). The supporting text goes on to confirm that this level of housing will enable the Council to meet its Objectively Assessed Need for housing.

The need for the production of the Joint SHMA arose following the withdrawal of the Coventry Core Strategy. We therefore welcome the fact that the Council have participated in the production of an up to date SHMA with neighbouring authorities in order to have a clear understanding of housing needs across the HMA, as advised by paragraph 159 of the NPPF. The Joint SHMA identifies an overall requirement for 3,750 homes per annum within the HMA over the period 2011–31, which for Warwick District equates to 720 dwellings per annum (2011-2029) and is the figure the Council are currently planning for within Policy DS6.

Notwithstanding the fact that an up to date SHMA has been produced, a number of concerns about the SHMA's projection scenarios are raised at paragraphs 4.4 to 4.26 of the enclosed Study, as summarised below:

- 1) **Headship Rates** – other than for one scenario (PROJ 1 (SNPP)), sensitivity scenarios based on alternative headship rates are not presented in the SHMA. It is considered that these should be provided for all scenarios to provide the potential range of growth across the range of scenarios tested.
- 2) **Migration Assumptions** – more up to date migration assumptions from January 2014 show significantly higher trends, which have the potential to show significantly higher growth in households.
- 3) **Economic Growth** – the SHMA uses January 2013 Experian forecast data, which have been superseded by five subsequent quarterly job growth forecasts, all of which have been published since the UK economy has improved significantly. Using more up to date forecasts has the potential to show higher economic led household growth.
- 4) **Market Signals** – whilst the SHMA provides a significant level of detail in respect of market signals, it appears that no uplift has been made to respond to worsening trends as advised by national guidance, with the SHMA's conclusion recommending overall housing need of 3,750 dwellings (PROJ 1A – Midpoint Headship scenario).
- 5) **Affordable Housing Need** – the SHMA identifies a requirement of 1,356 dwellings per annum, which could not be delivered from the 3,750 overall dwelling per annum recommendation at current affordable housing quotas. A small upward adjustment of circa 10% would accommodate assessed need at current affordable housing quotas as stipulated in local planning policy.

Since the publication of the Joint SHMA, the Coventry and Warwickshire LEP (CWLEP) published its Strategic Economic Plan (March 2014), which sets out the economic growth ambitions for the LEP area which includes Warwick District. Key to this is the delivery by 2031 of:

- 75,000 to 76,000 new homes (Based on the Joint SHMA 2013)
- 94,500 new jobs (based on a Cambridge Econometrics Forecast)
- 250 ha of additional employment land, or 292 ha in order to achieve a higher growth scenario (Employment Land Review 2014)

Such issues raised above in respect of the Joint SHMA, have been analysed in detail within the enclosed Coventry Sub Regional Housing Study. The methodology employed is in keeping with the NPPF and PPG and involves 7 stages:

- Stage One: Demographic-led 'Starting Point' Forecast
- Stage Two: Testing Capacity for Economic Growth
- Stage Three: Stage Three – Economic-led Forecast
- Stage Four: Testing for Affordable Housing Provision
- Stage Five: Adjusting for Market Signals
- Stage Six: Addressing the Unmet Need from Birmingham
- Stage Seven: Recommendation

Whilst we do not propose to repeat in detail the findings of the Study, a summary of the Study's Modelled Scenarios as set out at Table 8.14 is provided below.

	Recommended Housing Target (per annum)	Recommended Housing Target (total)
Coventry	1,350	27,000
North Warwickshire	500	10,000
Nuneaton & Bedworth	800	16,000
Rugby	750	15,000
Stratford-on-Avon	800	16,000
Warwick	900	18,000
C&W HMA	5,100	102,000

On the basis of the analysis that has been carried out, it is recommended that that **5,100 dwellings per annum** is planned for across the HMA for the period 2011-31, based on an economic-led modelling scenario underpinned by the Cambridge Econometrics/CWLEP employment forecasts, and which closely matches the Long Term Net Migration-based demographic-led forecast at HMA level. The Study highlights that by adopting a lower housing figure than recommended, local authorities run the risk of exacerbating market dysfunction in relation to market signals and affordable housing delivery, as well as stymieing the ambitious plans of the CWLEP for economic growth and job creation which is reliant on sufficient new housing delivery if its ambitions are to come to fruition.

