

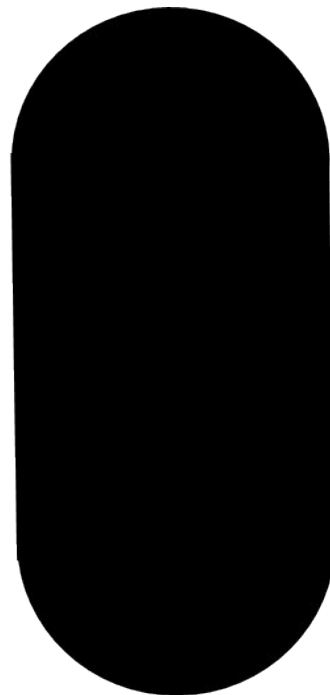
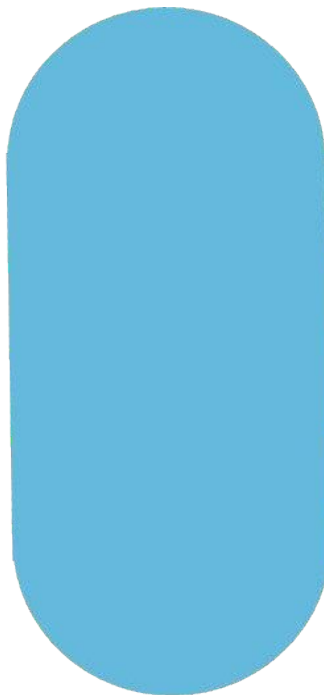


 Part of Shakespeare Martineau

SOUTH WARWICKSHIRE HOUSING NEED EVIDENCE BASE REVIEW

PREPARED ON BEHALF OF HALLAM LAND MANAGEMENT
LIMITED AND RICHBOROUGH ESTATES LIMITED

MARCH 2023





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EXECUTIVE SUMMARY

- i. Planning Practice Guidance (PPG) requires local authorities to undertake an **unconstrained** assessment of housing **need**. This assessment must be completed **before** and entirely **separate** to considering the housing **requirement**.
 - ii. South Warwickshire's Local Plan Part 1 Issues and Options (the Draft Plan) asks whether the Housing and Economic Development Needs Assessment (HEDNA, 2022) assessment of housing need should be used for identifying future levels of housing need across South Warwickshire.
 - iii. The HEDNA proposes a move away from the National Planning Policy Framework's (NPPF) standard method for calculating **minimum** housing need to a revised standard method calculation based on more recent demographic trends. This results in an increase from the standard method **minimum** of 675 dwellings per annum (dpa) to 811 dpa in Warwick, and from 564 dpa to 868 dpa in Stratford-on-Avon.
 - iv. Marrons consider this approach to be a robust scenario to consider, but additional factors such as economic growth, affordable housing, and unmet needs from neighboring authorities (Coventry, Birmingham, and the Black Country) must also be considered in the assessment as PPG states.
 - v. The 2022 HEDNA concludes that 811 dpa (Warwick) and 868 dpa (Stratford-on-Avon) will accommodate forecast job growth based on a range of demographic modelling assumptions. Marrons agree with the assumptions used with the exception of the number of jobs used to determine **economic-led housing need**.
 - vi. The 2022 HEDNA uses Cambridge Econometrics (CE) March 2021 baseline economic growth forecast. However the forecast was prepared during the COVID-19 lockdown and the economic situation in the UK at the time was extremely difficult to predict. The forecast is therefore considered out of date and should be updated.
 - vii. Furthermore, the CE forecast used in the HEDNA forecasts 540 jobs per annum (jpa) in Stratford-on-Avon and 620 jpa in Warwick, 2022-2043. This compares with actual job growth of 2,350 jpa (Stratford-on-Avon) and 1,100 jpa (Warwick) experienced between 2011 and 2019, suggesting that the forecasts prepared during COVID were significantly suppressed.
 - viii. The CE forecasts were also based on 3.6% GDP in 2021 and a 2.8% increase in GDP in 2022. Reference to the ONS' December 2022 GDP monthly estimate report states how GDP is estimated to have grown by 4.0% in 2022, following growth of 7.6% in 2021.
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- ix. Marrons also question whether the future economic potential of businesses such as the University of Warwick, Long Marston Rail Innovation Centre, Wellesbourne Airfield, Jaguar Land Rover/Aston Martin and Stoneleigh Park are considered by the CE baseline forecasts in the HEDNA.
 - x. We would also recommend cross-referencing CE forecasts with Oxford Economics and Experian Economics job growth forecasts to ensure a robust job growth forecast is being used across a range of forecasting houses.
 - xi. The 2022 HEDNA describes **affordable housing need** in South Warwickshire as “*notable*” and states that provision of new affordable housing is an “*important and pressing issue in the area*”. The Draft Plan also states “*the local plan needs to explore ways of significantly increasing the delivery of affordable homes across South Warwickshire.*”
 - xii. Net affordable housing provision 2011-2021 in Warwick District Council (WDC) was 22% to 29% of overall delivery. In Stratford-on-Avon District Council (SADC) it was 30% to 34%.
 - xiii. Against need of 374 affordable dwellings per annum (dpa) determined in 2015, a shortfall of between 1,641 and 2,137 affordable dwellings are evident in WDC. Against need of 233 affordable dpa, SADC has over-delivered its affordable housing.
 - xiv. The 2022 HEDNA calculates **significantly higher** affordable need of 833 dpa in WDC and 547 dpa in SADC. Against this level of need a **significant** shortfall would be evident in WDC and SADC;
 - xv. There are 1,832 households on WDC’s housing register (2021). SADC’s register has 5,412 households in 2021. South Warwickshire has **over 7,000 households** on the register as of 2021.
 - xvi. Overall housing need in WDC would be a **minimum** 2,872 dpa to meet the 2022 HEDNA’s affordable need (833 affordable dpa) if past net delivery of 29% was achieved over the Plan period.
 - xvii. Overall housing need in SADC would need to be a **minimum** 1,609 dpa to meet the 2022 HEDNA’s affordable need (547 affordable dpa) if past net delivery of 34% was achieved over the Plan period.
 - xviii. The issue of unmet need from Birmingham, the Black Country, and Coventry isn’t fully explored in the 2022 HEDNA. The HEDNA identifies how SADC will “*need to consider unmet needs from Birmingham in setting housing targets*” and “*any unmet needs from within the Coventry & Warwickshire HMA.*”
 - xix. The Draft Plan advises that the Sustainability Appraisal has considered scenarios of an additional 5,000 and 10,000 homes for unmet need, however this is not considered in the HEDNA’s assessment of need. It should be under the PPG requirements.
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1. INTRODUCTION

- 1.1 This Technical Report has been prepared by Marrons National Socio Economics Team on behalf of Hallam Land Management and Richborough Estates.
- 1.2 The objective of the report is to determine whether the level of housing need recommended in the South Warwickshire Local Plan Part 1 Issues and Options (the Draft Plan) follows a methodology which complies with the requirements of the 2021 National Planning Policy Framework (NPPF) and the accompanying Planning Practice Guidance (PPG) for Housing and Economic Needs Assessments (HENA).
- 1.3 The Draft Plan is informed by the Coventry & Warwickshire Housing & Economic Development Needs Assessment (HEDNA, November 2022). The HEDNA considers a range of factors which affect the calculation of housing need, and recommend the Draft Plan is based on housing need of 868 dwellings per annum (dpa) for Stratford-on-Avon and 811 dpa for Warwick.
- 1.4 The PPG's HENA section is very clear that the assessment of housing *need* should be unconstrained and undertaken prior to and independently from the determination of a housing *requirement*.
- 1.5 In this context, the technical report presented here considers whether 868 dpa and 811 dpa for Stratford-on-Avon and Warwick respectively represents *unconstrained* housing need, or whether other factors suggest that this figure could be higher.
- 1.6 The following section of this report summarises the process of establishing housing need set out by the 2021 NPPF and its supporting Planning Practice Guidance (PPG).

