



The Forward Planning Team
North Warwickshire Borough Council
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SENT BY E-MAIL AND POST

31st March 2017

Dear Sir / Madam

NORTH WARWICKSHIRE DRAFT LOCAL PLAN CONSULTATION

Introduction

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 attend the Local Plan Examination Hearing Sessions to discuss matters in greater detail.

Duty to Co-operate

Under S110 of the Localism Act 2011 which introduced S33A into the 2004 Act the Council must co-operate with other prescribed bodies to maximise the effectiveness of plan making. The Duty to Co-operate requires the Council to "*engage constructively, actively and on an on-going basis*". The high level principles associated with the Duty are set out in the National Planning Policy Framework (NPPF) (paras 156, 178 – 181). In addition there are twenty three paragraphs in the National Planning Practice Guidance (NPPG) concerning the Duty. In considering if the Duty has been satisfied it is important to consider the outcomes arising from the process and the influence of these outcomes on the Local Plan. One required outcome is the delivery of full objectively assessed housing needs (OAHN) for market and affordable housing in a housing market area (HMA) as set out in the NPPF (para 47)

including the unmet needs of neighbouring authorities where it is reasonable to do so and consistent with sustainable development (NPPF para 182).

North Warwickshire adjoins eight other Local Authorities and forms part of two HMAs which are Coventry & Warwickshire HMA and Greater Birmingham HMA. Therefore the Council has a role to play in the meeting of full OAHN across both these HMAs including unmet needs arising from Coventry, Tamworth and Birmingham.

Unmet needs from Coventry

The Coventry & Warwickshire HMA authorities (except Nuneaton & Bedworth Borough Council) have signed a Memorandum of Understanding containing a commitment to use their best endeavours to deliver housing numbers to meet in full an OAHN for the HMA of 85,540 dwellings between 2011 – 2031 (or 88,160 dwellings if 2,620 dwellings for growth arising outside the HMA are included) as shown in a re-distribution Table. In meeting this OAHN there is a proposed re-distribution between Coventry city and its neighbouring authorities based on a mathematical calculation of the percentage of migration patterns / house moves and commuting patterns. The Coventry & Warwickshire HMA authorities are expected to prepare Local Plans that reflect these agreed housing numbers subject to the completion of SHLAA work. The Memorandum of Understanding will be reviewed as a result of co-operation with authorities outside the HMA and / or monitoring which identifies that housing needs in the HMA are not been met. The Memorandum of Understanding includes a figure of 14,060 dwellings (703 dwellings per annum) for Nuneaton & Bedworth rather than the proposed housing requirement set out in the Pre Submission Local Plan. From the minutes of the latest (8th March 2017) Coventry & Warwickshire & South Leicestershire Joint Committee meeting it is understood that the Councils identified that 1,902 dwellings of Coventry's housing need is still unmet and there is no shared conclusion about the capacity of Nuneaton & Bedworth Borough to accommodate more of Coventry's unmet need. This is likely to mean other HMA authorities raising objections to the soundness of the Nuneaton & Bedworth Local Plan and possibly a failure to meet the Duty to Co-operate. Therefore at this time there is a level of uncertainty about whether or not OAHN for the Coventry & Warwickshire HMA will be met in full. Although the HBF welcomes the proposals for a future move towards a statutory Plan for Coventry & Warwickshire in the meantime the uncertainty about meeting OAHN in full remains unresolved.

Unmet needs from Tamworth

The Tamworth Local Plan Inspector's Final Report dated 3rd February 2016 confirmed that there is a commitment in the adopted North Warwickshire Core Strategy to deliver 500 dwellings to meet Tamworth's needs, a signed Memorandum of Understanding dated October 2014 for Lichfield District Council and North Warwickshire Borough Council to deliver a proportion of the remaining minimum 1,000 homes required to meet Tamworth's OAHN and an on-going commitment to review the Core Strategy or progress a Site Allocation Plan to make provision for a proportion of Tamworth's remaining

unmet housing needs (para 7 of Inspector's Final Report). Both Lichfield and North Warwickshire Council's accepted that they have the capacity to assist Tamworth in meeting its unmet housing needs as endorsed in the Inspectors Final Reports into the Local Plans for each respective authority (para 25). However the Tamworth Local Plan Inspector found that potential existed to increase the Tamworth Local Plan's housing requirement by 175 dwellings from 4,250 to 4,425 dwellings over the plan period and reduce the target to be delivered outside Tamworth from 2,000 to 1,825 dwellings (para 43). However even with Lichfield's and North Warwickshire's commitments there is an existing shortfall in meeting the identified housing need for Tamworth of 825 dwellings. If by the end of 2017/2018 broad development locations in neighbouring Local Plans have not been identified or permissions granted to meet needs arising from Tamworth then a review of its unmet housing requirements is to be undertaken (para 45). At this time there is uncertainty about meeting Tamworth's residual unmet housing needs in full.