In respect of Warwick District, this would translate to a recommended housing target of **900 dwellings** per annum or **18,000 dwellings** over the period 2011-31.

We also draw attention to paragraphs 8.49-8.51 of the Sub Regional Study which note that the recommended housing target for Coventry falls below its Demographic-led assessment of need, but in excess of its most recently proposed dwelling target of 669 dwellings stated in the Draft Local Plan withdrawn in April 2013. However, in effect, Coventry's basic demographic needs would be distributed to other HMA authorities, meaning that the employment growth ambitions of all six HMA authorities are supported at the same time as demographic need being accommodated. Based on

the extent to which Coventry's housing supply is constrained, any further unmet need would be required to be met within the other authorities in the HMA under the DtC.

Assessment of Soundness

Guidance at paragraph 182 of the NPPF identifies the four tests of Soundness as being:

- Positively prepared;
- Justified;
- Effective; and
- Consistent with national policy.

We assess the Publication Draft Plan against each of these below:

Positively Prepared

The NPPF states that for a plan to be positively prepared it should be based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development.

The Sub Regional Study submitted on behalf of the Consortium assesses the overall housing need within the HMA and concludes that the level of need is 102,000 dwellings over the period 2011 to 2031. For Warwick District, this translates to a housing requirement of 900 dwellings per annum, which is larger than that identified within the Draft Plan.

Furthermore, as has been known for some time and as supported by various evidence base documents, it is unlikely that Coventry City will be able to accommodate all of its objectively assessed housing needs within its own administrative area. However, no specific allowance has been made for this within the Plan's housing target. Most latterly, following the publication of the Joint SHMA, this issue is again highlighted in the Coventry and Warwickshire Duty to Cooperate Statement that forms part of the evidence base to the Draft Plan, which notes at paragraph 1.2:

"A significant risk to the delivery of the Housing Market Area's (HMA) Objectively Assessed Need (OAN) is whether each of the Councils within the HMA have sufficient site capacity within the boundaries to deliver their identified OAN. In particular there is a significant risk that Coventry City Council will not be able to accommodate 23,600 dwellings (1,180 dwellings per annum) within the City boundary"

For the reasons stated above, we consider there to be a number of deficiencies within the Joint SHMA that call into the question the accuracy of the objectively assessed need within the HMA. We consider that the Sub Regional Study seeks to address these deficiencies and is more up to date with regard to the use of the latest demographic and population projections. Furthermore, in view of the long acknowledged issues regarding the ability of Coventry City to accommodate all of its own housing needs within its administrative boundary, no allowance has been made by the Draft Plan to take account of helping to meet some of its neighbouring authorities unmet needs. In light of this, we conclude that the Plan is not positively prepared as the proposed strategy would not meet the objectively assessed needs of the HMA over the Plan Period.

Justified

To be justified, the NPPF states that the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence. We do not consider that the Plan is justified as the Council are not planning for the correct level of objectively assessed need and that consequently the proposed strategy is not the most appropriate one. As demonstrated by the Sub Regional Study, there are a number of deficiencies within the Joint SHMA

that require further assessment if the current evidence base is to be considered robust and up to date. Failure to do so and continuing with the proposed housing requirement set out at Policy DS6 of the Plan could result in the unmet needs of Warwick having to be accommodated in adjoining authorities. This could have knock-on effects on these authorities being able to accommodate their own objectively assessed needs, particularly those of Coventry City for instance.

Effective

The NPPF states that for a plan to be effective, it should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities. Whilst we deal with issues relating to the Duty to Cooperate later in this submission, it is clearly acknowledged that Coventry City will need to look to adjoining authorities to help accommodate its unmet housing needs. The Council's strategy as currently drafted makes reference to addressing this in the future but without providing a firm commitment to how and when this will be achieved. We do not consider that this is a sound approach and could result in the unmet housing need arising from Coventry not being met elsewhere within the HMA.

Consistent with National Policy

The NPPF states that the plan should enable the delivery of sustainable development in accordance with the policies in the Framework. In light of the assessment of the Plan as set out above, we do not currently consider that it is positively prepared, justified or effective and that in light of these current shortcomings, we do not consider that it is therefore consistent with National Policy.

