



The Forward Planning Team
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SENT BY E-MAIL ONLY

16 March 2018

Dear Sir / Madam

NORTH WARWICKSHIRE PRE SUBMISSION 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. As the Council is aware the HBF submitted representations on the original pre submission consultation deadline date of 31st January 2018. This submission contains some subsequent amendments and therefore supersedes our original representation (Reference Number SLP289). As previously stated in due course we would like to 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 Planning Authorities (LPA) namely Birmingham, Solihull, Lichfield, Tamworth, Coventry, Nuneaton & Bedworth, North West Leicestershire and Hinckley & Bosworth. North Warwickshire also forms part of two HMAs which are Coventry & Warwickshire HMA and Greater Birmingham & Black Country 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. The on-going engagement between respective authorities in meeting these unmet housing needs is outlined as follows :-

Unmet needs from Coventry

All the Coventry & Warwickshire HMA authorities have signed a MoU 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. In meeting this OAHN for the HMA there is a re-distribution of 17,800 dwellings of unmet housing needs from Coventry city to 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 MoU 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.

Unmet needs from Tamworth

The Tamworth Local Plan Inspector's Final Report dated 3rd February 2016 confirmed that both Lichfield and North Warwickshire Council's accept that they have the capacity to assist Tamworth in meeting its unmet housing needs as endorsed in the Inspectors Final Reports for each respective Local Plan (para 25). There is also 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). However even though 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) 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). So at this time there remains uncertainty about meeting Tamworth's residual unmet housing needs in full. Furthermore there is also a lack of clarity between North Warwickshire's assignment of unmet housing needs under **Policy LP6** which risks losing Tamworth's unmet needs amongst figures attributed to either or both Coventry's or Birmingham's unmet housing needs (also see comments below).

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 MoU 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 fully justify the proposed 10% quantum of the contribution which is based on migration/commuting patterns. 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. As identified by the Stratford upon Avon Local Plan Inspector's Final Report a "holistic approach" is required. It is suggested that the respective Councils should be working collaboratively on a multilateral agreement signed by all the Greater Birmingham & Black Country HMA authorities. Furthermore it is noted that Tamworth Council is not a signatory to this MoU despite its reference to Tamworth's unmet housing needs therefore it should not be taken that the meeting of unmet needs arising from Tamworth are resolved by this MoU. Therefore at this time there remains significant uncertainty about meeting Birmingham's unmet housing needs.

In February 2018 the Greater Birmingham & Black Country HMA Strategic Growth Study was published. This study identifies updated housing need of 205,000 – 246,000 dwellings between 2011 – 2031 and 256,000 – 310,000 dwellings between 2011 – 2036 for the HMA. The Council should provide clarification on the quantum of its proposed contribution to unmet needs and these updated figures. The Study also identifies potential Areas of Search including 3 Areas in North Warwickshire namely an urban extension East of Polesworth, employment led development East of Birmingham and a new settlement around New Arley (see Figure 8). East Birmingham is recommended as an Area of Search for Strategic Development (see Figure 10) with potential to directly address a substantial proportion of unmet need. The Council should clarify the inter relationship between the pre submission Local Plan and the Strategic Growth Study.

In conclusion the publication of Inspector's Final Reports and Interim Findings on other Coventry & Warwickshire HMA authorities Local Plan Examinations it may be determined that North Warwickshire Council has also satisfactorily co-operated on an on-going basis with the Coventry & Warwickshire HMA authorities thereby complying with the legal requirements of the Duty to Co-

operate. Unfortunately the same conclusion cannot be reached with regard to the Greater Birmingham & Black Country HMA authorities where a satisfactory outcome from the process of co-operation in particular meeting the unmet housing needs of Tamworth and Birmingham are as yet unresolved which is an unsound basis on which to prepare a Local Plan. The North Warwickshire Local Plan should be based on a strategy which seeks to meet OAHN (para 182) based on evidence (para 47) with emphasis on joint working on cross boundary issues where housing needs cannot be wholly met within individual LPA areas (para 178 – 181). As the North Warwickshire Local Plan has been prepared within a context of uncertainties this should be considered as an unsound basis for plan making because the Plan cannot be positively prepared, effective or consistent with national policy. There may be benefits for development management purposes of having an adopted Plan but these benefits should not outweigh the requirements for a sound Plan.