Unmet needs from Birmingham

The Birmingham Development Plan adopted in January 2017 identifies an unmet need of 37,900 dwellings for the plan period 2011 – 2031. North Warwickshire Borough Council has signed a Memorandum of Understanding with Birmingham City Council dated 21st September 2016 concerning a contribution to the city's unmet needs. However there is some confusion about the derivation of the quantum of this contribution and the division of this contribution between unmet needs arising from Birmingham and / or Tamworth. The Council should provide justifying evidence for the proposed quantum of the contribution. There is also concern that by Birmingham City Council signing separate unilateral agreements with individual Greater Birmingham HMA authorities there is no certainty that the future combined sum of these unilateral agreements will equal the total of unmet needs arising from Birmingham city. The Councils should be working collaboratively on a multilateral agreement signed by all the Greater Birmingham HMA authorities. It is noted that the Memorandum is not signed by Tamworth Council therefore it should not be taken that the meeting of unmet needs arising from Tamworth are resolved by this agreement. Therefore there remains uncertainty about meeting Birmingham's unmet housing needs.

In conclusion before the pre submission consultation on the North Warwickshire Local Plan the Council should provide up dated Memorandums of Understanding confirming that unmet housing needs from Birmingham, Coventry and Tamworth will be met. Indeed by the time of the North Warwickshire Local Plan Examination a Statement of Common Ground explaining cross boundary working as proposed in the recently published Housing White Paper "*Fixing The Broken Housing Market*" may also be required. If updated Memorandums of Understanding and / or Statement of Common Ground are prepared the HBF may wish to submit further comments on the Council's legal compliance with the Duty and any implications for the soundness of the Local Plan in representations to the pre submission consultation.

OAHN & Housing Requirement

In **Policy LP6** the Council is proposing a housing requirement of 5,280 dwellings (264 dwellings per annum) for the District and unmet housing needs from Coventry for the period 2011 – 2031 plus an aspiration of 3,790 dwellings to meet the unmet needs from the Greater Birmingham HMA. The Council should provide further clarity on the District's own OAHN and the precise figures for unmet needs for Coventry, Tamworth and Birmingham respectively. As set out in the Inspectors Final Reports on both the North Warwickshire Core Strategy and the Tamworth Local Plan the Council gave a commitment to meet Tamworth's unmet needs therefore classifying the meeting of these unmet needs as only an aspiration undermines this commitment.

The housing requirement of 5,280 dwellings is based on the Coventry & Warwickshire SHMA Reports prepared by GL Hearn. In HBF representations submitted to the Examinations for the Stratford upon Avon, Warwick and Coventry Local Plans and the Rugby and Nuneaton & Bedworth pre submission Local Plan consultations the appropriateness of a number of assumptions used in the calculation of OAHN for the Coventry & Warwickshire HMA as set out in the G L Hearn Reports have been questioned. These concerns are summarised as :-

- No adjustments for longer term migration trends ;
- Using HFR in younger age groups as a mechanism to improve affordability in response to market signals ;
- No increase to help deliver affordable housing ;
- Misalignment of economic growth forecasting timeframes and the two stage re-distribution of unmet needs from Coventry to support economic growth elsewhere ;
- Publication of 2014 SNPP & SNHP.

With reference to the OAHN for the Coventry & Warwickshire HMA the HBF consider that the SNHP plus adjustments for 10 year migration trends and HFR in age group 25 – 34 multiplied by a vacancy rate allowance would have provided a more appropriate demographic starting point for the calculation of OAHN which should have been further uplifted for economic growth and / or market signals. It is acknowledged that adjustments for economic growth and market signals are not mutually exclusive so both may not necessarily be needed. It is known that an alternative OAHN prepared by Barton Willmore on behalf of a consortium of developers estimates the OAHN for the Coventry & Warwickshire HMA for 2011 – 2031 as between 100,200 – 126,000 dwellings (5,010 – 6,300 dwellings per annum). If this alternative OAHN is correct then the OAHN for the HMA has been under represented by circa 17% - 34%. It is noted that the recently published Housing White Paper points out that some Councils are not undertaking an honest assessment of housing needs and Plans are not providing enough land to meet these needs with Councils putting off difficult decisions.