2. NATIONAL PLANNING POLICY & GUIDANCE CONTEXT

Introduction

- 2.1 The policy and guidance which should be considered when assessing the housing need for local authorities is set out in the 2021 National Planning Policy Framework (NPPF) and its accompanying Planning Practice Guidance (PPG).
- 2.2 Notwithstanding this policy framework, the recent *'Levelling-up and Regeneration Bill: reforms to national planning policy'* (22 December 2022) consultation proposes amendments to the NPPF.
- 2.3 In this section we consider the existing NPPF and PPG alongside the proposed changes in the context of housing need.

National Planning Policy Framework (NPPF, 2021)

- 2.4 The NPPF states the following in respect of establishing overall housing need:

“To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.”¹ (Our emphasis)

- 2.5 The NPPF is clear that the standard method set out in its supporting PPG provides the **minimum** number of homes needed.
- 2.6 In respect of how economic growth and housing delivery dovetail, the NPPF also states that *“planning policies should seek to address potential barriers to investment, such as inadequate housing.”* The link between housing growth and economic growth is clearly acknowledged by the NPPF.

Planning Practice Guidance (PPG)

- 2.7 The method by which housing need should be established, and an explanation of the ‘Standard Method’ (SM) referred to in the NPPF is set out in detail in the Housing & Economic Needs

¹ Paragraph 61, NPPF, 2021

Assessment (HENA) section of PPG.

- 2.8 At the outset the PPG states, “Housing need is an **unconstrained** assessment of the number of homes needed in an area” and goes on to state “Assessing housing need is the **first step** in the process of deciding how many homes need to be planned for. It should be undertaken **separately** from assessing land availability, **establishing a housing requirement** figure and preparing policies to address this such as site allocations.”² (Our emphasis).
- 2.9 The PPG is very clear that the assessment of **need** should be unconstrained and is an entirely separate exercise from establishing the housing **requirement**.
- 2.10 The PPG then moves on to explain what the SM provides. It states “The standard method uses a formula to identify the **minimum** number of homes expected to be planned for. The standard method...identifies a **minimum** annual housing need figure. It **does not** produce a housing requirement figure.”³ (Our emphasis).
- 2.11 This section emphasises how the SM provides the **minimum** housing need figure and highlights how the SM does not produce a housing requirement figure. A separate part of PPG addresses housing requirement.
- 2.12 The PPG also makes a very clear distinction as to the tests which will be applied if local authorities seek to justify housing need higher or lower than the SM minimum.
- 2.13 In respect of a housing need figure **lower** than the standard method minimum, the PPG states “where an alternative approach results in a **lower** housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are **exceptional local circumstances** that justify deviating from the standard method. This will be tested at examination.”⁴ (Our emphasis).
- 2.14 In contrast, in terms of establishing housing need which is **above** the Standard Method, PPG states “Where a strategic policy-making authority can show that an alternative approach identifies a need **higher** than using the standard method, and that it adequately reflects current and future

² Paragraph ID:2a-001, PPG, 2019

³ Paragraph ID:2a-001, PPG, 2019

⁴ Paragraph ID:2a-015, PPG, 2019

demographic trends and market signals, **the approach can be considered sound** as it will have exceeded the minimum starting point.⁵ (Our emphasis).

- 2.15 Having established that SM represents minimum need, and that actual housing need may be higher, the PPG moves to discuss when it might be appropriate to plan for a higher housing need figure than the SM indicates.
- 2.16 PPG therefore states that “there will be **circumstances** where it is appropriate to consider whether actual housing need is **higher** than the standard method indicates.”⁶ (Our emphasis)
- 2.17 In discussing these circumstances PPG reiterates how the standard method only represents **minimum** need, stating “The government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The standard method for assessing local housing need provides a **minimum starting point** in determining the number of homes needed in an area. **It does not attempt** to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour.”⁷ (Our emphasis)
- 2.18 The PPG then moves on to discuss what circumstances might lead to an increase in housing need, but confirms at the outset that the circumstances it refers to are not exhaustive and there may be other reasons as to why overall housing need exceeds the Standard Method’s minimum calculation:

“Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:

- **growth strategies** for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g., Housing Deals);
- **strategic infrastructure improvements** that are likely to drive an increase in the homes needed locally; or
- an authority agreeing to take on **unmet need** from neighbouring authorities, as set out in a statement of common ground;

There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. Authorities are encouraged to make as much use as possible of previously-developed or brownfield land, and therefore cities and urban centres, not only those subject to the cities and urban centres uplift may strive to plan for more homes. Authorities will

⁵ Paragraph ID:2a-015, PPG, 2019

⁶ Paragraph ID:2a-010, PPG, 2019

⁷ Paragraph ID:2a-010, PPG, 2019

need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests.”⁸

- 2.19 The delivery of much needed affordable housing can also have an impact on the assessment of overall need. In this respect the Planning Practice Guidance (PPG) states *“An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.”⁹*
- 2.20 The PPG also reiterates that this assessment of need is separate to the process of establishing a housing requirement, stating that the circumstances which may lead to a higher need figure *“will need to be assessed **prior to, and separate from**, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan) ¹⁰* (Our emphasis).

Levelling-up and Regeneration Bill: reforms to national planning policy (22 December 2022)

- 2.21 Notwithstanding the proposed changes to the NPPF, it is imperative to highlight that the introduction to the consultation confirms that *“The government remains **committed to delivering 300,000 homes a year by the mid-2020s** and many of the immediate changes focus on how we plan to deliver the homes our communities need”³* (our emphasis). This is reiterated in paragraph 7, Chapter 2 (Policy objectives). It is therefore imperative that assessments of housing need are undertaken in the context of this target.
- 2.22 Section 5 of the current NPPF (July 2021), seeks to ensure delivery of a sufficient supply of homes. In doing so, paragraph 60 confirms that:
- “To support the Government’s objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay.”*
- 2.23 The proposed changes to the NPPF retain this paragraph, adding the following sentence at the end:
- “The overall aim should be to meet as much housing need as possible with an appropriate mix of housing types to meet the needs of communities.”¹¹*

⁸ Ibid

⁹ Paragraph ID2a:024, PPG, 2019

¹⁰ Paragraph ID:2a-010, PPG, 2019

¹¹ Paragraph 60, page 17, National Planning Policy Framework: Showing indicative changes for consultation, 22 December 2022

- 2.24 This additional sentence confirms that local authorities should meet **as much** of their housing need as possible. It doesn't specify that this is the housing need calculated by the Standard Method, which would still be referred to as the 'minimum' number of homes required despite the proposed changes.
- 2.25 In the context of PPG stating quite clearly that the assessment of housing need should be 'unconstrained', meeting 'as much' housing need as possible could therefore mean meeting a much higher level of need than is calculated using the Standard Method minimum.
- 2.26 The following paragraph 61 is proposed to be amended. This amended paragraph is reproduced below with the proposed additional text underlined, and deletions struck through.

"To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance. The outcome of the standard method is an advisory starting-point for establishing a housing requirement for the area (see paragraph 67 below). There may be —~~unless~~ exceptional circumstances relating to the particular characteristics of an authority which justify an alternative approach to assessing housing need; in which case the alternative used ~~which~~ should also reflect current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for."¹²

- 2.27 If adopted this is a key change of the wording in the NPPF, stating how the Standard Method would become an 'advisory' starting point, and how particular characteristics of authorities may justify an alternative approach to establishing need. However as we have already highlighted, the Standard Method is still proposed to be referred to as providing the **minimum** number of homes needed.
- 2.28 This proposed additional text suggests that local authorities will have greater flexibility to determine whether housing need is either higher or lower than the Standard Method calculation for their area, owing to characteristics specific to their area.
- 2.29 However, it should be noted that the Standard Method calculation currently reflects the **minimum** starting point of need, and existing Planning Practice Guidance (PPG – yet to be amended to reflect proposed NPPF changes) is clear that the assessment of housing *need* should be 'unconstrained', carried out entirely separate from and before a housing requirement is established, and may be higher than the Standard Method minimum for a range of circumstances.

