

Warwick District Local Plan – Modifications

Part B - Your Representations

Please note: this section will need to be completed for each representation you make

7. Please give details of why you consider the Proposed Modifications to the Submission Warwick District Local Plan are not legally compliant or are unsound. Please be as precise as possible. If you wish to support the legal compliance or soundness of the Proposed Modifications, please also use this box to set out your comments.

4. To which proposed Modification to the Submission Plan or the updated Sustainability Appraisal (SA) does this representation relate?

Modification or SA:

Mod. Number: 4 and 5

Paragraph Number Policy DS6 Level of Housing Growth, replacement para 2.20

Mod. Policies Map

Number:

5. Do you consider the Local Plan is :

5.1 Legally Compliant? Yes

5.2 Sound? Yes / No NO

6. If you answered no to question 5.2, do you consider the Proposed Modification is unsound because it is not:

(Please tick)

Positively Prepared: ✓

Justified: ✓

Effective: ✓

Consistent with National Policy: ✓

7. Please give details of why you consider the Proposed Modifications to the Submission Warwick District Local Plan are not legally compliant or are unsound. Please be as precise as possible. If you wish to support the legal compliance or soundness of the Proposed Modifications, please also use this box to set out your comments.

Modifications 4 and 5 propose 16,776 houses be built in Warwick District between 2011 and 2029. Para 2.20 gives the basis of this figure, the updated Coventry-Warwickshire SHMA dated Sept 2015.

The SHMA prepared by G L Hearn¹ was intended to be an objective assessment of housing need in Coventry and Warwickshire. While it purports to follow government guidance, it has the following serious defects which fatally undermine its credibility:

- As a general rule, only organisations with a vested interest in increasing housing provision from its already very high level have been consulted. Those who are able to take a more detached and balanced view were conspicuously excluded. The local authorities themselves have a strong incentive to push house building rates higher and higher thanks to the New Homes Bonus.
- While the terms of reference for the study are reasonably objective, a wealth of e-mail correspondence between the local authorities and the consultants (released under the Freedom of Information Act²) suggests that there was a good deal of manipulation behind the scenes.
- The study uses ONS population and household projections as the baseline for its work, but treats them as if they were forecasts. On the contrary, ONS say³ “The population projections have limitations. They are not forecasts and do not attempt to predict the impact that future government policies, changing economic circumstances or other factors (for example, government policies on immigration or student fees) might have on demographic behaviour..... As a forecast of the future population they would inevitably be proved wrong, to a greater or lesser extent..... Projections become increasingly uncertain the further they are carried forward into the future’. Hearn has fundamentally erred in treating the projections as forecasts and failing to consider how the policies or other factors that underlie them may change in future. They assume (paragraph 3.34) that uncertainty is mainly attributable to inadequacies in base data, but the effects of future changes in societal trends and public policy are likely to be far more influential. The SHMA never faces up to these issues.
- There is an unexplained anomaly in the use of the projections. The difference from the 2011-based to the 2012-based projections for the HMA is a decrease of 127 dwellings per annum. However, in Hearn’s work this results in an increase of between 472 and 572 dwellings per annum⁴. The consultants do not adequately explain this apparent conflict.
- The approach is based on the implicit assumption that new dwellings will meet existing and future housing needs, but this is not the case. Almost 90% of the private housing market involves existing, not new, housing stock. With the exception of starter homes, the great

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2015

□ Updated Assessment of Housing Need: Coventry – Warwickshire HMA, G L Hearn, September

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□ Correspondence released to Councillor Keith Kondakor, Nuneaton and Bedworth Borough Council

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□ ONS National Population Projections, 2014-Based Statistical Bulletin - Introduction

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□ ‘Critique of West Midlands Housing Needs Assessments’ – Alan Wenban-Smith, January 2016, para 3.3

majority of new dwellings are bought by existing home owners. Except in the very long term, prices are insensitive to the volume of new house building⁵ and the market is not effective in ensuring that newly arising housing needs are met.