In conclusion, for the reasons detailed above, we do not consider that the Publication Draft Plan is sound. In order to address our concerns and make the Plan sound, we consider it is necessary to reassess the objectively assessed level of housing need in light of the findings of the Coventry Sub-Regional Study submitted by the Consortium, which indicates that the Council should be planning for a minimum of 900 dpa / 18,000 dwellings over the period 2011 to 2031. This does not however take account of any potential unmet needs that may need to be accommodated within the District arising from elsewhere within the HMA (i.e. Coventry City) and those that may arise from outside the HMA (i.e. the Birmingham HMA).

Duty to Cooperate

Section 110 of the Localism Act 2011 amended the Planning and Compulsory Purchase Act 2004 to introduce a "Duty to Cooperate" for local planning authorities in terms of the preparation of a development plan document as far as it relates to a strategic matter, which came into force in November 2011. Subsequently, the Government published the National Planning Policy Framework, which reinforces the Duty to Cooperate and requires local planning authorities to work collaboratively to ensure strategic priorities across administrative boundaries are properly co-ordinated and reflected in development plan documents.

The failure of Coventry City Council to effectively operate the Duty to Cooperate when preparing their Development Plan resulted in it not being found legally compliant. Furthermore, as a result of this, it is acknowledged that the other local authorities in Warwickshire have begun working more closely in relation to the consideration of housing issues across the HMA and meeting objectively assessed needs. Clearly, the preparation of a Joint SHMA is evidence of these joint working arrangements and would indicate that progress is being made on the Duty to Cooperate. Similarly, the fact that the Publication Draft Local Plan also includes **Policy DS20 Accommodating Housing Need Arising from Outside the District**, which specifically seeks to address the issue confirms that cross boundary working is required and subject to evidence that the unmet needs of one authority must be met, that Warwick District will look to accommodate some of these needs.

Whilst we are therefore generally supportive of the sentiment that the Council are expressing in Policy DS20, we do not consider that it goes far enough. The PPG makes it clear at paragraph 011 of Section 9: 'Duty to Cooperate' that:

“Cooperation should produce effective policies on cross boundary strategic matters”

And goes on to state that:

“Local planning authorities should bear in mind that effective cooperation is likely to require sustained joint working with concrete actions and outcomes.” (Our emphasis)

(ID: 9-011-20140306)

We do not consider that part C of Policy DS20 constitutes a ‘concrete action or outcome’ as the Council are effectively deferring the identification of suitable sites to meet the needs of an adjoining authority, if evidence of this arrives, until a future date which will be informed by a review of the Local Plan. There is a long-standing acknowledgement that Coventry will not be able to meet its own needs within its administrative area and will therefore require adjoining authorities to accommodate some of its housing, as most recently highlighted in the Coventry and Warwickshire Duty to Cooperate Statement that forms an evidence base to the Draft Plan. If it is known that Coventry will not be able to meet its own needs, we consider that the further joint working amongst the relevant authorities should be taking place now rather than at some unknown point in the future. The guidance at paragraph 016 of the PPG acknowledges that where Local Plans are not being brought forward at the same time, local planning authorities should consider the use of formal agreements with each other to demonstrate a jointly agreed strategy on cross boundary matters. The guidance advises on the content of such statements as follows:

“Such agreements should be as specific as possible, for example about the quantity, location and timing of unmet housing need that one authority is prepared to accept from another authority to help it deliver its planning strategy.” (Our emphasis)

(ID: 9-016-20140306)