¹² Paragraph 61, page 17, National Planning Policy Framework: Showing indicative changes for consultation, 22 December 2022

2.30 In this context, proposed *additional* text in paragraph 67 (referred to in the proposed revisions to paragraph 61) is important to highlight. This expands the previous paragraph 66 to read as follows:

*"Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period. **The requirement may be higher than the identified housing need, if it includes provision for neighbouring areas, or reflects growth ambitions linked to economic development or infrastructure investment.**"*¹³ (Our emphasis)

2.31 This proposed additional text (underlined in paragraph 2.26 above) is important, because it will be the first time since the Standard Method calculation of housing need was introduced in the NPPF that reasons as to why a housing requirement may *exceed* the Standard Method have been explicitly stated in the NPPF.

2.32 Paragraph ID2a-010 of the existing PPG is clear that a range of circumstances may lead to the calculation of housing need being higher than the Standard Method minimum starting point, and in the context of the proposed changes to the NPPF, this potentially gives greater weight to reasons as to why the Standard Method minimum assessment of need might be higher.

2.33 It is therefore imperative that consideration to any circumstances which may lead to an assessment of housing need which exceeds Standard Method are fully explored, and the true 'unconstrained' housing need for an area is established.

2.34 The proposed changes to the NPPF also include an entirely new paragraph 62 which states the following:

*"The Standard Method incorporates an uplift for those urban local authorities in the top 20 most populated cities and urban centres. This uplift should be accommodated within those cities and urban centres themselves unless it would conflict with the policies in this Framework and legal obligations."*¹⁴

2.35 A new footnote to this paragraph goes to state the following:

¹³ Paragraph 67, page 18, National Planning Policy Framework: Showing indicative changes for consultation, 22 December 2022

¹⁴ Paragraph 62, page 17, National Planning Policy Framework: Showing indicative changes for consultation, 22 December 2022

"In doing so, brownfield and other under-utilised urban sites should be prioritised, and on these sites density should be optimised to promote the most efficient use of land, something which can be informed by masterplans and design codes. This is to ensure that homes are built in the right places, to make the most of existing infrastructure, and to allow people to live near the services they rely on, making travel patterns more sustainable."

2.36 This new paragraph and footnote strengthens the Government's view that every effort should be made to deliver the 35% uplift to the Standard Method minimum calculation of need, introduced in December 2021, within the administrative boundaries of the local authorities where the uplift applies. However it still acknowledges that this may not be possible and neighbouring authorities may have to provide the shortfall.

Summary

2.37 Therefore, to summarise, both the NPPF and PPG emphasise that the SM determines the **minimum** number of homes needed for each local authority. Consideration must be given to whether other circumstances warrant an increase to the minimum need, and in this context and to comply with PPG the assessment of need must be **unconstrained**.

2.38 Furthermore the PPG emphasises throughout how the assessment of **need** must be carried out separately and prior to the determination of a housing **requirement**.

2.39 Furthermore, the PPG refers to **exceptional circumstances** being required to justify housing need which is **below** the Standard Method minimum.

2.40 In contrast the PPG states how a **range of circumstances** may justify the determination of housing need which **exceeds** the SM minimum, and that an assessment of need which establishes a figure which is higher than the SM minimum will be considered sound if it "*adequately reflects current and future demographic trends and market signals.*"

2.41 Despite proposed changes to the NPPF which are currently the subject of public consultation, Government remains committed to delivering 300,000 homes per annum by the mid-2020s. Furthermore, Standard Method need is to remain the 'minimum' calculation of need, despite that method becoming 'advisory'.

2.42 The proposed changes introduce reference to reasons as to why housing need may be higher than the Standard Method minimum in the NPPF for the first time since the method's introduction. No changes to PPG have been proposed to date.

2.43 It is therefore important to consider whether any factors justify an increase in the SM minimum when determining housing need.

3.0 LOCAL PLANNING POLICY

Introduction

- 3.1 The previous section of this report outlined the national policy and guidance context for determining housing need.
- 3.2 This section considers how the planning policies currently being consulted on by the South Warwickshire authorities align with these strategies and aspirations.

South Warwickshire Local Plan Part 1: Issues and Options (January 2023)

- 3.3 The Draft Plan currently being consulted on plans for the period up to 2050 and includes a 'Vision' for South Warwickshire in 2050 as follows:

“The vision is to meet South Warwickshire’s sustainable development needs to 2050, while responding to the climate emergency. Where appropriate and agreed, this could include unmet need from neighbouring authorities. The plan will provide homes and jobs, boost and diversify the local economy, and provide appropriate infrastructure, in suitable locations, at the right time.”¹⁵
(Our emphasis)

- 3.4 This Vision shows a clear commitment to providing for unmet need from neighbouring authorities alongside the homes and jobs needed within South Warwickshire.
- 3.5 The Strategic Objectives of the Draft Plan then go into more detail about how the Vision will be achieved. In terms of housing need, one of the Strategic Objectives is listed as follows:

“Allowing for the growth in new homes that meet the diverse needs of all our residents, including affordable, student, specialist and self and custom build housing, along with the accommodation needs of our gypsy and traveller and travelling showpeople communities.”¹⁶

- 3.6 This strategic objective makes it very clear that all types of housing need will be considered and taken into account of through the emerging Local Plan. It is therefore imperative that all needs are considered.
- 3.7 One of the factors which will affect housing need is employment growth, and one of the strategic objectives reads as follows:

¹⁵ Page 20, South Warwickshire Local Plan Part 1: Issues and Options, January 2023

¹⁶ Page 23, South Warwickshire Local Plan Part 1: Issues and Options, January 2023

“Accommodating the growth in employment opportunities that build upon our strong and diverse economy, including innovative industries and technologies, embracing the potential of the green economy.”¹⁷

3.8 It is therefore important that the housing need determined by the evidence base is of a quantum capable of supporting the labour force growth needed to support job growth. Without this, there is a risk that housing supply constrains labour supply and economic growth prospects.

3.9 The Draft Plan also states the following:

“The different types of employment land (e.g. B1, B2 and B8) generate different job ratios and growing the South Warwickshire economy is about maximising the number of additional jobs for the available employment land and not providing employment land per se.”¹⁸

3.10 In this context it is possible that as the emerging Plan progresses, and decisions are made on how to maximise job growth, the assumptions made for housing may need to change.

3.11 The authorities of South Warwickshire must also ensure that the HEDNA evidence aligns with the new ‘Economic Development Strategy’ which provides a strategy up to 2028 and is currently being consulted on.

3.12 The Draft Plan subsequently sets out the employment land requirements to 2050 and asks consultees to consider whether the HEDNA evidence of employment land need is a reasonable basis for identifying future levels of employment need.

3.13 Addressing unmet housing need from outside South Warwickshire is also an important factor which affects the assessment of housing need. As we have identified earlier in this report, the PPG is clear that the assessment of need should consider unmet needs from neighbouring areas. Furthermore, if the proposed changes to the NPPF are accepted, reference to unmet need will be elevated from the PPG to the NPPF, adding further weight to its consideration.

3.14 The Draft Plan is clear in acknowledging that South Warwickshire has a role to play in meeting unmet need from both the Greater Birmingham and Black Country Housing Market Area (HMA) and from Coventry in the Coventry & Warwickshire HMA.

3.15 It also acknowledges that Birmingham City Council’s (BCC) recent Issues and Options Plan identified a shortfall of 78,415 homes up to 2042, and that further additional shortfalls are likely to arise from

¹⁷ Page 23, South Warwickshire Local Plan Part 1: Issues and Options, January 2023

¹⁸ Page 78, South Warwickshire Local Plan Part 1: Issues and Options, January 2023

the Black Country local authorities.