The aspirational figure of 3,790 dwellings for unmet needs from the Greater Birmingham HMA is not based on OAHN for the HMA because the Greater Birmingham Strategic Needs Assessment (SNA) only provides a demographic starting point and it does not establish OAHN for each constituent authority. Moreover the SNA is not up to date as it is based on 2012 SNHP rather than the 2014 SNHP. As previously stated there is no evidence justifying the proportion of the unmet housing needs from Birmingham to be accommodated in North Warwickshire.

The Housing White Paper proposes a standard methodology for the assessment of housing needs / requirements. The Council should give consideration to the implications of this proposal. By the time of the North Warwickshire Local Plan Examination it may be necessary for the Council to prepare an assessment of its housing needs based on this standard methodology especially given that from April 2018 this is the baseline against which the Council's 5 YHLS and Housing Delivery Test will be calculated in the absence of an up to date Local Plan (defined as a Plan that is less than 5 years old from Autumn 2019 the Council's adopted Core Strategy will be over 5 years old).

In conclusion when more information is available the HBF may wish to submit further comments on OAHN and the Council's housing requirement in representations to the pre submission Local Plan consultation.

Housing Land Supply (HLS)

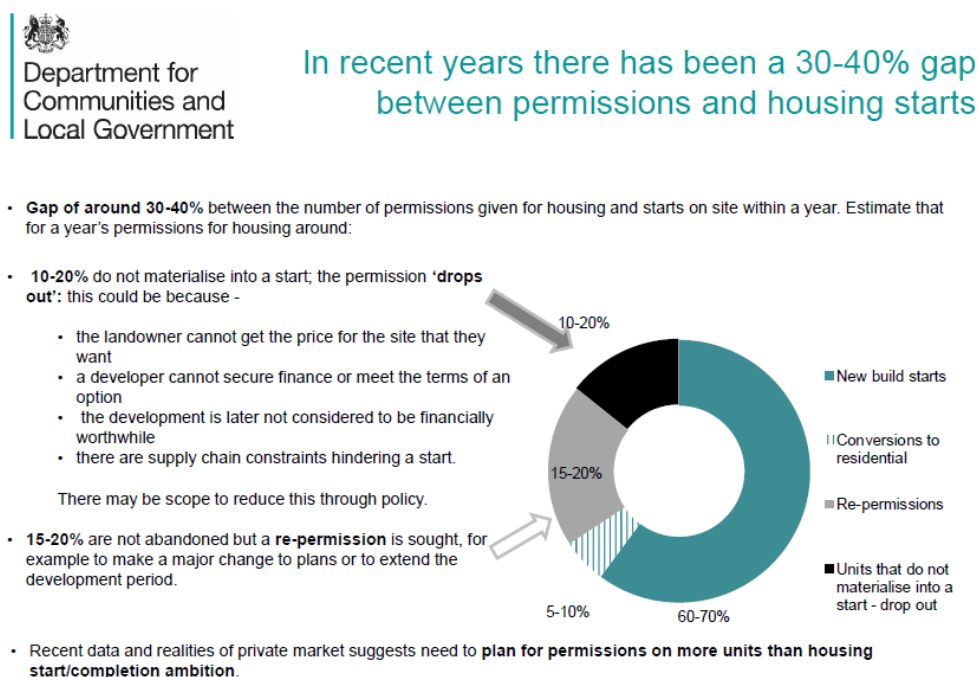
The focus of development will be Polesworth, Dordon, Atherstone, A5 corridor, Ansley Common and Hartshill. **Policy LP39** allocates thirty three sites for 6,824 dwellings in accordance with the settlement hierarchy set out in **Policy LP2**.

The Council is also proposing safeguarded land in **Policy LP4** for potential future development. It is noted that the status of safeguarded land is only changed by a review of the Local Plan. It is recommended that given the uncertainties about unmet housing needs in the two respective HMAs there should be greater flexibility in bringing forward safeguarded land. In addition to reviewing the Local Plan at least once every 5 years as proposed in the Housing White Paper there should be a policy commitment to an earlier review of the Local Plan if necessary. Furthermore as well as an early review there should be other triggers concerning HLS to bring forward safeguarded land sooner if necessary.

Table 7 sets out a residual HLS of 6,408 dwellings after the deduction of completions, existing planning permissions and a windfall allowance (60 dwellings per annum). It is not considered necessary to set out the proposed windfall allowance as a policy in the Local Plan. It is suggested that **Policy LP8** is deleted.