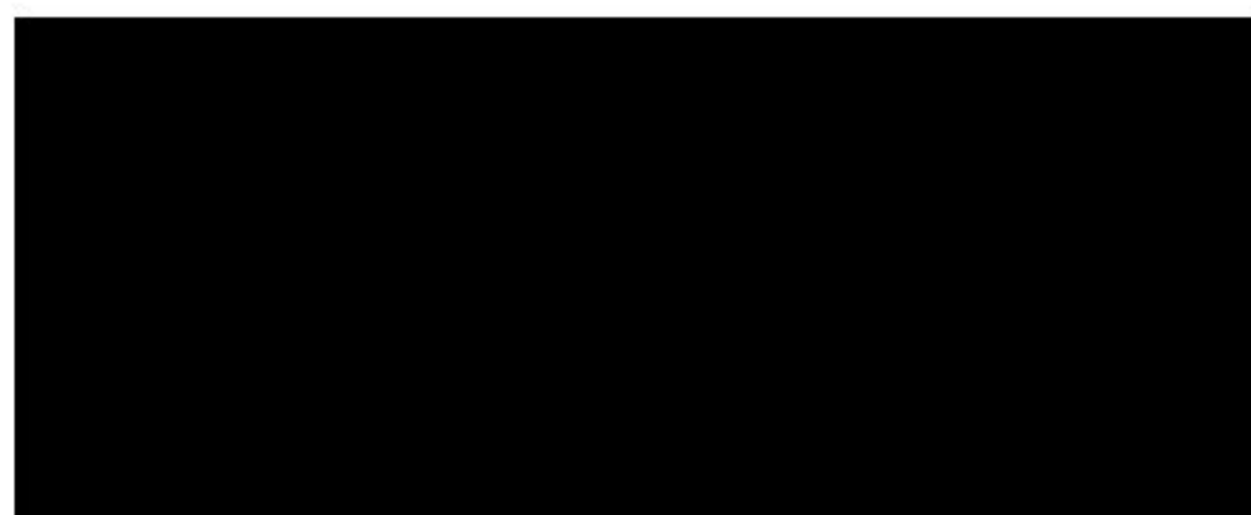
The guidance concludes that such agreements will help Inspectors at Examination see firm evidence of the Council’s compliance with the duty. We therefore query whether such an agreement is currently in place, or whether the Council intend to enter into such an agreement. Without such a firm commitment or the signing of a formal agreement we do not consider that the Council will be able to demonstrate full compliance with the duty to cooperate.

Notwithstanding our concerns about effective cooperation between authorities within the same HMA, the Council also acknowledge at paragraph 2.87 of the Draft Plan that there may be a shortfall in housing land arising from outside the HMA and in particular from the Greater Birmingham area, that may need to be addressed within the Coventry and Warwickshire HMA. Barton Wilmore was commissioned to undertake a similar Sub-Regional Housing Study for the Birmingham HMA in February 2014, which was submitted to the emerging Birmingham Development Plan (this Study is now in the public domain, but a copy can be provided on request). This indicated that the level of unmet housing need from Birmingham City has been significantly underestimated and rather than approximately 33,000 dwellings needing to be accommodated elsewhere within the Birmingham HMA, it was more likely to be between 84,000 and 102,000 dwellings, therefore leaving a significant level of unmet housing need that is to be met in other authorities within the HMA or the wider region. This demonstrates a wider housing issue that may well have an impact on the level of housing that will need to be met by authorities within the Coventry and Warwickshire HMA, and again is referred to in the Coventry and Warwickshire Duty to Cooperate Statement. Whilst the Council acknowledge that they may need to address this, again no firm commitment is made as to how this will be achieved. We reiterate the national guidance outlined above which requires concrete actions and outcomes, and again feel that this intention to work together falls short of what is required.

The enclosed Sub Regional Housing Study provides an assessment of OAN within the Coventry and Warwickshire HMA. This provides robust and up to date evidence that the level of housing need is higher than that identified in the Joint SHMA, the implication being that the housing target for the District will need to be increased. Furthermore, the issue of cross boundary working and potentially meeting the needs of other local authorities within the HMA has not in our view been fully addressed, leading us to conclude that the duty to cooperate has not been complied with. Whilst the Council have engaged with other local authorities in preparing a Joint SHMA, we do not consider that this in itself discharges the duty to cooperate, and that having identified the scale of provision needed, a firmer commitment or agreement between the requisite authorities is now needed to address how the future housing needs of the HMA can be effectively accommodated in full, as required by national policy and guidance. This should be undertaken prior to the Plan being submitted for Examination if the Plan is to be found legally compliant in respect of the Duty to Cooperate.

We trust that you take the views of the Consortium into consideration and we would be willing to meet with you and discuss the findings of the Consortium's Study and the implications of this with you, prior to submitting the Plan for Examination. Clearly, if common ground can be achieved between the Council and the Consortium on these matters, this would be of significant benefit to all concerned, particularly in avoiding unnecessary cost and delay in bringing forward an appropriate Plan for the District. In the meantime, if you have any questions or would like to discuss our representations in further detail, please do not hesitate to contact me.

Yours sincerely,



DANIEL HATCHER
Director

Enc. Coventry Sub Regional Housing Study (June 2014)

cc Members of the Consortium (w/enc)

- Barratt & David Wilson Homes
- Bloor Homes Midlands
- Catesby Property Group
- Crest Strategic Projects
- Hallam Land
- Richborough Estates
- Taylor Wimpey
- William Davis