It is noted that there is no Duty to Co-operate Statement accompanying this pre submission Local Plan consultation, the Memorandum of Understanding (MoU) between the Coventry & Warwickshire HMA authorities is an unsigned draft version and the MoU with Tamworth Council dated 2014 is not representative of North Warwickshire's latest position on unmet housing needs. Therefore before the North Warwickshire Local Plan is submitted for Examination the Council should provide a Duty to Co-operate Statement confirming that unmet housing needs from Birmingham, Coventry and Tamworth will be met. This Statement should also confirm that there is a co-ordinated approach to strategic matters such as the distribution and delivery (including any necessary infrastructure) of strategic housing sites between North Warwickshire and its neighbouring authorities (including authorities beyond the Greater Birmingham & Black Country HMA in particular North West Leicestershire and Hinckley & Bosworth in the in the context of proposals under the recently published Draft Leicester & Leicestershire Strategic Growth Plan). Indeed by the time of the North Warwickshire Local Plan Examination a Statement of Common Ground explaining cross boundary working as proposed in the NPPF Draft text consultation may be required. If a Statement of Common Ground is prepared the HBF may wish to submit further comments on the Council's legal compliance with the Duty to Co-operate and any implications for the soundness of the Local Plan in further written Hearing Statements and during oral discussions at the Examination Hearing Sessions.

OAHN & Housing Requirement

Under the NPPF the Council should be proactively supporting sustainable development to deliver the homes needed by identifying and then meeting housing needs (para 17) in particular the Council should be significantly boosting the supply of housing (para 47). The Council should ensure that the assessment of and strategies for housing, employment and other uses are integrated taking full account of market and economic signals (para 158). The Council should use its evidence base to ensure that the Plan meets in full OAHN as far as consistent with the framework including identifying key sites critical to the delivery of the housing strategy over the plan period (para 47).

The NPPG advises that housing need should be assessed in relation to the relevant functional area known as the HMA (ID 2a-008). An OAHN should be unconstrained (ID 2a-004) and strongly recommends the use of its standard methodology (ID 2a-005). This methodology is a three stage process comprising :-

- Demographic (based on past population change and HFR) (ID 2a-015 – 017) ;
- Economic (to accommodate and not jeopardise future job growth) (ID 2a-018) ;
- Market signals (to consider undersupply relative to demand) (ID 2a-019 & 020) ;
- Affordable housing need is separately assessed (ID 2a-022 – 028) but delivering affordable housing can be a consideration for increasing planned housing provision (ID 2a-029).

In the HWP the Government criticises Council's for not undertaking an honest assessment of housing needs in response to this criticism the Government has consulted on a standardised methodology for the calculation of OAHN. This standardised methodology comprises of :-

- Demographic baseline based on annual average household growth over a 10 year period ;
- Workplace-based median house price to median earnings ratio ;
- Adjustment factor = $\frac{\text{Local affordability ratio} - 4}{4} \times 0.25$;
- Local Housing Need = (1 + adjustment factor) x projected household growth.

The Council's latest OAHN calculation is set out in Coventry & Warwickshire SHMA Report 2015 by G L Hearn. This Report identifies an OAHN for North Warwickshire of 4,740 dwellings (237 dwellings per annum) for the period 2011 – 2031. This OAHN comprises of :-

- demographic starting point of 163 dwellings per annum using 2012 SNPP ;
- economic led housing need of 210 dwellings per annum ;
- 237 dwellings per annum after a market signal adjustment of +27 dwellings per annum. As set out in the NPPG the more significant the affordability constraints then the larger the improvement in affordability needed (ID 2a-020) an adjustment of +27 dwellings per annum represents an uplift of 16.5%.

