

NUNEATON & BEDWORTH LOCAL PLAN REVIEW: EXAMINATION-IN-PUBLIC

Matter 3: Housing

on behalf of Taylor Wimpey

794-pln-mnp-xxxxx
11 June 2024

REPORT

Document status					
Version	Purpose of document	Authored by	Reviewed by	Approved by	Review date
V1	Matter 3 Statement	DO	CAF	CAF	14.06.2024

Approval for issue		
Cameron Austin-Fell	CAF	14.06.2024

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Contents

1 **ISSUE 1: THE APPROACH TO THE HOUSING REQUIREMENT.....1**

 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?1

 Q38. Is the proposed housing requirement consistent with the economic growth ambitions of the
 Plan?7

1 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?

1.1.1 No.

1.1.2 RPS made representations at the Regulation 19 consultation stage with regards to the proposed housing requirement figure (545 dpa) under Policy DS3 of the Plan. The general tenet of those representations remains. Nonetheless, RPS has some further observations it wishes to put forward to assist the Inspectors in their consideration regarding the soundness of the proposed requirement in the submission version of the Plan.

Deriving the minimum starting point for the requirement

1.1.3 RPS maintains the view that the standard method figure for Nuneaton & Bedworth (442 dpa) should be used as the starting point for consideration of the housing requirement in the Plan, in line with national policy. Nonetheless, planning guidance allows strategic policy-making authorities to use alternative approaches where this identifies a housing need that is higher than using the standard method; where the alternative figure exceeds the minimum starting point than the standard method and where exceptional local circumstances exist, it can be considered soundly-based¹.

Nuneaton HEDNA (May 2022)

1.1.4 The Council had previously identified an alternative minimum housing need of 646 dwellings per annum for the borough as part of the Plan review process, in the Nuneaton & Bedworth HEDNA (May 2022) (EB6) which was consulted on at the preferred options stage. The 646 dpa figure was based on alternative population projections informed by relevant evidence and would identify a need that is higher than the standard method, and so would accord with national policy and guidance. We would support this approach in principle.

1.1.5 In identifying this figure, paragraph 10.3 of the NB HEDNA concludes:

“Evidence of development trends and from the Patient Register indicates that Nuneaton and Bedworth’s population may have been under-estimated in ONS’ latest Mid-Year Population Estimates. Icení, working with JGC, has therefore sought to develop alternative trend-based projections for population growth taking account of the inter-relationship of ONS data with other

¹ Paragraph: 015 Reference ID: 2a-015-20190220

data sources. Applying these projections, a more appropriate assessment of overall housing need, based on the current evidence is for 646 dpa...

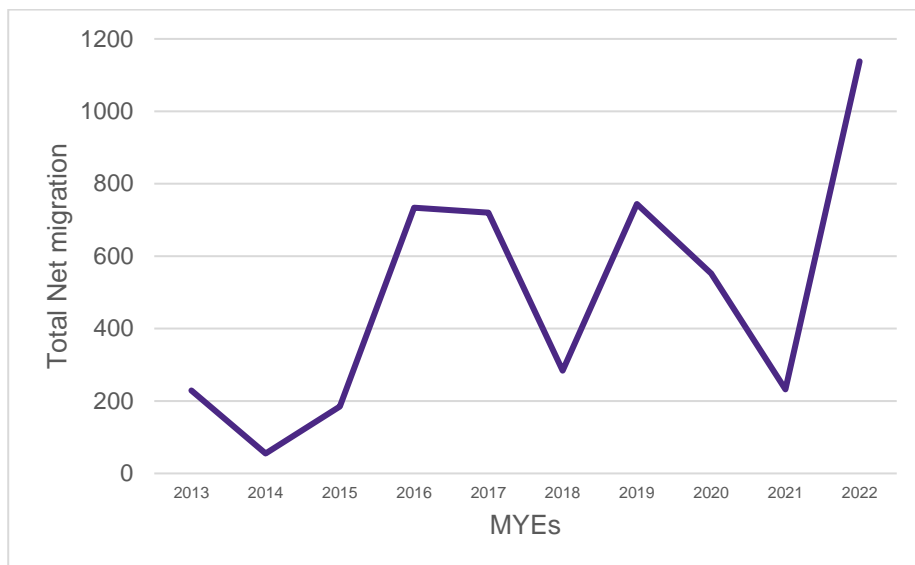
- 1.1.6 The NB HEDNA also says (para 5.26) that “*We consider that these revised projections provide a sensible basis for considering overall housing need at the current time. This will need to be reviewed once 2021 Census data begins to be released, and ONS updates its population projections to take this into account.*”
- 1.1.7 In the context of a higher need, we would broadly support the use of an alternative method as a basis for the housing requirement for the Plan as this would accord with national policy.