3.16 In this context the Draft Plan states *“For the purposes of the accompanying Sustainability Appraisal we have tested the effects of an additional 5,000 and 10,000 homes.”*¹⁹

3.17 Furthermore there will also be additional unmet need from Coventry City and the Draft Plan acknowledges this as follows:

“Even under the redistribution of housing resulting from the trend-based projection, Coventry may not be able to accommodate all of its housing needs (1,964 homes per annum), and as such a relatively modest shortfall may exist to 2050 which South Warwickshire will need to do its part in addressing.”²⁰

3.18 It is therefore imperative that further stages of the Draft Plan provide robust evidence and make a robust judgement on how much unmet need from the neighbouring HMAs should be provided for in South Warwickshire.

3.19 This is acknowledged by the Draft Plan which discusses unmet need under issue H1: ‘Providing the right number of new homes’ and states the following:

“it also needs to be remembered that the total amount of housing that the Local Plan will need to provide will also include an agreed proportion of any need from Greater Birmingham & the Black Country and from Coventry that cannot be accommodated within those areas. In the current Warwick District Local Plan, for example, 332 homes per year need to be provided to meet Coventry’s housing needs.”²¹

3.20 Affordable housing is also a key issue in South Warwickshire. Median and lower quartile affordability ratios exceed 10 in both Warwick and Stratford-on-Avon. The lower quartile ratio in Warwick has increased by 45% between the 2011 and 2021 Census, the most of any authority in the West Midlands.

3.21 In this context the Draft Plan states how the public in South Warwickshire have suggested that the *“housing requirement should go above the minimum in order to increase the supply of affordable housing to be delivered”* and that *“The Councils should deliver more affordable housing, through setting a higher percentage on new development and the Councils themselves becoming the building of affordable housing stock.”*²²

¹⁹ Page 78, South Warwickshire Local Plan Part 1: Issues and Options, January 2023

²⁰ Page 112, South Warwickshire Local Plan Part 1: Issues and Options, January 2023

²¹ Page 101, South Warwickshire Local Plan Part 1: Issues and Options, January 2023

²² Page 98, South Warwickshire Local Plan Part 1: Issues and Options, January 2023

- 3.22 The need for affordable housing in South Warwickshire is emphasised by Table 10 of the Draft Plan. Table 10 shows there to be a need for 547 affordable dwellings per annum in Stratford-on-Avon, and 839 per annum in Warwick.
- 3.23 As we discuss in the following section of the report, overall housing need is determined by the evidence base to be 868 dwellings per annum in Stratford-on-Avon, and 811 in Warwick. This means that affordable housing need is 63% that of overall need in Stratford-on-Avon, and affordable housing need exceeds overall housing need in Warwick.

Summary

- 3.24 This section of our report has considered the Draft Local Plan and the need for housing in the context of the Local Plan's Vision and Strategic Objectives. The Draft Plan is at an early stage, and although its housing and employment growth is underpinned by the recent HEDNA, evidence on economic growth is yet to be published. This will need to be reviewed in the context of the HEDNA evidence.
- 3.25 Furthermore the Draft Plan acknowledges its role in meeting unmet need from Birmingham, the Black Country, and Coventry. The Draft Plan has tested scenarios of an additional 5,000 and 10,000 dwellings (166 to 333 dwellings per annum over 30 years) although more detailed analysis and evidence is needed to establish how much unmet need should be provided for in South Warwickshire and built into the assessment of housing need.
- 3.26 There is a significant need for affordable housing across South Warwickshire. In Warwick, the HEDNA has determined the affordable need to exceed the overall housing need figure. Affordable need is therefore acute, and the Draft Plan has identified how residents have indicated a need to increase the housing requirement to accommodate more affordable housing.
- 3.27 In the following section of this report we consider the Council's evidence base for reaching their conclusions on housing need, and provide a full review and critique of the evidence.

4. HOUSING NEED EVIDENCE BASE REVIEW

Introduction

4.1 In this section we provide a review of the evidence base which underpins the levels of housing need put forward in the Draft Plan. This evidence is mainly set out in the November 2022 Coventry & Warwickshire Housing & Economic Development Needs Assessment (HEDNA), and we therefore consider the robustness of its methodology for determining housing need in South Warwickshire in the context of the National Planning Policy Framework (NPPF) and the methodology for assessing housing need in the Planning Practice Guidance (PPG).

Coventry & Warwickshire Housing & Economic Development Needs Assessment (HEDNA, 2022)

Introduction

- 4.2 The 2022 HEDNA represents the most recent published evidence by the South Warwickshire authorities and those of the wider housing market area in respect of the need for housing and employment land. As the authors state, *“the HEDNA is intended to provide a joint and integrated assessment of the need for housing, economic growth potential and employment land.”*²³
- 4.3 The technical report prepared by Marrons here focusses on the assessment of housing need, and whether the PPG requirement to assess unconstrained housing need has been complied with for Stratford-on-Avon and Warwick.
- 4.4 The HEDNA and Draft Plan consultation was delayed to enable its authors to consider 2021 Census data and how this affected the calculation of housing need. The Office for National Statistics (ONS) began releasing 2021 Census data during 2022 and this has enabled the HEDNA to assess population growth across the HMA against historic projections and the assumptions those projection were underpinned by.
- 4.5 This is important because the NPPF’s existing standard method for calculating **minimum** housing need for local authorities is underpinned by the 2014-based ONS Sub National Population Projections (SNPP) which have subsequently been superseded by 2016 and 2018-based projections. The 2014-based projections have been retained however to ensure that the **minimum** housing need remains capable of delivering the Government’s pledge of building 300,000 homes per annum by the mid-2020s.

²³ Paragraph 1.12, page 1, Coventry & Warwickshire Housing & Economic Development Needs Assessment, November 2022

- 4.6 This exercise has led the HEDNA to conclude that the population of Coventry had been **over-**estimated by ONS in historic Mid-Year Population Estimates (MYPEs) and therefore in population projections.
- 4.7 In contrast the HEDNA has concluded that the ONS MYPEs and projections **under-**estimated population growth in Stratford-on-Avon and Warwick, a factor which results in revised population projections which are higher for both authorities.
- 4.8 In this context, the NPPF's Standard Method (based on 2014-based population projections) results in housing need of 564 dwellings per annum (dpa) for Stratford-on-Avon, and 675 dpa for Warwick.
- 4.9 However revised Standard Method calculations based on the higher population growth recorded by the 2021 Census means housing need increases to 868 dpa for Stratford-on-Avon and 811 dpa for Warwick.

Deviating from the Standard Method calculation

- 4.10 It is within local authorities' gift to present a housing need figure which is higher or lower than the standard method calculation. However, it is imperative to highlight PPG's contrasting approaches for testing a housing need figure which is higher or lower than the SM minimum.
- 4.11 In short, PPG explains 'circumstances' must exist supporting a higher figure, whereas '**exceptional** circumstances' must exist for a lower figure. There is a clear difference in the test when an alternative housing need figure is presented.
- 4.12 PPG (ID2a-015) confirms a need figure lower than the SM minimum must be supported by "*robust evidence*" and "*realistic assumptions of demographic growth*". This must show "*exceptional local circumstances*" exist to justify the lower figure. This evidence will then be "*tested at examination.*"
- 4.13 In contrast, PPG (ID2a-015) states that a higher figure "*can be considered sound*" providing it "*adequately reflects current and future demographic trends and market signals.*"
- 4.14 PPG's testing of a lower figure is clearly more rigorous than a higher figure, and as we have identified in section 2 of this report this is emphasised further by PPG listing a range of circumstances whereby housing need can exceed the Standard Method.
- 4.15 The HEDNA's conclusions in respect of Stratford-on-Avon and Warwick should therefore be considered 'sound' as referenced in PPG.