The SHMA calculates a net affordable housing need of 92 dwellings per annum using an affordability threshold of 35%. In the Local Plan (para 8.10) affordable housing need is stated as 112 dwellings per annum. The affordable housing need should be clarified and if necessary the figure corrected. 92 dwellings per annum is 56% of the demographic OAHN (Table 45) therefore the SHMA (para 6.59) states that some adjustment to overall housing provision might be appropriate to increase delivery of affordable housing.

However there is no further increase in the total housing requirement to help deliver affordable homes as set out in the NPPG (ID 2a-029) indicating a housing requirement which is potentially too low.

It is also noted that if 30% affordability threshold is used affordable housing need increases to 131 dwellings per annum (Table 44). In the HWP the Prime Minister states *“Our broken housing market is one of the greatest barriers to progress in Britain today. Whether buying or renting the fact is that housing is increasingly unaffordable – particularly for ordinary working class people who are struggling to get by ... high housing costs hurt ordinary working people the most ... working households below-average incomes spend a third or more of their disposable income on housing. This means they have less money to spend on other things every month ... I want to fix this broken market so housing is more affordable ... The starting point is to build more homes. This will slow the rise in housing costs so that ordinary working families can afford to buy a home and it will also bring the cost of renting down”*. The Council should not be under-estimating the true extent of affordable housing needs.

The 2015 SHMA is not the most up to date assessment of OAHN for the Coventry & Warwickshire HMA. The absence of the 2016 Report from the North Warwickshire Local Plan evidence is not explained by the Council.

In HBF representations submitted to the Examinations for the Stratford upon Avon, Warwick, Coventry, Nuneaton & Bedworth and Rugby Local Plans 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 ;
- Confusion caused by the two stage re-distribution of unmet needs from Coventry to support economic growth elsewhere ;
- Publication of 2014 SNPP & SNHP.

It is acknowledged that the OAHN for the Coventry & Warwickshire HMA has been tested at recently held Local Plan Examinations for other HMA authorities. Indeed the Inspector's Final Reports for the Warwick and Coventry Local Plans have been published (in July 2017 and October 2017 respectively) in which the Inspector's found the OAHN evidence to be robust and justified for the HMA as a whole and those respective individual authorities. However the case for North Warwickshire is more complicated with respect to unmet housing needs from neighbouring authorities.

Policy LP6 sets out a housing requirement of 9,598 dwellings for the plan period of 2011 – 2033 comprising of 5,808 dwellings (264 dwellings per annum) for the Borough's OAHN (237 dwellings per annum), a re-distribution of unmet housing needs from Coventry (+594 dwellings) and an aspiration of

3,790 dwellings to meet the unmet needs from the Greater Birmingham & Black Country HMA.

The attributing of unmet needs from Coventry, Tamworth and Birmingham is not transparent. The HBF understands the Council's concern to avoid double counting but it is contended that the economic uplift attributed to meeting Tamworth's unmet needs has already been counted as meeting Coventry's unmet needs as set out in the MoU. If so the Council's commitment to meet Tamworth's unmet needs is missing from the figures. Similarly the aspirational figure of 3,790 dwellings representing 10% of Birmingham's unmet needs cannot include Tamworth's unmet needs. Indeed re-classifying meeting these needs as part of an aspiration for the wider Greater Birmingham & Black Country HMA undermines the previous policy commitment confirmed in both the Inspectors Final Reports for the North Warwickshire Core Strategy and the Tamworth Local Plan. Furthermore the aspirational figure of 3,790 dwellings representing 10% (derived from migration/commuting patterns as set out in para 7.39) of the unmet housing need for Birmingham of 37,900 dwellings 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. Indeed the re-assessment of housing needs set out in the recently published Greater Birmingham & Black Country HMA Strategic Growth Study identifies a higher housing need for the HMA and therefore a greater unmet housing need across the HMA. Furthermore by the time of the Local Plan Examination it may be necessary for the Council to prepare an assessment of housing needs based on the Government's proposed standard methodology.

