

# **Nuneaton and Bedworth Borough Council**

## **Borough Plan Review (2021 - 2039)**



### **Part B: Soundness Response to Matter 3 Housing**

## Contents

### **Issue 1: The approach to the housing requirement..... 3**

Q37. Is the housing requirement figure of 545 dwellings annum/9,810 over the plan period as set out in Strategic Policy DS3 soundly based and does it accord with the evidence and national planning policy and guidance? ..... 3

Q38. Is the proposed housing requirement consistent with the economic growth ambitions of the Plan?..... 6

## Issue 1: The approach to the housing requirement

*Q37. Is the housing requirement figure of 545 dwellings annum/9,810 over the plan period as set out in Strategic Policy DS3 soundly based and does it accord with the evidence and national planning policy and guidance?*

### Answer

- 37.1 The Coventry and Warwickshire Sub Regional Housing and Economic Development Needs Assessment (Sub regional HEDNA) (2022) [EB7.1] calculated a housing need figure for Nuneaton and Bedworth Borough Council of 409 dwellings per annum. The Council consider this to be the Borough's minimum objectively assessed need.
- 37.2. The housing requirement figure of 545 dwellings per annum established in Towards a Housing Requirement for Nuneaton and Bedworth (TAHR) (2022) [EB8] is in excess of the minimum objectively assessed need. The Council have set the requirement at this level to support the Borough's economy, the sustainable regeneration of its town centres, and affordable housing delivery.
- 37.3 Paragraph 61 of the NPPF sets out the requirement for local plan policies to be informed by a local housing needs assessment, conducted using the standard method in national planning guidance to determine the expected minimum number of homes needed unless exceptional circumstances justify an alternative approach. PPG outlines that it expects the standard method to be used by planning authorities to assess housing need, but clearly states in Para 2a-002 that "the standard method ... identifies a minimum annual housing need figure. It does not produce a housing requirement figure." Further, Para 2a-015 states that where an alternative approach identifies a need higher than using the standard method, and that it reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point.
- 37.4 The Nuneaton and Bedworth Housing and Economic Development Needs Assessment HEDNA (HEDNA) (2022) [EB.6]. The HEDNA calculates the standard method based on 2014 household projections to generate a need for 437 dpa. However, evidence based on housing completions and patient registrations data shows population growth in the borough may have been stronger and recommended 646 dpa. This was however based on demographic data pre-dating the release of 2021 Census and the report was clear this should be reviewed when 2021 Census data was released (Paras 10.5-10.6).

- 37.5 The sub-regional, Coventry & Warwickshire HEDNA (EB7.1) provides evidence on local housing needs. It shows that population growth across the Housing Market Area has been substantially over-estimated by ONS, with the Census showing the population to be c. 30,000 persons lower than previous estimates. The HEDNA therefore developed updated trend-based projections based on 10 year trends, taking account of the Census data, resulting in a housing need figure of 409 dpa for the Borough. This figure was marginally below the standard method figure at that time (435 dpa).
- 37.6 For context, the relevant standard method figure at the point of submission of the Plan was for 436 dwellings per annum.
- 37.7 Alongside the preparation of the HEDNA, the Council commissioned the same authors Iceni, to consider other factors relevant to setting a housing target, including the alignment of the strategy for homes and jobs within the Plan, its town centre regeneration aspirations and the need for affordable housing. This is set out within the Towards a Housing Requirement Report (EB8).
- 37.8 The report sought to align the strategy for homes and jobs. Section 4 of the document considers the impact of emerging strategies and forthcoming development schemes, including key employment sites and town centre regeneration, to assess how these might impact on the historical trend and future economic growth. Paragraph 4.36 confirms that the economic initiatives and employment land examined in the document would support 8,500 jobs over the plan period justify a potential housing need of 545 dpa.
- 37.9 It tested the reasonableness of this on the basis of demographic trends. Sensitivity analysis undertaken in TAHR replicates the sub regional HEDNA but seeks to estimate migration over the 2015-20 period. This results in a higher starting point net migration to the Borough and a higher household growth of 445 per annum. With the 23% affordability uplift applied (based on the 2021 affordability ratios) a housing need for 549 dpa was generated.
- 37.10 Affordable housing is also a consideration in setting the Borough's housing need. The Borough has a high level of need for affordable housing which adds further evidence in support of setting a higher housing requirement than that in the sub-regional HEDNA or the latest standard method figures. The provision of affordable housing is limited by viability evidence which constrains the affordable housing contribution to 25% of overall housing need. The needs evidence would support setting a higher proportion of overall development as affordable homes. However, as an increase in the overall affordable housing contribution is not supported by the viability evidence, an increase in overall housing would alleviate some of the affordable housing need in the Borough.
- 37.11 In relation to additional job growth and meeting unmet needs, Paragraph 4.37 confirms this growth does not increase the overall sub regional housing need but can be accommodated in the overall need identified in the sub regional HEDNA. The additional jobs growth identified will attract housing need to

Nuneaton and Bedworth from elsewhere in the sub-region. Whilst to date, the Council has not received any formal requests from authorities within the HMA to accommodate any unmet need, the proposed increase in housing provision for the Borough above that identified in the sub-regional HEDNA provides headroom (2,4,50 dwellings over the plan period) to contribute towards meeting unmet housing need, which whilst currently undefined is likely to be necessary as neighbouring authorities progress with their local plans.