Economic Growth and Housing Need

- 4.16 The NPPF is clear that a lack of housing should not create a barrier to investment and economic growth.²⁴ In this context the PPG identifies how economic growth could be one of the circumstances which justifies a higher level of housing need than the standard method minimum calculation.
- 4.17 The HEDNA considers this in sections six and seven, and concludes that the revised standard method scenarios discussed above (resulting in 868 dpa for Stratford-on-Avon, and 811 dpa for Warwick) would support future job growth, and a further increase would not be required.
- 4.18 Marrons have reviewed the various assumptions which have to be used in order to determine economic-led housing need through demographic forecasting, and we agree with the broad methodological approach used in the HEDNA.
- 4.19 The HEDNA applies economic activity rates drawn from the Office for Budget Responsibility (OBR) 2018-based forecasts, and the HEDNA uses 2011 Census commuting ratios (in the absence of 2021 commuting ratios which are yet to be published) alongside a sensitivity scenario of 1:1 commuting (i.e., the same number of people commuting out of the area as commuting in). Other assumptions relate to double-jobbing, unemployment, and household formation rates, which we consider to be robust.
- 4.20 However, the job growth forecasts used to assess economic-led need provide some concern. The HEDNA states that *“the local area baseline projections are developed based on CE’s March 2021 UK and regional forecast.”*²⁵
- 4.21 Whilst the HEDNA was published in late 2022, the forecasts were prepared in early 2021 when the Country was in the grip of the Covid-19 Pandemic and assumptions about the future were less certain.
- 4.22 Despite the HEDNA being published in late 2022, the commentary which accompanies discussion of the CE forecasts in the HEDNA appears to date from early 2021. This appears to be the case because of statements referring to end of lockdown, such as *“It is assumed that lockdown and social distancing measures will follow the Government’s envisaged ‘road map’, with lockdown formally ending in late-March 2021”*²⁶ and *“Despite the opening up of the UK economy in 2021 Q2, persistent economic scarring and a muted economic recovery in 2021/2022 is expected.”*²⁷

²⁴ Paragraph 82 (c), National Planning Policy Framework, July 2021

²⁵ Paragraph 6.3, page 131, Coventry & Warwickshire Housing & Economic Development Needs Assessment, November 2022

²⁶ Paragraph 6.4, page 131, Coventry & Warwickshire Housing & Economic Development Needs Assessment, November 2022

²⁷ Paragraph 6.5, page 131, Coventry & Warwickshire Housing & Economic Development Needs Assessment, November 2022

- 4.23 Indeed the HEDNA states how “*the central assumption of the forecast is a 3.6% increase in GDP in 2021 and a 2.8% increase in GDP in 2022.*” However reference to the ONS’ December 2022 GDP monthly estimate report states how GDP is estimated to have grown by 4.0% in 2022, following growth of 7.6% in 2021.²⁸
- 4.24 The HEDNA’s CE forecasts would have therefore been based on much lower *predicted* levels of GDP than has subsequently been experienced.
- 4.25 Furthermore we would recommend cross-referencing CE forecasts with forecasts from Oxford Economics and/or Experian Economics.
- 4.26 Notwithstanding the above, the forecasts used in the HEDNA show growth of 6,387 jobs 2022-2032 (639 jobs per annum), and 4,948 jobs 2032-2043 (450 jobs per annum) for Stratford-on-Avon. This is a total of 11,335 jobs 2022-2043 (540 jobs per annum).
- 4.27 For Warwick, the HEDNA job forecast is 6,910 jobs 2022-2032 (691 jobs per annum), and 6,107 jobs 2032-2043 (555 jobs per annum). This is a total of 13,017 jobs 2022-2043 (620 jobs per annum).
- 4.28 This should be considered in the context of past job growth in both authorities reported in Table 2.7 of the HEDNA. This shows growth of 18,800 jobs 2011-2019 in Stratford-on-Avon (2,350 jobs per annum) and 8,700 jobs 2011-2019 in Warwick (1,100 jobs per annum).
- 4.29 Past trends 2011-2019 therefore show significantly higher job growth (per annum) across South Warwickshire than is being assumed over the period to 2043. The growth experienced over this period was therefore 335% higher than what is being assumed going forward in Stratford-on-Avon, and 77% higher in Warwick.
- 4.30 The HEDNA also states the following in terms of the local area baseline projections used to determine economic-led housing need:

“The local area baseline projections are based on historical growth in the local area (i.e. the relevant local authority) relative to the region (West Midlands) or UK (depending on which area it has the strongest relationship with), on a sector-by-sector basis. They assume that those relationships continue into the future.”²⁹

- 4.31 It is therefore considered questionable whether the future economic potential of businesses such as

²⁸ Main Points, page 2, GDP first quarterly estimate, UK: October to December 2022, 10 February 2023

²⁹ Paragraph 6.8, page 131, Coventry & Warwickshire Housing & Economic Development Needs Assessment, November 2022

the University of Warwick, Long Marston Rail Innovation Centre, Wellesbourne Airfield, Jaguar Land Rover/Aston Martin and Stoneleigh Park are considered by the CE baseline forecasts.

4.32 Further justification to show that employment growth on these sites has been factored into job growth forecasts is needed to ensure the assessment of economic-led housing need is robust.

Affordable housing need

4.33 As PPG identifies, “An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.” It is therefore essential to understand past affordable housing delivery and what the need for affordable housing is in the future. This must also be considered in the context of overall housing need for all tenures.

4.34 The HEDNA determines net annual affordable housing need to be 547 in Stratford-on-Avon and 839 in Warwick. As we have identified earlier in this report, this equates to 63% of overall housing need in Stratford-on-Avon. The affordable need in Warwick exceeds the HEDNA’s conclusion on overall need.

4.35 The position set out in the HEDNA should also be considered in the context of past delivery, and losses to affordable housing.

4.36 In the following section of this report we provide a more detailed review of the affordable housing position in South Warwickshire.

Summary

4.37 In summary the following key points are as follows:

- The NPPF states how “*planning policies should seek to address potential barriers to investment, such as inadequate housing*”³⁰;
- Furthermore, PPG identifies how a housing need figure *higher* than the Standard Method minimum won’t be subject to the same scrutiny as a *lower* figure;
- The revised Standard Method scenarios for Stratford-on-Avon and Warwick appear to be based on robust assumptions;
- Marrons consider the job growth assumptions of the HEDNA need updating for several reasons;
 - The assumed level of job growth in the HEDNA is based on an outdated job growth

³⁰ Paragraph 82 (c), National Planning Policy Framework, July 2021

forecast generated during severe lockdown measures in the UK;

- Assumed GDP informing the HEDNA's job growth forecasts has now been shown to be an underestimate of growth;
- Job growth between 2011 and 2019 significantly exceeds the job growth assumed for the 2022-2043 period in both Stratford-on-Avon and Warwick;
- It is unclear from the HEDNA whether economic growth on a number of sites within South Warwickshire are taken account of by the CE baseline projections;
- Affordable housing need exceeds overall housing need in Warwick and represents 63% of overall need in Stratford-on-Avon.

4.38 Having considered the HEDNA and having identified some of the weaknesses in the evidence, the following section of our report focusses on affordable housing need.

5. AFFORDABLE HOUSING NEED AND PAST DELIVERY ANALYSIS

Introduction

- 5.1 Affordable housing need has become acute across the country as the affordability of housing has worsened over the past two decades. The recent House of Lords report ‘Meeting Housing Demand’ identifies *“there were 1,187,641 households on local authority housing waiting lists in 2021”* and *“as of March 2021, 95,450 families had been placed into temporary accommodation by local authorities.”*³¹
- 5.2 Research for the National Housing Federation and Crisis in 2018 identified a need for 145,000 new affordable homes per year, of which 90,000 for the next 15 years should be for social rent, 30,000 for affordable rent and 25,000 shared ownership homes.³²
- 5.3 However despite this need the House of Lords report states, *“There has been a steady decline in social rent as a proportion of new supply, from over 75% in 1991/92 to 11% in 2019/20. In 50 local authorities, **no homes for social rent were built over the five-year period from 2015/16 to 2019/20”***³³ (our emphasis).
- 5.4 To put this into context, only 59,175 new affordable homes were delivered across England in 2020/21, approximately 25% of all net completions (232,816). Average delivery over the past decade has been approximately 50,200 affordable dwellings per annum. However this is a gross figure, and accounting for losses of stock are likely to show a much lower net figure.
- 5.5 This has led the House of Lords report to conclude on this issue with the following two points:
- There is a serious shortage of social housing, which is reflected in long waiting lists for social homes and a large number of families housed in temporary accommodation. The Government should set out what proportion of funding for the Affordable Homes Programme it believes should be spent on homes for social or affordable rent;
 - Right to Buy has left some councils unable to replace their social housing stock. Right to Buy must be reformed to help councils replenish their social housing stock: councils should keep more of the receipts from Right to Buy sales, have a longer period to spend the receipts, and

³¹ Paragraph 69, page 36, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

³² Professor Glen Bramley, Crisis and National Housing Federation Housing supply requirements across Great Britain (November 2018)

³³ Paragraph 65, page 33, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

there should be tighter restrictions on the conditions under which social homes can be bought.³⁴

5.6 In this section of the report we consider the affordable housing position in the authorities of Warwick and Stratford-on-Avon.