If a re-assessment of housing needs using the standard methodology is undertaken and / or further clarification on meeting the unmet housing needs for Coventry, Tamworth and Birmingham respectively is provided then the HBF may wish to submit further comments on OAHN and the Council's housing requirement in written Hearing Statements and during oral discussions at the Examination Hearing Sessions.

Housing Land Supply (HLS)

Under the Council's Strategic Objectives it is noted that to secure a sustainable pattern of development reflecting the rural character of the Borough priority is given to re-using Previously Developed Land (PDL) and buildings within Market Towns and Local Service Centres (para 5.2) contrary to national policy. The NPPF (para 111) encourages the effective use of land by re-using land that has been previously developed (brownfield land) but it does not prioritise the use of such land against sustainable development on non-brownfield land. It is recommended that this wording is amended as a minor modification to maximise rather than prioritise the re-use of PDL.

Policy LP39 allocates twenty eight sites for 6,821 dwellings in accordance with the settlement hierarchy set out in **Policy LP2**. This settlement hierarchy comprises of :-

- Category 1 - Market Towns of Atherstone with Mancetter, Polesworth with Dordon and Coleshill ;
- Category 2 - Settlements adjoining outer boundary of the Borough ;
- Category 3 - Local Service Centres of Baddesley with Grendon, Hartshill with Ansley Common, New & Old Arley, Kingsbury and Water Orton ;
- Category 4 – Other Settlements with Development Boundaries ;
- Category 5 - Outside of above settlements.

Under **Policy LP2** development is permitted within defined settlement boundaries but outside settlement boundaries development is restricted. It is suggested that proposed settlement boundaries are not drawn too tightly. The use of settlement boundaries to arbitrarily restrict sustainable development from coming forward on the edge of settlements is not a positive approach. A more flexible approach to development in a rural Borough should not be ruled out. It is important that the Council recognises the difficulties facing rural communities including lack of housing supply and unaffordability. The NPPG emphasises that all settlements can play a role in delivering sustainable development in rural areas so blanket policies restricting housing development in some settlements and preventing other settlements from expanding should be avoided. One of the core planning principles of the NPPF (para 17) is to *“take account of the different roles and character of different areas ... recognising the intrinsic character and beauty of the countryside and supporting thriving rural communities within it”*. This principle is re-emphasised in para 55 which states *“to promote sustainable development in rural areas, housing should be located where it will enhance or maintain the vitality of rural communities”*. The Council should consider permitting sustainable development that is well related to and not just within settlement boundaries if any unforeseen problems occur with existing consents and/or strategic and non-strategic site allocations.

The twenty eight sites allocated in **Policy LP39** vary in size from under 25 dwellings to over 1,000 dwellings and location. There are three strategic sites over 1,000 dwellings at Atherstone (**H2**), Polesworth (**H7**) and adjacent to Tamworth (**H13**) for 4,552 dwellings representing 67% of the overall HLS. When allocating sites the HBF always advocates that 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 proposed in the NPPF Draft text consultation 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. If more site allocations are needed the Council should continue with this approach to achieve an even greater diversification of allocated sites so that the reliance on sites over 1,000 dwellings (67% overall HLS) is lessened.

The Council is also proposing safeguarded land in **Policy LP4** for potential future development. The Council proposes land west of Tamworth Road in Kingsbury as safeguarded land. It is noted that the status of safeguarded land is only changed by a review of the Local Plan. The Government proposes that a Local Plan should be reviewed at least once every 5 years however given the uncertainties about unmet housing needs in the Greater Birmingham & Black Country HMA there should be additional flexibility provided for an early partial review of the North Warwickshire Local Plan to bring forward safeguarded land sooner if necessary.

