

RUGBY BOROUGH LOCAL PLAN EXAMINATION

STAGE 1 HEARINGS

ISSUE 2A: HOUSING NEEDS

PEGASUS GROUP ON BEHALF OF:

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1.1 INTRODUCTION

1.1.1 This Statement comprises a submission made on behalf of Mr P. Drakeford.

1.1.2 The following Statement should be read in conjunction with earlier representations made in respect of the draft Local Plan.

1.1.3 Mr P. Drakeford is broadly supportive of the submission version local plan but believe that certain modifications are required before the plan can be considered a sound and effective basis for the planning of the area.

1.1.4 This Statement seeks to respond to a number of questions in respect of the 'Housing Needs' (Matter 2, Issue 2a).

1.2 QUESTIONS

1. Has the RBLP has been positively prepared and is it justified, effective and consistent with national policy in relation to its proposal to provide for 12,400 additional dwellings between 2011 and 2031? In particular:

a) Do the 2015 SHMA and the report on the Coventry-Warwickshire HMA 2014-based Subnational Population and Household Projections (August 2016 update) provide a robust evidence base for OAN in individual authorities within the HMA and is the methodology appropriate?

1.2.1 It is accepted that in neighbouring Council areas within the HMA where Local Plans have been examined, the 2015 SHMA and the August 2016 Update have been tested and found to be appropriate for the purpose of determining a dwelling requirement for plan making in the current policy context. Importantly, the need to redistribute un-met housing need from Coventry has enabled changes in household projections from different series at an individual LPA level to be accommodated across the HMA as a whole. For the purposes of this examination of the Local Plan, at this point in time, we support the pragmatic approach of ensuring the housing needs of HMA are met as a whole and the resultant figures proposed for Rugby.

1.2.2 However, notwithstanding this overall support, there are two elements of the evidence which suggest overall housing need could be higher; the relationship to jobs growth, and the need to address market signals and affordability. These matters are referred to in answers below.

b) How The 2016-based National Population Projections were published by ONS in October 2017. What bearing, if any, do these have on the demographic basis for Rugby's OAN?

1.2.3 Whilst the National Population Projections are relevant to determining the level of population growth for England, until the sub national data is published the impact at each local authority level is unknown. It would be premature to take into account this high-level data at this stage and, accordingly, the latest population

and household projections remain the 2014 based data that was analysed as part of the August 2016 Update.

c) Is the SHMA and the August 2016 update justified in relying upon a 5/6 year migration trend as applied in the SNPPs, or should Rugby's household forecast for 2011-2031 be adjusted to take account of a longer term 10 year migration trend?

1.2.4 The baseline figure to be taken into consideration is the most up to date household projections (2014) including the most recent mid year estimate (4,046 for the HMA and 423 for Rugby). It is then appropriate to consider other longer term scenarios and the potential impact of those growth scenarios. From a HMA perspective, the 10 year migration scenario does identify a greater level of household growth, however, the author caveats this by stating that Unattributed Population Change (UPC) needs to be taken into consideration, which would then bring the HMA figure down below the baseline figure identified above. When considering Rugby Borough specifically, however, the 10 year migration figures (both excluding and including UPC at 498 and 551 respectively) are higher than not only the baseline figure (423), but greater than the dwelling requirement. The same is the case for the other more rural authorities and conversely Coventry City's growth has decreased. Therefore, the impact of the UPC demonstrates that migration into Rugby and other rural areas within the HMA has been underestimated and Coventry overestimated.

1.2.5 Given Coventry City's land capacity issues it has been established through an agreed Memorandum of Understanding (MoU) that adjoining authorities will provide for an element of Coventry City's growth. It is considered that the 10 year migration scenario is broadly in line with the agreed distribution strategy and, accordingly, the adjusted growth levels are being met.

d) What assumptions have been made regarding household formation rates and are these justified?

1.2.6 The assumption that the 25-34 age cohort household formation rates will return to 2001 levels is supported, as this age group has been constrained and so will contain an element of concealed households. The housing requirement should be

ensuring there is sufficient additional supply in the housing market to allow these households to form.

e) Is the figure which the SHMA and the August 2016 update arrives at for the demographic-based housing need appropriate? What would alternative assumptions for demographic change suggest and is there a justification to use these?

1.2.7 There is minimal difference between the conclusions arrived at for demographic based need in the SHMA and the August 2016 Update and, given the evidence has been thoroughly examined at other examinations in the wider HMA, it is considered to be robust for the purpose of determining a dwelling requirement at this point in time and in the current policy context for plan making.

f) Are the assumptions about economic and employment growth in the SHMA and the August 2016 update justified and robust in relation to the range of job growth forecasts available? Do they provide a reliable basis for not increasing the demographic-based housing need for Rugby?

1.2.8 Whilst the August 2016 Update considers the more recent household projections and concludes that the change in resident workforce exceeds the employment growth level used in the earlier SHMA, the Update fails to review those employment growth levels themselves. There have been more recent data releases from economic forecasters published, and Pegasus has provided evidence on jobs growth in relation to employment land supply, which could suggest the need uplift housing need to ensure an adequate workforce.

g) Is an uplift of 3% in the demographic-based housing need for Rugby an appropriate and justified response to the evidence on market signals and affordable housing need?