Affordable Housing Need in South Warwickshire

5.7 At the outset, Marrons Planning do not advocate that affordable need necessarily be met in full, given the judgment of Mr Justice Dove in the Kings Lynn case (High Court Judgment)³⁵, which concluded that neither the NPPF nor the PPG suggest affordable housing need must be met in full.

5.8 However, the need should be considered in the context of PPG which states “*An **increase** in the total housing figures included in the plan **may need to be considered** where it could help deliver the required number of affordable homes*”³⁶ (our emphasis).

5.9 This should be considered in the context of the Draft Plan for South Warwickshire which states “*Whilst we do need to build some market homes, the local plan needs to explore ways of **significantly increasing** the delivery of affordable homes across South Warwickshire.*”³⁷ (Our emphasis)

5.10 The most recent assessment of affordable housing need for South Warwickshire is set out in the 2022 HEDNA which determines net affordable housing need of 839 affordable dwellings per annum (dpa) in Warwick, and 547 affordable dpa in Stratford-on-Avon.

5.11 In this context the HEDNA states the following:

“Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the area. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.”³⁸ (Our emphasis).

³⁴ Paragraphs 76-77, pages 37-38, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

³⁵ Paragraphs 34-37, pages 10-11, High Court Judgment, Borough Council of Kings Lynn and West Norfolk v Secretary of State for Communities and Local Government, ELM Park Holdings Ltd, 09 July 2015

³⁶ Paragraph: 024 Reference ID: 2a-024-20190220

³⁷ Paragraph: 024 Reference ID: 2a-024-20190220

³⁸ Page 14, Housing and Economic Development Needs Assessment, October 2020

Past affordable housing delivery in South Warwickshire

Warwick District

5.12 Table 5.1 sets out the affordable housing delivery achieved across Warwick District in the last decade, according to the most recent Warwick District Council (WDC) Annual Monitoring Report (AMR) and as recorded by the Department for Levelling Up, Housing & Communities (DLUHC) live tables on affordable housing supply statistics. These are **gross** completions and do not account for losses to affordable stock through demolitions and schemes such as Right to Buy.

Table 5.1: Gross affordable housing completions in Warwick District, 2011/12 to 2020/21

Year	Affordable Completions		AMR Overall Completions	Affordable delivery as a % of Overall delivery	
	DLUHC	WDC		DLUHC	WDC
2011/12	28	26	144	19%	18%
2012/13	66	71	262	25%	27%
2013/14	14	10	294	5%	3%
2014/15	208	298	732	28%	41%
2015/16	140	186	619	23%	30%
2016/17	312	284	1,094	29%	26%
2017/18	249	305	1,031	24%	30%
2018/19	412	408	1,050	39%	39%
2019/20	355	493	1,168	30%	42%
2020/21	29	228	841	3%	27%
Total Delivery	1,813	2,309	7,235	25%	32%

Source: DLUHC Live Table 1008c and Annual Monitoring Reports

5.13 As Table 5.1 illustrates, there is a disparity of approximately 500 affordable dwellings over the last decade recorded by DLUHC and by WDC. It is not clear why there is such variation in the reported level of affordable homes delivery between the two sources.

5.14 Table 5.1 also shows how affordable housing delivery over the first 10 years of the Adopted WDC Local Plan 2011-2029 period has been between 25% and 32% of overall completions against the affordable delivery recorded by WDC and DLUHC.

5.15 Affordable housing need over the same period was determined by the 2015 Updated Assessment of Housing Need for Coventry and Warwickshire. Affordable need of 280 affordable dpa was calculated

for Warwick, and Warwick DC agreed to accommodate 94 affordable dwellings per annum towards Coventry's affordable housing need. Total need has therefore been 374 affordable dpa.

5.16 This means there has been a shortfall of between 491 and 987 affordable dwellings against the 2015 Updated Assessment of Housing Need for Coventry and Warwickshire assessment of need solely for Warwick DC (need of 280 affordable dpa).

5.17 However against the need figure which incorporates some of Coventry's need (374 affordable dpa) the shortfall increases to between 1,431 and 1,927 dwellings over 10 years.

5.18 It is important to emphasise how this is based on **gross** delivery of affordable housing.

5.19 The need of 280 affordable dpa determined for the Adopted Local Plan should also be considered alongside the much higher affordable need (839 dpa) determined by the new HEDNA.

Stratford-on-Avon

5.20 Table 5.2 repeats the data presented in Table 5.1 for Stratford-on-Avon District Council (SADC).

Table 5.2: Gross affordable housing completions in Stratford-on-Avon, 2011/12 to 2020/21

Year	Affordable Completions		AMR Overall Completions	Affordable delivery as a % of Overall delivery	
	DLUHC	SADC		DLUHC	SADC
2011/12	105	105	134	78%	78%
2012/13	99	96	294	34%	33%
2013/14	132	122	345	38%	35%
2014/15	215	215	631	34%	34%
2015/16	340	291	1,048	32%	28%
2016/17	301	263	1,114	27%	24%
2017/18	460	384	1,293	36%	30%
2018/19	422	356	1,386	30%	26%
2019/20	552	491	1,458	38%	34%
2020/21	465	386	752	62%	51%
Total Delivery	3,091	2,709	8,455	37%	32%

Source: DLUHC Live Table 1008c and Annual Monitoring Reports

5.21 As Table 5.2 illustrates, there is a disparity of approximately 400 affordable dwellings over the last decade recorded by DLUHC and by WDC. It is not clear why there is such variation in the reported level of affordable homes delivery between the two sources.

- 5.22 Table 5.1 also shows how affordable housing delivery over the first 10 years of the Adopted WDC Local Plan 2011-2029 period has been between 32% and 37% of overall completions against the affordable delivery recorded by SADC and DLUHC.
- 5.23 Affordable housing need for SADC was determined by the 2015 Updated Assessment of Housing Need for Coventry and Warwickshire, which calculated need of 233 net affordable dwellings per annum.
- 5.24 On this basis the affordable provision recorded by DLUHC (3,091 affordable dwellings) and by SADC (2,709 affordable dwellings) exceeds the need required by the Adopted Core Strategy (2,330 affordable dwellings).
- 5.25 However this is based on **gross** affordable delivery, and need to be considered in the context of the 2022 HEDNA which has calculated affordable housing need of 547 dpa for SADC.

Net Affordable Housing Delivery in South Warwickshire

Warwick District

- 5.26 To determine whether net affordable delivery is lower than the proportions set out above, we have consulted the Department for Levelling Up, Housing and Communities (DLUHC) live tables on social housing sales, and specifically the 'social housing sales open data'. This data is set out in Tables 5.3 and 5.4 below.