Coventry & Warwickshire HEDNA (October 2022)

- 1.1.8 However, the Council decided to discard this figure as their preferred housing need option following the preferred options consultation. Instead, a figure of 409 dpa using an alternative ‘trend-based’ approach derived from the sub-regional Housing and Economic Needs Assessment (October 2022) (“CWHEDNA”) (EB7) was identified. This represented a significant reduction in the projected need for Nuneaton and Bedworth that is lower than both the preferred options figure (646) but also the standard method figure (442).
- 1.1.9 The reasons given for the reduction in need for Nuneaton & Bedworth are summarised in the housing requirement paper (EB8) and are the result of using the 2021 Census data, which wasn’t available when the NB HEDNA was prepared, and using population projections based on a 10-year migration trend (2010-20) rather than a five-year trend (2015-20) projected forward (EB8, para 6.1). However, we concerns with the robustness of some elements of the assumptions in the CW HEDNA.
- 1.1.10 Notably, as we state in our Reg 19 representations (Table 2) the 2021 Census identifies a significantly higher population than the mid-year estimates and the 2014-based SNPPs (Table 3) for Nuneaton and Bedworth, a difference of +3,600 people. Given that the higher population in the 2021 Census was not accounted for in the NB HEDNA, we would expect to see an increase in population and thus a higher projected housing need, not a decrease in need as shown in the CW HEDNA.
- 1.1.11 A key element of this difference stems from the use of a 10-year migration trend used in the CW HEDNA (2010-20). The assumptions in the CW HEDNA assumes reduced in-migration over time aligned with population growth rates at the national level, resulting in levels of in-migration will increase over time but at a reducing rate (EB7, para 5.133). However, more recent population estimates (for mid-2022) issued by ONS in November 2023 show that the net-migration trend in generally increasing over the last ten years, and not decreasing. This is illustrated below (Fig. 1.1). This shows that net migration into the borough was over 1,100 people in the year up to mid-2022. As a result, we can also see that the most recent MYEs show a significant increase in population in Nuneaton & Bedworth compared to previous years, now standing at 135,481.

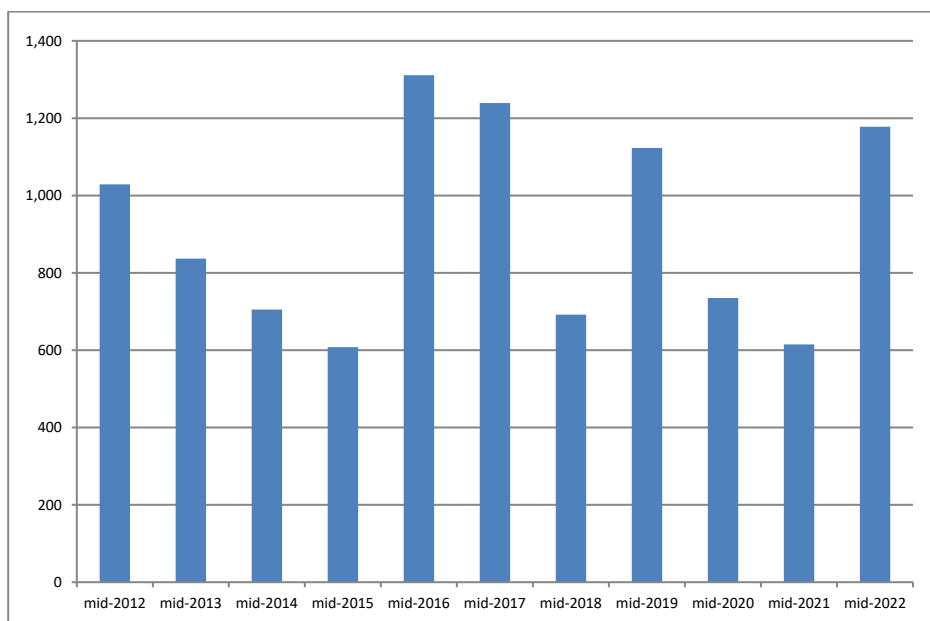
- 1.1.12 This is a significant increase in population that is very likely to effect any future projections of need. Neither the NB HEDNA or the CW HEDNA has taken into account the most recent MYEs, given they post-date both documents. The potential impact this may have on the projected need in Nuneaton and Bedworth should be used to test the robustness of the assumptions and projected outputs on need set out in the CW HEDNA. We also contend that the Council should re-assess their earlier decision to discount the higher projection in the NB HEDNA, given that more recent data is now available.