- The study explores a very wide range of scenarios in its attempts to quantify Objectively Assessed Need⁶ but fails to critique the underlying methodologies of the different models in which it places its faith. The study plumps for single figures within the range of possible outcomes (often towards the upper end of the range) that are arbitrary or poorly justified. The eventual recommendation that 4,272 dwellings per annum should be built in Coventry and Warwickshire seems to be a black-box generated number instead of being backed up by credible analysis at each step in the process.
- The ‘part return to trend’ on headship rates is poorly explained and justified. It is far from certain yet whether the cessation of the fall in average household size in recent years is just a ‘blip’ or the ‘new normal’⁷. The factors likely to influence this lead in different directions and give different outcomes. The consultants assume that a reduction in average household size will resume, but there is very little evidence for this;
- The economic forecasts used by Hearn give widely divergent results. The fact that they are based on past development trends is a major weakness, particularly as only a short, probably unrepresentative period has been considered. They also lack explicit assumptions about the productivity relationship between GVA and job growth. Yet the Local Enterprise Partnership is trying to attract high tech and high value added jobs, which would result in a lower number of jobs for a given level of GVA;
- The Strategic Employment Land Study is based on very arbitrary assumptions and data and has not been subjected to critical analysis. The ‘talking up’ of Coventry’s employment prospects in section 4 of the study is very speculative, verging on wishful thinking, and the whole OAN is consistent with a rose-tinted view of economic prospects in Coventry and Warwickshire, bearing in mind past lower than national growth rates and skills shortages⁸. Hearn have suggested upward adjustments to OAN in some areas in relation to economic prospects, but do not seem to have considered downward adjustments in other areas.
- The equation made between jobs and people is over-simplistic, as are the assumptions about commuting. Commuting patterns change over time and it should be one of the objectives of a plan to reduce longer distance commuting in the interests of sustainability. Conversely however this plan itself is likely to lead to significant increases in commuting (see Section 6

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□ Alan Wenban-Smith – see above – paras 3.16ff

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□ Typically twelve different values. There is no clear scientific basis for choosing any of these forecasts over the others.

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□ ‘Critique of West Midlands Housing Needs Assessments’, Alan Wenban-Smith, January 2016,

Chapter 2

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below). The assumption that the commuting rate will remain as in 2011 is therefore naive and lacks any credibility.

- Much of the increase in population in Coventry over the past ten years or so appears to be related to the growth in student numbers in the city. A huge amount of development of student accommodation has taken place. The SHMA never properly addresses this issue. It fails to consider whether and to what extent these trends are likely to continue into the future; or the extent to which students require separate housing provision (as opposed to living in halls of residence or shared accommodation). Why should there not be a ‘partial return to trend’ on this issue, as on headship rates?
- International migration is mentioned in section 3, but there is no discussion of whether past trends are likely to continue. The Government is under intense political pressure on this and has maintained its target of lowering net in-migration by more than half. The outcome of the EU referendum is also likely to have a bearing on international migration. In recent years, Coventry has taken more than its fair share of in-migrants. There is no reason to think that in-migration to the city can or will continue at anything like recent levels. In Warwick District, net migration (including international migration) has varied greatly from year to year since 1995 and is inherently unpredictable. A further problem is that net migration is influenced by housing and employment provision so there is an element of circularity in any forecast of the future which is based on past trends;
- The relationship between affordable housing and overall housing need is never convincingly established by the study. Affordable housing should be a sub-set of overall need, not an ‘add-on’, so Hearn’s upwards adjustment of OAN to take account of affordability appears unjustified. It is also debatable whether ‘affordable housing’ is affordable in practice to many new households. There is no evidence that Hearn has taken sufficient account of recent changes in government policy.

The SHMA is a seriously flawed piece of work that should not have been used without critical analysis. At best the resultant Objectively Assessed Need is subject to great uncertainty; at worst it is not credible at all.

Defects in the Way the SHMA Has Been Interpreted and Used

Government guidance is that Objectively Assessed Need should be a starting point for assessing what housing provision should be. In a letter in December 2014⁹, the then minister said ‘A Strategic Housing Market Assessment is just the first stage in developing a Local Plan and councils can take account of constraints that indicate that development should be restricted.... The outcome of a Strategic Housing Market Assessment is untested and should not automatically be seen as a proxy for a final housing requirement in Local Plans.....Councils will need to consider Strategic Housing Market Assessment evidence carefully and take adequate time to consider whether there

⁹ ‘Critique of West Midlands Housing Needs Assessments’ – Alan Wenban-Smith, January 2016 para 3.8.

⁹ Letter from Brandon Lewis, Minister of State for Housing and Planning to the Planning Inspectorate, 19 December 2014

are environmental and policy constraints, such as Green Belt, which will impact on their overall final housing requirement.’ Unmet needs from neighbouring authorities should be met ‘where it is reasonable to do so and consistent with achieving sustainable development’¹⁰.