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% flexibility contingency in the overall HLS. The HBF always recommends 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 recommends a contingency of at least 20% provides more flexibility for unforeseen circumstances such as unmet needs from elsewhere in HMA, slower than expected delivery, non-implementation of existing consents, economic change, and flexibility and choice in the housing market. 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 the adequacy of a contingency of only 5% which the HBF considers is too low.

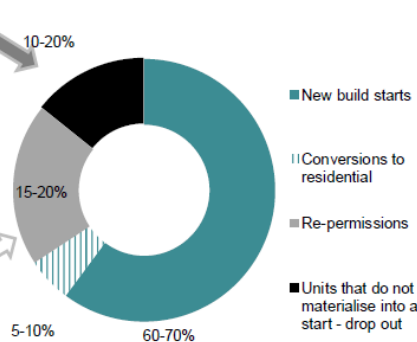


Department for
Communities and
Local Government

In recent years there has been a 30-40% gap
between permissions and housing starts

- **Gap of around 30-40%** between the number of permissions given for housing and starts on site within a year. Estimate that for a year's permissions for housing around:
- **10-20%** do not materialise into a start; the permission ‘drops out’: this could be because -
 - the landowner cannot get the price for the site that they want
 - a developer cannot secure finance or meet the terms of an option
 - the development is later not considered to be financially worthwhile
 - there are supply chain constraints hindering a start.

There may be scope to reduce this through policy.
- **15-20%** are not abandoned but a **re-permission** is sought, for example to make a major change to plans or to extend the development period.
- Recent data and realities of private market suggests need to **plan for permissions on more units than housing start/completion ambition.**



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

The Local Plans Expert Group (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). It is noted that **Policy LP39 (a)** proposes two reserve sites for housing for circa 748 dwellings.

The HBF do not comment on the merits or otherwise of individual sites therefore our representations are submitted without prejudice to any comments made by other parties on the deliverability of specific sites included in the overall HLS, 5 YHLS and housing trajectories. The Council’s HLS assumes that all of the allocations in the Plan will be found sound. However the soundness of individual allocations will be discussed throughout the course of the examination. If any are found to be unsound these will need to be deleted from the HLS accordingly. It is also essential that the Council’s assumptions on lead-in times, lapse rates and delivery rates for sites 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.

The 5 YHLS is a snap shot in time which can change very quickly. The following analysis addresses matters of principle rather than detailed site specific analysis. The HBF’s preferences for the calculation of 5 YHLS are the Sedgefield approach to shortfalls as set out in the NPPG (ID 3-035) with a 20% buffer applied to both the annualised housing requirement and any shortfall. The Council’s latest calculation as set out in 5 YHLS Report (as at 31 March 2017) based on OAHN figure of 264 dwellings per annum rather than the housing requirement of 436 dwellings per annum and using Sedgefield approach to shortfalls and a 5% buffer is 5.1 years supply. The HBF disagree with the Council’s calculation. The Council’s 5 YHLS calculation should be based on the housing requirement which is inclusive of OAHN for the Borough together with unmet housing needs from elsewhere (Coventry, Birmingham and Tamworth). Between 2011 – 2017 the Council completed 1,069 dwellings (178 dwellings per annum) which is significantly below the proposed housing requirement for this plan period. It is arguable that a 20% buffer is more appropriate than a 5% buffer. The HBF’s own calculation of the Council’s 5 YHLS is significantly less than 5 years. 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).

If a re-assessment of HLS and/or 5 YHLS is undertaken the HBF may wish to submit further comments in written Hearing Statements and during oral discussions at the Examination Hearing Sessions.

Other Housing Policies

The references to Building for Life are out of date. It is recommended that the wording of paras 6.7 to 6.9 is corrected as minor modifications.