The Council is proposing a 5% contingency is included in the overall HLS to provide addition flexibility. The HBF would recommend as large a contingency as possible for both the 5 YHLS and overall HLS especially given that the

housing requirement is a minimum not a maximum figure. The HBF always suggests a 20% contingency to provide sufficient flexibility for unforeseen circumstances. Indeed the Department of Communities & Local Government (DCLG) presentation slide from the HBF Planning Conference in September 2015 illustrated a 10 – 20% non-implementation gap together with a 15 – 20% lapse rate. The slide emphasised “*the need to plan for permissions on more units than the housing start / completions ambition*” (see below). The Council should demonstrate that a contingency of 5% is sufficient.



Extract from slide presentation “DCLG Planning Update” by Ruth Stanier Director of Planning - HBF Planning Conference Sept 2015

The LPEG Report also recommended that “*the NPPF makes clear that local plans should be required not only to demonstrate a five year land supply but also focus on ensuring a more effective supply of developable land for the medium to long term (over the whole plan period), plus make provision for, and provide a mechanism for the release of, developable Reserve Sites equivalent to 20% of their housing requirement, as far as is consistent with the policies set out in the NPPF*” (para 11.4 of the LPEG Report). The Council should give consideration to reserve sites.

Under the Housing White Paper’s proposals from November 2017 the Council will be subject to the Housing Delivery Test. Since 2011 the Council has delivered on average 140 dwellings per annum which is significantly below the proposed housing requirement for this plan period. Therefore based on the Council’s own figures it fails the housing delivery test.

It should be clearly stated that the Council’s 5 YHLS calculation is based upon a housing requirement which is inclusive of OAHN for the Borough together with unmet housing needs from elsewhere (Coventry, Birmingham and Tamworth). If there is not reasonable certainty that the Council has a 5 YHLS on adoption of the Local Plan then the Plan cannot be sound as it would be neither effective nor consistent with national policy. If the Plan is not to be out

of date on adoption it is critical that a 5 YHLS is achieved otherwise *“relevant policies for the supply of housing will not be considered up to date if the LPA cannot demonstrate a five year supply of deliverable housing sites”* (NPPF para 49).

The HBF do not comment on the merits or otherwise of individual sites therefore our representation is submitted without prejudice to any comments made by other parties on the deliverability of specific sites included in the Council’s HLS. However it is essential that the Council’s assumptions on lead-in times, lapse rates and delivery rates for sites in the HLS are realistic. These assumptions should be supported by parties responsible for delivery of housing and sense checked by the Council using historical empirical data and local knowledge.

It is clear from the lack of flexibility in the Council’s HLS and likely failure to pass the proposed housing delivery test the Council should be considering allocation of more residential sites. When allocating sites the Council should be mindful that to maximize housing supply the widest possible range of sites, by size and market location are required so that house builders of all types and sizes have access to suitable land in order to offer the widest possible range of products. The key to increased housing supply is the number of sales outlets. The maximum delivery is achieved not just because there are more sales outlets but because the widest possible range of products and locations are available to meet the widest possible range of demand. This approach is also advocated in the Housing White Paper because a good mix of sites provides choice for consumers, allows places to grow in sustainable ways and creates opportunities to diversify the construction sector.

Other Housing Policies

It is noted that **Policy LP7** proposes a requirement for 10% special needs housing on sites of 100+ dwellings. However special needs housing is not defined in the glossary. The need for this type of housing should be evidenced and any policy requirement should be viability tested.

Under **Policy LP9** the Council proposes an affordable housing provision for sites of 10+ dwellings of 30% on non-greenfield and 40% on greenfield sites. It is suggested that the Council considers a review of this policy in the context of changes proposed by the Housing White Paper and updated whole plan viability testing.

Conclusion

For the North Warwickshire Local Plan to be found sound under the four tests of soundness as defined by the NPPF the Plan should be positively prepared, justified, effective and consistent with national policy (para 182). The Council should consider the aforementioned representations to the Draft Local Plan in order to avoid producing a Plan which is unsound. The HBF’s concerns include :-

- an under estimation of OAHN ;

- failure to meet full OAHN in the Coventry & Warwickshire and Greater Birmingham HMAs with potential implications under the Duty to Co-operate ;
- insufficient contingency in the HLS ;
- other housing policies which are have not been subject to up to date whole plan viability testing.

It is hoped that these representations are helpful in informing the next stages of the North Warwickshire Local Plan. If the Council requires any further information or assistance please contact the undersigned.

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



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