1.2.9 The consideration given to market signals, affordability and affordable housing is limited; a 3% uplift has been applied. The Government's recent consultation paper 'Planning for the Right Homes in the Right Places' has suggested a

Standard Methodology, which imposes uplifts on demographic projections to address affordability, a key indicator for market signals. The accompanying tables suggest a level of indicative need at 514 dwellings per annum for Rugby. This has been identified by determining the level of households suggested by the household projections of 447 and applying a further uplift of 15% to address affordability. Whilst these figures are of limited weight for the purposes of this examination, it is a further factor which might suggest the housing need figures that underpin the Local Plan err on the low side. This has particular implications for how the housing requirement and the capacity of individual allocations are defined in the Local Plan, addressed in answers below.

h) Are the figures in the 2015 SHMA and the August 2016 update for OAN in the HMA and in Rugby appropriate? Is there a basis to arrive at alternative figures?

1.2.10 There is always an alternative basis on which to determine different figures, for example utilising the Government's proposed Standard Methodology. However, given the level of agreement between Local Planning Authorities across the HMA and the previous extensive consideration of this particular part of the evidence base against existing national policy, it is considered that at this point in time the figures arrived at provide a sound basis for plan making.

i) Is the basis for the distribution of Coventry's unmet housing needs set out in the Memorandum of Understanding (MoU) positively prepared and justified as the most appropriate strategy? Does this deal effectively with the issue?

1.2.11 It is agreed that the distribution of Coventry's unmet need across the adjoining Districts is the appropriate strategy for meeting needs across the HMA. Indeed, as a number of councils in the HMA have either had their plans adopted or are at an advanced stage in plan formulation based on the MoU, and as all councils in the HMA have now agreed to the distribution of Coventry's un-met needs, the Plan is considered to have been positively prepared and justified in this respect.

j) In terms of Birmingham's unmet housing needs, to what extent does the overlap between the Greater Birmingham and Coventry-Warwickshire HMAs affect housing provision in Rugby? How should it be taken into account in assessing Rugby's housing requirement and if so what would be the mechanism and timescale for calculating a redistribution?

1.2.12 This issue of Birmingham's unmet need remains unresolved. As it stands Rugby Borough has not been identified within the wider Greater Birmingham Housing Market Area (GB HMA) and, as far as we understand matters, it is not expected to contribute to meeting unmet need arising from within the GBHMA at this stage. It is acknowledged, however, that the Coventry and Warwickshire HMA and Birmingham HMA overlap in relation to Stratford on Avon District and North Warwickshire Borough.

1.2.12 It is understood that further work is being undertaken in order to identify appropriate locations for the unmet need to be delivered. This work is due to be published in January 2018. Following the publication of this work, it is hoped further clarity will be provided as to how the GB HMA shortfall can be addressed and whether this can be achieved within the GB HMA boundary or whether reliance will need to be placed on authorities outside the HMA.

2. Should the amount of housing proposed for Rugby (12,400 dwellings) be increased or decreased? If so to what level and on what basis? Should Policy DS1 state that 12,400 dwellings is a minimum?

1.2.13 The level of housing identified in the plan is generally appropriate, for reasons set out above. However, in relation to market signals and affordability, and the needs to align workforce forecasts with housing need, there are clear signs that the figure could be higher.

1.2.14 In terms of how the figure should be expressed, we are firmly of the view that the total number of dwellings should be identified as a minimum. Given the Government's agenda to deliver a significant increase in housing, it is perverse for the housing target to be limited. Whilst the Government's recent consultation paper 'Planning for the Right Homes in the Right Places' is of limited weight, it

demonstrates that based on delivering 266,000 homes per annum nationally (it should be noted that the Government has since identified a need for 300,000 homes per annum nationally) the appropriate dwelling requirement for Rugby Borough is higher than that currently being planned for. Accordingly, a housing requirement expressed as a minimum would assist to ensure that the direction of travel of the Government is recognised.

1.2.15 The same principle should apply to the way in which the figures are expressed for the individual housing allocations. At the point of examination of a Local Plan stage, indicative figures are frequently identified for individual sites, but as the detailed design process takes place the actual capacity of a site emerges. In order to maximise the use of land and provide flexibility within the spatial strategy, it is important that allocations, as well as the overall dwelling requirement, are not constrained to an upper limit. Therefore, the proposal to include the words “up to” for the capacity of each allocation is wrong and not supported. A figure for each allocation in the Local Plan should be expressed in a way that provides flexibility, recognising that the appropriate capacity of a site will be influenced by more detailed technical work undertaken to inform planning applications through the development management process.

1.2.16 To conclude, the overall number of homes to be delivered through the Local Plan is appropriate, subject to the total requirement being expressed as a minimum figure, and the figures for individual allocations expressed as “approximately” or “around”.

3. Is the RBLP justified and consistent with national policy in stepping the annual housing requirement at 540 dwellings per annum (dpa) from 2011-2018 and 663 dpa for the period 2018-2031? Should this be expressed in a policy?

1.2.17 As highlighted in the representations previously submitted, a stepped trajectory is not conducive to meeting arising housing need. There is concern that unmet need will arise, in the form of concealed and shared households, as a result. Such a consequence is undesirable and should be avoided. It is understood that the Council has pursued this policy approach to prevent a five-year land supply shortfall from occurring, however, it is considered that this is not a sufficiently justifiable reason. If problems with maintain a five-year supply are anticipated, action should be taken to boost the supply, not defer the delivery of homes. It is

recommended that the Council identify additional smaller sites in deliverable locations to supplement and complement the existing allocations to plug any shortfall in provision over the plan period.

- 1.2.18 Any stepped trajectory must be set out in a policy through a main modification, if it is to be progressed. However, as it is not an appropriate or justified policy approach, the stepped trajectory should be removed from the Local Plan.