Figure 1-1 Annual net migration – Nuneaton & Bedworth – showing an increasing (not decreasing) trend



Source: Analysis of population estimates tool for UK, ONS, 23 November 2023

Figure 1-2 Annual Population change in Nuneaton and Bedworth – showing significant population increase in 2022



Source: as Fig 1.1

- 1.1.13 At present, the evidence underpinning the assessment of housing need in the borough, and used as a basis for a substantial element of the evidence base, is not underpinned by the most up to

date evidence as so is not soundly-based (not justified). It is our view that this data should be incorporated into an update to the projections the Council is relying on as a basis for the housing requirement, as this could have implications for their decision to set aside the CW HEDNA figure (409 dpa) in favour of a jobs-led projection (545 dpa) set out in the Housing Requirement Paper (EB8). However, at present we simply cannot determine what this impact might be on the basis of current evidence.

Towards a Housing Requirement (2023)

- 1.1.14 Paragraphs 4.30 to 4.36 of the paper (EB8) provides a brief explanation regarding how the Council has derived their latest preferred housing figure of 545 dpa. This figure has been taken forward in Policy DS3 of the Plan.
- 1.1.15 The general premise of this approach is to effectively use the preferred growth in jobs (8,500 over the plan period) and work this through a jobs-led projection to derive the number of workers required to fill those jobs as part of an overall population projection. The population projection is then converted to households (by applying housing formation rates by age cohort) which in turn is converted to dwellings.
- 1.1.16 The Council has presented two figures in Table 4.4 of the paper. One is based on 'census commuting' (597 dpa), the other on '1:1 commuting' (493 dpa). The Council has then taken the average of these two outputs to give the 545 figure. We do not object to the use of a 'census' commuting in principle as this should reflect local circumstances regarding how people access their jobs and their place of work. However, it is not credible to use a '1:1' ratio in deriving the preferred requirement as this would assume a significant shift between in and out-commuting patterns that could potentially impact on the wider economy across Coventry and Warwickshire. This would clearly fall into the category of a strategic matter that would need to be considered and, if necessary, resolved by the other sub-regional authorities under the duty to cooperate. No evidence of any such work has been submitted to this examination with regards to how this matter has been considered in any of the Statements of Common Ground (and there is no updated Memorandum of Understanding even in draft available at this time either).
- 1.1.17 On this basis, the use of an 'average' approach to deriving the housing requirement is not justified and so is not soundly-based. The '1:1 commuting scenario' in this context should be discounted. It follows that the 545 dpa figure in Policy DS3 is also not soundly-based.

Consideration of adjustments to the minimum need figure

- 1.1.18 We have also raised soundness concerns at the Regulation 19 consultation stage regarding the lack of any positive uplifts the preferred housing figure. This is despite clear evidence which points to the need for further, upwards adjustments to the requirement. These relate to supporting affordable housing provision; and addressing wider needs across the HMA.

Supporting Affordable housing

- 1.1.19 National planning practice guidance supports the principle of increasing the total housing figure where it could help deliver the required number of affordable homes². This can support national policy objectives which make clear that strategic policies should set out an overall strategy and make sufficient provision for housing, including affordable housing³.
- 1.1.20 We have pointed out in our Reg 19 representations that the current assessed need for affordable housing in the borough (407 dpa) equates to virtually 100% of the 'alternative' total housing need purported in the borough (based on 409 dpa) and 75% of the uplifted proposed housing requirement figure of 545 dpa. The total need over the plan period equates to 7,326 affordable homes. This quantum of need relates to all households in the borough, not simply newly forming households. The Council accepts that the need for affordable housing in the borough is 'significant' (CD1, para 8.21). We also point that the Council's own evidence, which highlights, "...*an increasingly urgent need for affordable housing delivery...*" (paragraph 5.15 of the housing requirement paper/EB8).
- 1.1.21 We show in our representations that in all likelihood, only around 3,000 affordable homes could be delivered based on a 25% affordable housing policy threshold on qualifying sites. This would secure around 40% of the total affordable need. The Council provides no guidance in the Plan as to how the quantum of affordable homes delivered might be increased. In the context of an acknowledged need this is 'significant' and where the delivery of additional affordable homes in the borough is 'urgent', it is wholly reasonable and logical that the Council includes an adjustment to help increase affordable housing delivery. Such an adjustment would be in accordance with national policy and guidance.
- 1.1.22 However, the Council has not included any such adjustment for affordable housing, despite the clear evidence of significant and urgent need in the borough. Policy DS3 is not soundly-based (not justified).

Addressing Unmet need

- 1.1.23 As set out in our representations to the Regulation 19 consultation, the Plan is silent with regards to the wider housing need across the CW HMA. The Plan ignores the existing cross-boundary arrangement⁴ agreed through the adopted NBLP, which agreed to accommodate 4,020 dwellings of the total unmet housing need from Coventry (17,800) equating to 22.5% of the shortfall. This quantum of need would be met between 2018-2031, at an annual average delivery of 309 dpa.