The local authorities in their so-called Memorandum of Understanding¹¹ and Warwick District Council in its plan¹² have taken a lemming-like approach which is directly at odds with this policy. They have decided without adequate explanation that Hearn’s Objectively Assessed Need of 4,272 dwellings per annum (already an artificially high figure) should be increased still further to a housing target of 4,408. The only further changes they have considered relate to its distribution between local authority areas. As a result, the Hearn approach and its results have not been subjected to any critical analysis whatsoever and the uncertainty that runs right through the study has simply been ignored. It is sheer folly to pick out a single figure and stick to it come what may. Such an inflexible approach is certain to be found wanting as the implementation of the plan unfolds. Meanwhile a great deal of damage will have been done. The position is even more serious because the modification to policy DS20 opens the door for even further housing development in future to meet unspecified housing needs in other areas.

Coventry is deemed to be able to accept only 1230 (64%) of its OAN of 1930 per annum. The remaining 700 is distributed between three Warwickshire districts – Nuneaton and Bedworth, Rugby and Warwick. In Warwick’s case, this results in proposed housing provision of 18,640 over the full twenty year period to 2031, which is over 55% higher than its own OAN. This is an extraordinary and fundamentally unsustainable outcome.

The Warwick District Local Plan (as proposed to be modified) does not explain –

- a. Why Coventry cannot meet more of its OAN;
- b. How the allocation of the excess to other authorities has been decided. The ‘redistribution methodology’¹³ has not been explained or justified;
- c. The account taken of Green Belt, environmental and other policy constraints, both in Coventry and in the surrounding Warwickshire districts, in making this judgement;
- d. The wider effects of ‘transferring’ housing need originating in Coventry to Warwick and other authorities.

The plan also gives little consideration to the density of new housing development or whether intensification of use of the existing housing stock could be achieved without loss of quality in the urban environment. On most development sites, a density of 35 dwellings per hectare has been uncritically adopted, ignoring the variability between sites and their settings and the potential for higher density. By leaving this vital issue unconsidered, it fails to provide adequate justification for the link between the vast quantum of new housing development proposed and the huge land area involved.

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□ National Planning Policy Framework paragraph 182

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□ Memorandum of Understanding endorsed by Warwick District Council on 27 October 2015

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□ See for example paragraph 2.6

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□ Housing Target and Distribution Background Paper, paragraph 2.28

The Warwick Local Plan is therefore fundamentally unsound, quite apart from its unquestioning reliance on a deeply flawed Strategic Housing Market Assessment. The approach taken is, quite simply, indefensible.

Implementation Problems

Government guidance requires the Council to demonstrate the deliverability of the plan¹⁴. The Council do not seem to have asked themselves whether it is realistic to expect 16,776 dwellings to be built in Warwick District between 2011 and 2029.

The Council claim that 1,483 dwellings were completed in the district during the first four years of the plan period – 2011 to 2015: an average of 371 dwellings per annum. The figure given by Wenban-Smith for the same period is much lower than this: 614 dwellings – an average of 154 per annum¹⁵.

The plan requires an average of 932 dwellings per annum to be built over the full plan period, including the first four years. If dwellings built in the first four years are discounted (using the Council's figures), the average for the remaining fourteen years rises to 1,092 dwellings per annum, nearly three times the rate achieved in the first four years (during which the economy was growing). It simply cannot be done.

The Housing Trajectory shows very clearly the unreality of what the Council are proposing. Average completions per annum between 2018 and 2022 are assumed to be some 1,730 per annum, nearly five times the rate achieved in the first four years of the plan. The beginning of this period is a mere two years away.

The plan states that at April 2016 there are already be sites with planning permission for 5,161 dwellings. It is very difficult to believe that all these permissions will actually be implemented during the plan period, though that is apparently what the plan assumes (in contrast, for example, to the Rugby Local Plan which assumes low take-up of existing permissions). In reality, allocating many more sites is likely to reduce the take-up rate on existing permissions still further. Over-allocation on this scale would effectively destroy the planning strategy because the Council would surrender control to house builders over where and when dwellings would be built. Adding an 'element of flexibility' to housing provision¹⁶, taking it up to a grand total of 17,557¹⁷, makes matters even worse.

A figure of 16,776 dwelling completions by 2029 is wholly unrealistic. National and regional studies have shown that the main factor limiting the scale of house building has been the sharp decline in public sector house building. Despite some recent policy announcements, there is little prospect of a significant revival in house building by this sector. Private sector building has been stuck at around 90,000 dwellings per annum nationally since 2008. Overall, housing permissions have exceeded starts by about 50,000 dwellings per annum nationally in recent years¹⁸.