Table 5.3: DLUHC figures on the disposal of social housing stock in Warwick District

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Demolition	7	3	2	4	2	4	2	2	5	2	33
LCHO Sales	6	3	5	9	7	7	11	12	10	11	81
Other Sales	7	4	5	5	3	3	4	5	6	4	46
Other sales to sitting tenants	1	1	1	1	1	1	1	1	1	1	10
Right to Buy	1	1	1	1	1	1	1	1	1	1	10
Sales to sitting tenants	6	2	3	3	1	3	1	1	7	3	30
Grand Total	28	14	17	23	15	19	20	22	30	22	210

Source: DLUHC live tables

- 5.27 Table 5.3 shows that there have been 210 affordable stock losses between 2011 and 2021 for the reasons set out in the first column of Table 5.3. This means that net affordable completions in Warwick fall to between 1,603 and 2,099.
- 5.28 Table 5.4 shows a revised version of Table 5.2 to account for losses to stock, thereby providing the net figures of affordable delivery.

Table 5.4: Net affordable housing completions in Warwick District, 2011/12 to 2020/21

Year	Affordable Completions		AMR Overall Completions	Affordable delivery as a % of Overall delivery	
	DLUHC	WDC		DLUHC	WDC
2011/12	0	-2	144	0%	-1%
2012/13	52	57	262	20%	22%
2013/14	-3	-7	294	-1%	-2%
2014/15	185	275	732	25%	38%
2015/16	125	171	619	20%	28%
2016/17	293	265	1,094	27%	24%
2017/18	229	285	1,031	22%	28%
2018/19	390	386	1,050	37%	37%
2019/20	325	463	1,168	28%	40%
2020/21	7	206	841	1%	24%
Total Delivery	1,603	2,099	7,235	22%	29%

5.29 As Table 5.4 illustrates, the inclusion of losses shows affordable completions which represent between 22% and 29% of overall delivery. It also increases the shortfall in need to between 701 and 1,197 affordable dwellings 2011-2021 (based on need of 280 affordable dpa), and between 1,641 and 2,137 affordable dwellings 2011-2021 (based on need of 374 affordable dpa including some of Coventry's need).

Stratford-on-Avon

5.30 Table 5.5 sets out the affordable stock losses in Stratford-on-Avon District, 2011-2021.

Table 5.5: DLUHC figures on the disposal of social housing stock in Stratford-on-Avon District

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Demolition	10	4	3	6	4	2	2	1	4	1	37
LCHO Sales	9	3	5	5	5	7	10	10	7	9	70
Other Sales	10	3	3	6	4	2	2	2	4	2	38
Other sales to sitting tenants	1	1	1	1	1	1	1	1	1	1	10
Right to Buy	1	1	1	1	1	1	1	1	1	1	10
Sales to sitting tenants	9	2	2	5	3	2	1	1	4	1	30
Grand Total	40	14	15	24	18	15	17	16	21	15	195

Source: DLUHC live tables

5.31 Table 5.6 revises Table 5.2 (above) to account for the losses and provide a net affordable housing delivery figure.

Table 5.6: Net affordable housing completions in Stratford-on-Avon, 2011/12 to 2020/21

Year	Affordable Completions		AMR Overall Completions	Affordable delivery as a % of Overall delivery	
	DLUHC	SADC		DLUHC	SADC
2011/12	65	65	134	49%	49%
2012/13	85	82	294	29%	28%
2013/14	117	107	345	34%	31%
2014/15	191	191	631	30%	30%
2015/16	322	273	1,048	31%	26%
2016/17	286	248	1,114	26%	22%
2017/18	443	367	1,293	34%	28%
2018/19	406	340	1,386	29%	25%
2019/20	531	470	1,458	36%	32%
2020/21	450	371	752	60%	49%
Total Delivery	2,896	2,514	8,455	34%	30%

Source: DLUHC Live Table 1008c and Annual Monitoring Reports

5.32 Accounting for stock losses reduces the gross affordable completions, however the net figures remain above the need required based on 233 affordable dpa. However, it is important to emphasise how affordable need in Stratford-on-Avon is recorded by the 2022 HEDNA to be 547 affordable dpa. On this basis, delivery over the past decade would be significantly short of need.

Overall Housing Need and Affordable Housing

5.33 The analysis set out above should be considered in the context of the housing targets put forward in the Draft Plan.

5.34 As the analysis has shown, gross affordable completions have been between 25% and 32% of all completions in Warwick DC over the past decade, and net affordable completions have been between 22% and 29%.

5.35 In Stratford-on-Avon, gross affordable completions have been between 32% and 37% of all completions in SADC over the past decade, and net affordable completions have been between 30% and 34%.

5.36 If delivery were to continue at this rate, overall housing need would increase significantly from what is proposed in the Draft Plan to deliver the 2022 HEDNA’s conclusion on net affordable need for Warwick (833 affordable dpa) and Stratford-on-Avon (547 affordable dpa).

Table 5.7: Overall housing need required to meet affordable housing need in full based on gross and net affordable housing delivery 2011-2021

LPA	Gross Affordable Delivery as a % of overall completions	Overall Housing Need to meet Affordable need in full (per annum)	Net Affordable Delivery as a % of overall completions	Overall Housing Need to meet Affordable in full (per annum)
Warwick	25% to 32%	2,603 to 3,332	22% to 29%	2,872 to 3,786
Stratford-on-Avon	32% to 37%	1,478 to 1,709	30% to 34%	1,609 to 1,823

5.37 As Table 5.7 illustrates, overall housing need across the two South Warwickshire authorities would need to increase significantly from the overall housing need currently being consulted on in the Draft Plan.

5.38 The overall housing supply necessary to deliver affordable housing need in full is therefore unrealistic but what this exercise does is highlight the *acute* affordable housing shortage and need across South Warwickshire.

5.39 In the context of Planning Practice Guidance which states how “*An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes*”³⁹ it is considered that both authorities should consider whether the housing requirement can be increased to deliver more affordable housing.

5.40 The Council’s own evidence acknowledged the significant need issues by stating “*Whilst we do need to build some market homes, the local plan needs to explore ways of **significantly increasing** the delivery of affordable homes across South Warwickshire.*”⁴⁰ (Our emphasis)

Numbers of households on waiting lists

5.41 The number of households on local authority waiting lists can also provide context for the affordable need in an area, and we present the data for South Warwickshire in Table 5.8.

³⁹ Paragraph: 024 Reference ID: 2a-024-20190220

⁴⁰ Paragraph: 024 Reference ID: 2a-024-20190220

Table 5.8: South Warwickshire housing waiting lists

LPA	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Warwick	3,174	2,995	2,995	3,429	2,410	2,488	2,337	2,033	1,767	1,832
Stratford-on-Avon	5,258	2,942	4,169	4,730	2,545	3,178	3,777	4,555	4,985	5,216
South Warwickshire	8,432	5,937	7,164	8,159	4,955	5,666	6,114	6,588	6,752	7,048

Source: DLUHC, Live Table 600

5.42 As Table 5.8 illustrates, the combined data for South Warwickshire shows over 7,000 homes on the waiting list in 2021. The waiting list fell to its lowest in 2016, but has since been on an upward trajectory year-on-year since.

5.43 The combined need for affordable housing set out in the 2022 HEDNA (1,386 affordable dpa) is only 20% of the waiting list as of 2021.

Affordable Housing Summary

5.44 In summary, the key points to note from our analysis are as follows:

Warwick

- Net affordable housing provision 2011-2021 in WDC was 22% to 29% of overall delivery;
- A shortfall of between 1,641 and 2,137 affordable dwellings 2011-2021 is evident in WDC against need of 374 per annum determined in the 2015 Assessment of Housing Need report;
- This shortfall would be significantly higher against the affordable need (833 dpa) determined by the 2022 HEDNA;
- The housing waiting list for WDC has increased since 2020 and shows 1,832 households awaiting an affordable home;
- Overall housing need in WDC would be a **minimum** 2,872 dpa to meet the 2022 HEDNA's affordable need (833 affordable dpa) if past net delivery of 29% was achieved.