- 37.12 The alignment of job growth and unmet need has the potential to reduce out commuting and provides for sustainable patterns of development. Notwithstanding the potential positive impacts of the economic growth envisaged in the document, paragraph 4.37 confirms that the additional housing need will nevertheless contribute towards any unmet need.
- 37.13 The Planned Economic Growth Scenario would thus require the delivery of around 545 dpa. The figure is similar to the sensitivity analysis based on more recent demographic trends which identified indicatively a need for 549 dpa and confirms this level of housing provision is credible. It will also help boost the delivery of affordable housing.
- 37.14 The housing requirement proposed in the Borough Plan Review has been informed by evidence-based documents, including those referenced above as well as the Sustainability Appraisal Report (2023) [CD7.2]. Paragraph 8.2.1 confirms the housing need figure established in TAHR has been considered as one of the approaches towards housing need. Section 8 of the document confirms that there are no circumstances in which lower levels of housing would be appropriate. The report also refers to the Sustainability Appraisal Second Interim Report: Regulation 18 (2022) where the quantum of housing need is considered in detail (available on the Council's website: [sustainability-appraisal-2022- \(nuneatonandbedworth.gov.uk\)](https://nuneatonandbedworth.gov.uk/sustainability-appraisal-2022-)). The interim report identifies seven different approaches and concludes that the Council's preferred approach would result in higher overall housing growth. There would accordingly be positive effects for social and economic factors. Iterations of the Sustainability Appraisal confirm the Council has considered reasonable alternatives and the housing need figure is justified.

*Q38. Is the proposed housing requirement consistent with the economic growth ambitions of the Plan?*

**Answer**

- 38.1 Strategic objective 1 concerns economic growth to regenerate the Borough, particularly the town centres, and attract additional housing jobs and investment. The Nuneaton and Bedworth economy has historically performed less favourably compared to other Coventry and Warwickshire authorities. The Council has therefore focussed on improving the economy through initiatives and strategies along with a focus on improving the town centres of the borough through regeneration.
- 38.2 The economic growth objective is addressed in evidence provided in Towards a Housing Requirement for Nuneaton and Bedworth (TAHR) (2022) [EB8]. The document explains the housing requirement of 406 dpa set in the Coventry and Warwickshire Sub Regional Housing and Economic Development Needs Assessment (HEDNA) (2022) [EB7.1] was based on historical trends to inform future economic projections. TAHR reassess the housing need based on the impact of the Council's initiatives linked to the economic growth ambitions.
- 38.3 The assessment considers investment plans in the town centres including, the Nuneaton and Bedworth Draft Local Economic Strategy, the Transforming Nuneaton Programme, the draft Nuneaton Town Centre Strategy, and Bedworth Town Centre investment. The report identifies a key role of housing in supporting town centre regeneration through the growth of the population base.
- 38.4 The report identifies key employment sites allocated in the Plan or which form part of the committed supply. Faultlands (Site Reference: SEA1) , Wilsons Lane (Site Reference: SEA2), Coventry Road (Site Reference SEA4) Coventry Road), and Bowling Green Lane (Stie Reference: SEA6) are identified as making a significant contribution to future employment growth in Nuneaton and Bedworth. The report notes a potential employment site located in Nuneaton which may come forward and a major employment site on boundary of North Warwickshire which may enable economic growth in Nuneaton and Bedworth.
- 38.5 The housing need is reassessed on the basis that the level of investment in the local economy and town centre regeneration, and the delivery of major employment sites means the Nuneaton and Bedworth economy could potentially perform more strongly than the historical trend-based econometric forecasts in the Sub-Regional HEDNA.
- 38.6 The revised modelling results in an increase in forecast jobs, from a growth of 5,000 jobs based on historical trend to 8,500 jobs in the Planned Economic

Growth Scenario. The modelling builds on the demographic modelling in the sub regional HEDNA making modifications to allow for the anticipated workforce growth. Commuting patterns are based on a midpoint between census derived patterns of commuting and a ratio of 1:1 where the growth in jobs would align with the growth in residents. The mid-point is preferred due to location of major employment centres close to the boundary of Nuneaton and Bedworth.

- 38.7 The report concludes that 545 dpa is appropriate housing figure to support economic growth. The Planned Economic Growth Scenario gives full consideration to initiatives which enable economic growth. Equally, by increasing the population base will enable the regeneration to the borough's town centres. The approach ensures there is a sustainable level of housing and that housing delivery aligns with the economic growth aspirations of the Plan.