14 □ Planning Practice Guidance – Methodology – Stage 5: Final Evidence Base

15 □ 'Critique of West Midlands Housing Needs Assessments' – Alan Wenban-Smith, January 2016, appendix 1 Table 1A

16 □ Plan Modifications paragraph 2.21

17 □ As above, paragraph 2.36

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So the prospect of 16,776 dwellings being built in Warwick by 2029 are negligible.

Likely Effects of Policy DS6 (as proposed to be modified in Mods 4 and 5)

As a result of this over-provision, the plan's housing proposals will have a wide range of unintended consequences –

- a. The sites that provide developers with the greatest potential profit will tend to be green field sites outside urban areas rather than brownfield sites within them. The momentum behind urban regeneration will therefore be weakened still further and it will become much more difficult to redevelop windfall sites becoming available within the urban area. The Local Plan is right to have made an allowance for windfalls, but the more green field sites they allocate for housing development, the more difficult it will become to 'cash in' windfall sites;
- b. Over-provision of housing will accelerate vacancy rates, dereliction and decay in the existing stock, particularly in the more marginal housing areas;
- c. The displacement of housing from Coventry into Warwickshire will increase longer-distance commuting and lead to greater car dependency. No proper analysis has been done of this vital aspect of the proposals, least of all by the Sustainability Appraisal. Can the road and public transport systems cope with the extra traffic and passengers? With many roads (particularly in towns like Warwick, Leamington Spa and Kenilworth, close to or above capacity already, the strong suspicion must be that the Warwick plan is unsustainable in transport terms;
- d. A more dispersed pattern of development will lead to higher service and infrastructure costs once local capacity thresholds have been exceeded, and will divert severely limited public sector resources away from renewal of services and infrastructure within existing urban areas¹⁹. Developer contributions have never been sufficient to provide necessary supporting services and facilities in their entirety;
- e. OAN at a level not supported by effective demand is particularly destructive of the housing opportunities available to newer, younger and less well-off households: those most likely to be in housing need. New housing will overwhelmingly not be purchased by newer households. It is not valid to assume that a glut of new housing will result in lower prices all round, making the existing stock more affordable to those in housing need. In practice new homes are generally such a small proportion of the total housing stock that they do not have a significant lowering effect on prices;

¹⁹ 'Critique of West Midlands Housing Needs Assessments', Alan Wenban-Smith, January 2016, paras 3.15 and 3.16

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¹⁹ 'Critique of West Midlands Housing Needs Assessments' – Alan Wenban-Smith, January 2016, Chapter 5

- f. Very substantial areas of Green Belt will be lost. Proposed housing development in the plan accounts for some 500 hectares of Green Belt land and much of this is in strategically significant areas where the Green Belt performs vital functions, meeting all or most of the five purposes of Green Belt. It is very revealing that the plan does not make clear that meeting housing needs is not sufficient on its own to constitute the very special circumstances needed to justify inappropriate development in the Green Belt (see below).
- g. Rigid adherence to forecasts gives only the illusion of certainty, inhibiting necessary adaptations to new problems and unforeseen opportunities²⁰. Warwick and the other Coventry and Warwickshire authorities have chosen to adopt a particularly rigid and unresponsive interpretation of present government policy and their proposals are therefore doomed to fail in practice.

These potential impacts of the Warwick Plan's housing proposals render the plan unsustainable and therefore not in compliance with government policy in the National Planning Policy Framework. The plan fails to give sufficient weight to two key aspects of government policy:

- (1) That the presumption in favour of sustainable development does not apply in the Green Belt²¹;
- (2) That need for housing will rarely be sufficient to constitute the very special circumstances required for inappropriate development in the Green Belt. In July 2013, the Local Government Minister Brandon Lewis said that 'The single issue of unmet demand....is unlikely to outweigh harm to the green belt and other harm to constitute the 'very special circumstances' justifying inappropriate development in the green belt'²² This was followed by a DCLG policy statement in October 2014 – 'the local planning authority should prepare a strategic housing land availability assessment to establish realistic assumptions about the availability....of land...and take account of any constraints such as green belt which indicate that development should be restricted and which may restrain the ability of an authority to meet its need'²³. This was in turn reflected in Planning Practice Guidance²⁴. Yet Warwick District Council, along with the other Coventry and Warwickshire authorities, is ignoring this very important strand of government policy²⁵.