Stratford-on-Avon

- Net affordable housing provision 2011-2021 in WDC was 30% to 34% of overall delivery;
- SADC delivered more than the affordable need determined by the 2015 Assessment of Housing Need report (233 affordable dpa);
- However delivery of affordable need 2011-2021 would be significantly below the need determined in the 2022 HEDNA (547 affordable dpa);
- It is questionable if the 2015 Assessment of Housing Need report's conclusion of affordable need for SADC (233 affordable dpa) is robust in the context of a housing list which has grown year on

year and almost doubled since 2016 to a figure of 5,216 affordable homes in 2021;

- Overall housing need in SADC would need to be a **minimum** 1,609 dpa to meet the 2022 HEDNA's affordable need (547 affordable dpa) if past net delivery of 30% was achieved.

5.45 This section has highlighted the significant need for affordable housing across South Warwickshire.

5.46 The analysis has shown how the 2022 HEDNA's overall housing need figure (811 dpa) would have to **more than triple** in Warwick District to deliver the 2022 HEDNA's affordable need figure (839 affordable dpa) at the rate of affordable delivery experienced over the last decade.

5.47 In SADC delivery of affordable housing has exceeded the need of the 2015 Assessment of Housing Need (233 affordable dpa). However, the 2022 HEDNA's affordable need figure (547 affordable dpa) would require overall need of **almost double** from the HEDNA's conclusion (868 dpa). This should also be considered in the context of a housing waiting list which has doubled since 2016 to over 5,000 households.

5.48 As we have set out at the beginning of this section we do not advocate that the housing *requirement* be increased to unrealistic levels to meet affordable housing need in full. However, the assessment of need should be unconstrained and as the assessment we have provided shows, the *requirement* should be increased as much as possible to meet the acute affordable need, in the context of the PPG which states "*An **increase** in the total housing figures included in the plan **may need to be considered** where it could help deliver the required number of affordable homes*" ⁴¹ (our emphasis).

5.49 Furthermore the Draft Plan states "*Whilst we do need to build some market homes, the local plan needs to explore ways of **significantly increasing** the delivery of affordable homes across South Warwickshire.*" ⁴² (Our emphasis)

⁴¹ Paragraph: 024 Reference ID: 2a-024-20190220

⁴² Paragraph: 024 Reference ID: 2a-024-20190220

6. SUMMARY, CONCLUSIONS, AND WAY FORWARD

- 6.1 This report has considered what **unconstrained** housing need is for Warwick District Council (WDC) and Stratford-on-Avon District Council (SADC) who together represent South Warwickshire.
- 6.2 The assessment is made in the context of the assessment of housing need presented in the Coventry & Warwickshire Housing and Economic Development Needs Assessment (HEDNA) published in November 2022, and responds to the consultation of the South Warwickshire Local Plan Part 1 Issues and Options.
- 6.3 Planning Practice Guidance (PPG) is clear that the assessment of housing **need** should be **unconstrained** and undertaken before and separately to establishing a housing **requirement** figure.
- 6.4 The 2022 HEDNA has concluded that unconstrained housing need for WDC and SADC is 811 dwellings per annum (dpa) and 868 dpa respectively. These figures exceed the NPPF's standard method for calculating **minimum** housing need (675 and 564 dpa respectively).
- 6.5 Marrons support the higher housing need figures determined by the 2022 HEDNA which take into account the recent 2021 Census population data, which reveals that population growth in both WDC and SADC exceeded the assumptions of the 2014-based ONS Sub National Population Projections which underpin the calculation of standard method.
- 6.6 Furthermore the PPG is clear that the standard method represents **minimum** housing need and a range of circumstances can lead to unconstrained housing need being higher. The test of a housing need figure which is higher than standard method is more lenient than one which is lower than standard method. PPG states a higher figure as follows; *"if it adequately reflects current and future demographic trends and market signals, **the approach can be considered sound** as it will have exceeded the minimum starting point.*⁴³
- 6.7 In contrast, 'exceptional circumstances' have to be shown to justify a housing need figure which is lower than the standard method minimum.
- 6.8 Whilst we support the housing need figures for WDC and SADC set out in the HEDNA, we have some concerns with the approach of the HEDNA, as explained in this report.
- 6.9 The key points to note in this context are as follows:

⁴³ Paragraph ID:2a-015, PPG, 2019

Economic Growth and Housing Need

- The NPPF states how *“planning policies should seek to address potential barriers to investment, such as inadequate housing”*⁴⁴;
- The 2022 HEDNA concludes that need of 811 dpa (WDC) and 868 dpa (SADC) will accommodate expected job growth;
- Marrons agree with the demographic modelling assumptions used to calculate economic-led housing need in the 2022 HEDNA with the exception of the job growth forecast used;
- Marrons consider the job growth assumptions of the HEDNA need updating for several reasons;
 - The 2022 HEDNA’s Cambridge Econometrics (CE) job forecast is outdated (March 2021) and was generated during strict COVID-19 lockdown measures in the UK;
 - CE are a robust source of job forecasts but a more recent forecast should be used;
 - Assumed GDP informing the HEDNA’s job growth forecasts has now been shown to be an underestimate of growth by the Office for National Statistics;
 - The higher GDP for 2021 and 2022 indicates job growth forecasts would be higher than those used by the HEDNA;
 - Furthermore, job growth experienced in WDC and SADC 2011-2019 significantly exceeded the CE forecast used to calculate economic-led housing need for the 2022-2043 period;
 - It is unclear from the HEDNA whether economic growth on a number of sites within South Warwickshire are taken account of by the CE baseline projections. If not these developments should be taken account of;
 - The Council should consider job growth forecasts from Oxford Economics and Experian Economics alongside those from CE.

Affordable Housing Need

- PPG states *“An **increase** in the total housing figures included in the plan **may need to be considered** where it could help deliver the required number of affordable homes”* ⁴⁵;
- The 2022 HEDNA has described affordable housing need across South Warwickshire as “notable” and “an important and pressing issue”;
- Net affordable housing provision 2011-2021 in WDC was 22% to 29% of overall delivery;
- A shortfall of between 1,641 and 2,137 affordable dwellings 2011-2021 is evident in WDC against need of 374 per annum determined in the 2015 Assessment of Housing Need report;
- This shortfall would be significantly higher against the affordable need (833 dpa) determined by

⁴⁴ Paragraph 82 (c), National Planning Policy Framework, July 2021

⁴⁵ Paragraph: 024 Reference ID: 2a-024-20190220

the 2022 HEDNA;

- The housing waiting list for WDC has increased since 2020 and shows 1,832 households awaiting an affordable home;
- Overall housing need in WDC would be a **minimum** 2,872 dpa to meet the 2022 HEDNA's affordable need (833 affordable dpa) if past net delivery of 29% was achieved.
- Net affordable housing provision 2011-2021 in WDC was 30% to 34% of overall delivery;
- SADC delivered more than the affordable need determined by the 2015 Assessment of Housing Need report (233 affordable dpa);
- However delivery of affordable need 2011-2021 would be significantly below the need determined in the 2022 HEDNA (547 affordable dpa);
- It is questionable if the 2015 Assessment of Housing Need report's conclusion of affordable need for SADC (233 affordable dpa) is robust in the context of a housing list which has grown year on year and almost doubled since 2016 to a figure of 5,216 affordable homes in 2021;
- Overall housing need in SADC would need to be a minimum 1,609 dpa to meet the 2022 HEDNA's affordable need (547 affordable dpa) if past net delivery of 34% was achieved.

6.10 In conclusion, the 2022 HEDNA provides robust justification for increasing the NPPF's standard method calculation of **minimum** housing need in WDC and SADC.

6.11 However, our analysis concludes that improvements to the 2022 HEDNA's assessment of economic-led housing need are required to provide an up-to-date and fully robust assessment. This has the potential to show need which exceeds overall housing need (811 dpa for WDC and 868 dpa for SADC) determined by the 2022 HEDNA.

6.12 Furthermore our analysis of affordable housing need shows how there would need to be significant increases to the overall housing need figures put forward by the 2022 HEDNA in order to make up the shortfall in affordable housing delivery in WDC, to accommodate the 2022 HEDNA's calculation of affordable housing need in WDC and SADC, and to address the 7,000 households currently on the housing register in South Warwickshire.

6.13 South Warwickshire should therefore consider these factors as part of the next stage of Local Plan process.