Policy LP7 proposes a requirement for 10% special needs housing on sites of 100+ dwellings. The HBF recognise that all households should have access to different types of dwellings to meet their housing needs. Therefore planning for a mix of housing needs should focus on ensuring that there are appropriate sites allocated to meet the needs of specifically identified groups of households such as the elderly without seeking a specific housing mix on individual sites. However the Council has failed to define special needs housing which renders the policy ineffective. If by special needs the Council means accessible & adaptable homes the Written Ministerial Statement dated 25th March 2015 stated that *“the optional new national technical standards should only be required through any new Local Plan policies if they address a clearly evidenced need, and where their impact on viability has been considered, in accordance with the NPPG”*. If the Council wishes to adopt the higher optional standards for accessible & adaptable homes the Council should only do so by applying the criteria set out in the NPPG (ID 56-005 to 56-011). This policy requirement should be removed from **Policy LP7**.

Policy LP7 also requires 5% self build on sites of 100+ dwellings. This policy will impact on eight allocated sites including the three strategic sites. The HBF is supportive of self/custom build in principle for its potential contribution to overall housing supply. However the Council's approach to self/custom build should be positively undertaken to increase the total amount of new housing developed rather than by a restrictive policy requirement for inclusion of such housing on allocated sites of 100+ dwellings. Such positive policy responses include supporting development on small windfall sites as well as allocating more small sites. The Council's proposed policy approach only changes the house building delivery mechanism from one form of house building company to another without any consequential additional contribution to boosting housing supply. If the Council wishes to promote self/custom build it should do so on the basis of evidence of such need. It is not evident that the Council has assessed such housing needs in its SHMA work as set out in the NPPG (ID 2a-021) whereby the Council should collate from reliable local information the local demand for people wishing to build their own homes. The Council have provided no justification for the quantum of the 5% requirement. The number of validated registrations on the Council's Self Build Register is unknown but it is likely that the 5% requirement will provide in excess of any identified need. If after 3 years these plots are not developed by self/custom builders then the Council proposes that these dwellings may be built out by non self/custom builders. The Council has no evidence to justify this time period which the HBF considers is too long. The Council should give further detailed consideration to the practicalities (for example health & safety implications, working hours, length of build programme, etc.) of implementing this policy. Furthermore the Council has not undertaken any viability assessment of this policy proposal. The NPPG confirms that *“different types of residential development such as those wanting to build their own homes ... are funded and delivered in different ways. This should be reflected in viability*

assessments" (ID 10-009). This policy requirement should be removed from **Policy LP7**.

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. The proposed affordable housing tenure mix is 85% affordable rent and 15% intermediate. If the Local Plan is to be compliant with the NPPF development should not be subject to such a scale of obligations and policy burdens that viability is threatened (paras 173 & 174). The residual land value model is highly sensitive to changes in its inputs whereby an adjustment or an error in any one assumption can have a significant impact on viability. Therefore it is important that the Council understands and tests the influence of all inputs on the residual land value as this determines whether or not land is released for development. The Harman Report highlighted that "*what ultimately matters for housing delivery is whether the value received by land owners is sufficient to persuade him or her to sell their land for development*". The Council's viability evidence dated September 2012 is significantly out of date. The Council should undertake a whole plan viability assessment to justify the policy requirements of **Policy LP9** before the North Warwickshire Local Plan is submitted for Examination. When up to date viability evidence is available the HBF may wish to submit further comments on **Policy LP9** in written Hearing Statements and during oral discussions at the Examination Hearing Sessions.

Conclusions

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

- failure to meet full OAHN in Greater Birmingham & Black Country HMA with potential implications under the Duty to Co-operate ;
- a housing requirement which will not deliver enough affordable housing and unmet housing needs from Coventry, Tamworth & Birmingham ;
- insufficient contingency in the overall HLS ;
- no 5 YHLS on adoption of the Local Plan ;
- insufficient justification for policy requirements set out in **Policies LP7 & LP9**
- no up to date whole plan viability assessment.

It is hoped that these representations are helpful to the Council. In the meantime if any further information or assistance is required please contact the undersigned.

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



Susan E Green MRTPI
Planning Manager – Local Plans