The Sustainability Appraisal²⁶ has been updated to reflect the latest modifications to the plan and specifically the huge uplift in housing numbers. However it suffers from a major weakness: that it

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□ As above, para 5.20

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□ National Planning Policy Framework, page 4, footnote 9

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□ Written Ministerial Statement by Brandon Lewis, 1 July 2013

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□ DCLG press release and policy statement, 4 October 2014

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□ Planning Practice Guidance – Housing and Economic Land Availability Assessment – Methodology – Stage 5: Final Evidence Base

25

□ See paragraphs 2.37 and 2.38

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□ Rugby Borough Emerging Local Plan: The Preferred Option – Sustainability Appraisal Report – Land Use Consultants, December 2015

treats the Strategic Housing Market Assessment and the local authority Memorandum of Understanding as givens, without subjecting them to sustainability appraisal in their own right. In general it gives the latest version of the plan much too easy a ride, placing exaggerated faith in mitigation measures and playing down some negative effects because of uncertainty about the exact form development will take. It makes some very questionable individual assessments – eg that the effect of high growth on public transport and community services and facilities will be positive, when experience suggests that provision of these facilities and services almost invariably lags well behind housing development, particularly when that development takes place as rapidly as is envisaged in this plan. A positive assessment of the high growth options against ‘reduce need to travel’ also seems fundamentally misguided when such a high proportion of the proposed development involves meeting Coventry’s housing needs in Warwick District.

It is surprising and disappointing to find that impact on the Green Belt does not feature as one of the sustainability criteria used to appraise the plan and its policies. Green Belt is simply subsumed within the much wider criterion of ‘Prudent Use of Land and Natural Resources’ and it tends to get lost in the process. The appraisal frequently pulls its punches, talking for example about the potential for the loss of Green Belt when the strategy entails certainty of massive Green Belt loss.

Nevertheless the Sustainability Appraisal finds that the two high growth options (900 and 1,000 houses per annum) would have negative effects in relation to six of the sustainability criteria used to assess options. This conclusion is effectively ignored in the plan itself and there is no evidence that it has played any part in the development of the strategy. The Council have wrongly assumed that they have no alternative but to meet so-called Objectively Assessed Need in full, plus the huge uplift to meet Coventry’s excessive housing needs.

CPRE Warwickshire commissioned Alan Wenban-Smith of Urban & Regional Planning to appraise the Coventry and Warwickshire HMA. His full report dated January 2016 is submitted with these representations.

8. Please set out what change(s) you consider necessary to make the Proposed Modifications to the Submission Warwick District Local Plan legally compliant or sound, having regard to the test you have identified at Question 5 above where this relates to soundness. You will need to say why this change will make the Local Plan/Sustainability Appraisal legally compliant or sound. It will be helpful if you are able to put forward your suggested revised wording of any policy or text. Please be as precise as possible.

CPRE Warwickshire’s view remains that given in our 2014 response to the original Local Plan Submission Draft Policy DS6: that housing provision of about 8,000 dwellings 2011-2029 is the amount of new housing required and is as much as is likely to be deliverable, realistic and sustainable.

The Modification should be amended to read “**The Council will provide for approximately 8,000 new homes between 2011 and 2029.**”

This change will make the Local Plan sound, for the reasons given in the response above.

Please note your representation should cover succinctly all the information, evidence and supporting information necessary to support/justify the representation and the suggested changes, as there will not normally be a subsequent opportunity to make further representations. Further submissions will be only at the request of the Inspector, based on the matters and issues he/she identifies for examination.

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9. If your representation is seeking a change, do you consider it necessary to participate at the oral part of the examination?

No, I do not wish to participate at the oral examination
Yes, I wish to participate at the oral examination

10. If you wish to participate at the oral part of the examination, please outline why you consider this to be necessary:

To advance the arguments put in this representation and to respond to statements made by the local planning authority and any development interests taking part

11. Declaration

I understand that all comments submitted will be considered in line with this consultation, and that my comments will be made publicly available and may be identifiable to my name/organisation.

Signed: M A Sullivan for CPRE Warwickshire

Date: 20 April 2016

Copies of all the comments and supporting representations will be made available for others to see at the Council's offices at Riverside House and online via the Council's e-consultation system. Please note that all comments on the Local Plan are in the public domain and the Council cannot accept confidential objections. The information will be held on a database and used to assist with the preparation of the new Local Plan and with consideration of planning applications in accordance with the Data Protection Act 1998.

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