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SENT BY E-MAIL AND POST

22nd April 2016

Dear Sir / Madam

WARWICK LOCAL PLAN PROPOSED MODIFICATIONS CONSULTATION

Thank you for consulting with the Home Builders Federation (HBF) on the above mentioned consultation. The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing. We would like to submit the following representations and in due course appear at the resumed Examination Hearing Sessions to debate these matters in greater detail.

In **Modifications 1 & 2 to Policy DS2** and **Modifications 4 & 5 to Policy DS6** the housing requirement is increased from 12,860 to a minimum of 16,776 dwellings (932 dwellings per annum) in order to meet objectively assessed housing needs (OAHN) for the District of 10,800 dwellings (600 dwellings per annum) and 5,976 dwellings (332 dwellings per annum) of unmet housing needs from Coventry in the plan period 2011 – 2029. As a consequence in **Modification 6 to Policy DS7, Modifications 8 & 9 to Policy DS10** and the proposed new policies under **Modification 20 for Policy DS New1 – Directions for Growth South of Coventry** and **Modifications 22 & 23 for Policy DS New2 – Safeguarded Land** housing land supply is also increased. A new housing trajectory is set out in Appendix A.

The OAHN for Coventry & Warwickshire (C&W) Housing Market Area (HMA) is set out in the Updated SHMA Report by G L Hearn dated September 2015 as 85,540 dwellings (4,277 dwellings per annum) based on :-

- 2012 SNPP / SNHP ;

- Plus upward adjustments to compensate for suppressed HFR in the age group 24 – 34 years and worsening affordability in all authorities except Warwick ;
- A re-distribution of households to North Warwickshire, Nuneaton & Bedworth and Stratford upon Avon to support economic growth (see attached Table).

Further upward adjustments to support economic growth in North Warwickshire and Stratford upon Avon to support economic growth from outside the C&W HMA are excluded from the OAHN but included in the figure proposed to be distributed in the signed Memorandum of Understanding dated October 2015.

The Warwick figure of 600 dwellings per annum is an acceptable starting point for the calculation of OAHN but the Updated SHMA Report provides insufficient justification for no further uplifts. Therefore 10,800 dwellings may be too low as an OAHN for Warwick. Indeed the Council's own evidence in the up dated SHMA Report identifies :-

- “greater affordability issues in ... Warwick relative to other parts of HMA” (para 2.24) ;
- “Warwick ... average house prices in 2012 ... above national average and notably above the West Midland average” (par 5.3) ;
- “Stratford upon Avon and Warwick Districts continue to have highest house prices in HMA ... average house prices in these areas have risen comparatively more strongly in absolute terms” (para 5.6) ;
- “since mid-2012 house prices have increased in all of the HMA authorities ... In absolute terms the strongest growth in price was in Warwick District (£23,000 12.7%) (para 5.9) ;
- “in Warwick and Stratford upon Avon Districts average rental costs are above the West Midland and national averages (para 5.27) ;
- “the analysis shows comparatively stronger growth in private rental prices in Warwick where median monthly price has grown by £130 (22%) since September 2011 ... these authorities saw growth above West Midland rate of 10% for this period and well above CPI growth of 5.5%” (para 5.29) ;
- Table 46 : Lower Quartile Affordability Ratio 2013 in Warwick 7.82, HMA average 6.54 and England 6.45 ;
- Table 45 : Affordable Housing as % of Demographic based projections in Warwick 47% (Demographic based projection 600 dwellings per annum / Affordable Housing Need 280 dwellings per annum) ;
- “the affordable housing need however represents a higher % of demographically based need in ... Warwick District. In these areas some adjustment to overall housing provision might be appropriate to increase delivery of affordable housing” (para 6.59).

There is also uncertainty about whether or not OAHN for the C&W HMA will be met in full. This strategic matter was previously highlighted in the Inspector's Interim Report concluding that the failure to resolve meeting OAHN in full for the HMA meant the Warwick Local Plan should be withdrawn

from Examination. Since then although the C&W HMA authorities have worked together to try to resolve this strategic matter as evidenced by the Report to the Coventry & Warwickshire and South West Leicestershire Shadow Economic Prosperity Board dated 29th September 2015 and the signed Memorandum of Understanding relating to the planned distribution of housing within the C&W HMA dated October 2015. The resolution of this strategic matter remains uncertain because of inclusion of a figure of 14,060 dwellings (703 dwellings per annum) for Nuneaton & Bedworth rather than the 10,040 dwellings (502 dwellings per annum) as set out in the Pre Submission Local Plan consulted upon in December 2015 which makes no provision for unmet needs from Coventry so full OAHN will not be met in the C&W HMA. Nuneaton & Bedworth's default results in an unmet need of 4,020 dwellings across the HMA a figure not dissimilar to the previous 4,680 dwellings of undistributed unmet housing needs which resulted in the Inspector's original suggestion that the Warwick Local Plan was withdrawn from Examination. From a letter dated 14 October 2015 to the Inspector it is understood that Warwick District Council will be raising objections to the Nuneaton & Bedworth Local Plan because of Nuneaton & Bedworth's lack of co-operation (para 11). This is a serious failing of co-operation between the C&W HMA authorities which has consequences for the soundness of individual Local Plans. Therefore the question remains whether or not the proposed **Modifications 17 & 18** to **Policy DS20** which set out triggers to action a review of the Warwick Local Plan adequately deal with and resolve the strategic matter of unmet housing needs arising in the C&W HMA.

It is also uncertain whether or not the proposed **Modifications 17 & 18** to **Policy DS20** cover in sufficient detail the relationship between the C&W HMA and adjacent HMAs in which unmet housing needs are also arising, for example in Birmingham. Whilst these unmet needs may not directly impact on the Warwick Local Plan there are implications for other authorities within the C&W HMA with a consequential knock effect for Warwick.

With regards to housing land supply it is noted that the Council's latest 5 YHLS dated March 2016 identifies only 4.69 years. If the Local Plan is not to be out of date on adoption the Council must demonstrate a 5 YHLS without doing so the Plan would be unsound because it is not positively prepared, effective nor consistent with national policy. The Council's calculation is also questionable because the calculation is based on OAHN of 600 dwellings per annum rather than a housing requirement of 932 dwellings per annum as set out in the Plan. The NPPF states that the Council should identify 5 years supply of deliverable sites against its housing requirement (para 47). As explained in the Local Plan Experts Group Report to Government published in March 2016 the Council is "expected to treat unmet needs as part of its own OAHN" (Appendix A para 11 (iii)). A re-calculation of 5 YHLS based on a higher housing requirement figure will worsen the Council's current position of only 4.69 years.

For the Warwick Local Plan to be found sound under the four tests of soundness defined by Paragraph 182 of the NPPF, the Plan must be positively prepared, justified, effective and consistent with national policy. If there remains uncertainty that full OAHN will not be met in the C&W HMA and

neighbouring HMAs it is arguable that respective Local Plans are not positively prepared or effective and therefore inconsistent with national policy which is not justifiable. There is also uncertainty about whether or not an OAHN for Warwick is higher than 600 dwellings per annum which is based on demographic projections only and if a demonstrable 5 YHLS will exist on adoption of the Warwick Local Plan. It is hoped that these representations will be helpful in informing the next stages of the Warwick Local Plan. If any further information or assistance is required please contact the undersigned.

Yours faithfully
for and on behalf of **HBF**



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