² Paragraph: 024 Reference ID: 2a-024-20190220

³ NPPF para 20

⁴ Memorandum of Understanding relating to the planned distribution of housing within the Coventry & Warwickshire Housing Market Area (HMA) published in 2015

- 1.1.24 To reiterate our previous response, the risk here is that, whilst beneficial to the Council, matters relating to the scale of the shortfall and how unmet need is to be tackled across the HMA will be left to other sub-regional authorities to address the wider needs of the HMA as those plans move forward. As we understand it, the current MOU 2015 remains in place, and no revised MOU has been agreed or submitted to this examination as the recognised planning position with regards to the mechanism by which the wider housing needs of the CW HMA are to be met in the future.
- 1.1.25 RPS considers the approach taken by the Council is not constructive or effective as required by national policy in terms of the role a strategic plan-making should play in addressing matters which cross administrative boundaries, and so is not soundly-based.
- 1.1.26 We had previously argued in our Regulation 19 representations that evidence does exist that points to an emerging unmet need in the CW HMA. This was derived from information issued by Coventry City Council as part of its Issues and Options consultation in 2023. Table 4 of our Reg 19 representations defined a range of unmet need figures that could be used to inform consideration in this Plan of the means by which that unmet need could be met. Table 6 of those representations then established a distribution of that unmet need across the sub-regional authorities, including Nuneaton and Bedworth. The contribution we identified for the Council was 10,693 dwellings (an average of 594 dpa) over the plan period to 2039. This was based on the 30.8% proportion directed to Nuneaton and Bedworth taken forward in 2016⁵ and which we summarise in Table 5 of our Reg 19 representations.
- 1.1.27 Since the Reg 19 consultation in the autumn 2023, new origin-destination and commuting data based on the 2021 Census has been published by ONS. This allows us to update the proportion assumption based on these factors. This helps us to assess the functional relationship between the Nuneaton and Bedworth and most importantly Coventry.
- 1.1.28 In terms of migration, 28.4% of moves from the city to the rest of the CW HMA in the previous year were to Nuneaton and Bedworth. This is summarised below (Fig 1.3).

Figure 1-3 Origin-destination: Out-migration from Coventry to rest of the CW HMA (2021)

Destination	Moves	% of Total
North Warwickshire	249	4.4%
Nuneaton and Bedworth	1588	28.4%
Rugby	1013	18.1%
Stratford-on-Avon	352	6.3%
Warwick	2396	42.8%
Coventry to CWHMA	5598	

Source: ODMG01EW_LTLA, Census 2021

- 1.1.29 In terms of commuting, 22.5% of total commutes from Coventry to the rest of the CWHMA were to Nuneaton and Bedworth, as summarised below (Fig. 1.4).

⁵ Figures taken from Cabinet Report of Executive Director of Place, Coventry City Council, 12 January 2016, Table 2

Figure 1-4 Commuting from Coventry to rest of CW HMA, Census 2021

Destination	Commutes	% of total
North Warwickshire	1,175	5.5%
Nuneaton and Bedworth	4,783	22.5%
Rugby	4,602	21.7%
Stratford-on-Avon	1,869	8.8%
Warwick	8,824	41.5%
Coventry to CWHMA	21,253	

Source: Location of usual residence and place of work, Census 2021 (ODWP01EW)

- 1.1.30 In addition, 46.6% of commutes from the rest of the CW HMA back to Coventry were from Nuneaton and Bedworth (Figure 1.5).

Figure 1-5 Commuting to Coventry from the rest of the CW HMA, Census 2021

Origin	Commutes	% of total
North Warwickshire	1,148	6.8%
Nuneaton and Bedworth	7,899	46.6%
Rugby	3,290	19.4%
Stratford-on-Avon	1,056	6.2%
Warwick	3,557	21.0%
CWHMA to Coventry	16,950	

Source: as Fig 1.4

- 1.1.31 If we average out these assumptions for Nuneaton and Bedworth, the proportional split is 32%. We can then apply this to the unmet need we have already calculated at Table 6 of our Reg representations.

Figure 1-6 Redistribution of unmet need from Coventry based on emerging evidence

	Unmet need 2021-39 (standard method)	Redistribution	%	Unmet need (CW HEDNA)	Redistribution	%
Coventry	34,718			12,683		
Nuneaton and Bedworth		10,693	32%		4,058	32%

- 1.1.32 The 4,058 dwelling contribution shown above based on the CW HEDNA would equate to 225 dpa over the plan period. Based on the foregoing, we contend that an additional uplift of at least 225 dpa should be added to the housing requirement for Nuneaton and Bedworth. Based on the standard method starting point, the housing requirement would be increased to 667 dpa, or 770 dpa based on the CW HEDNA, over the plan period.

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

- 1.1.33 No.
- 1.1.34 Any employment-led projections that are considered as part of the plan-making process must be based on the most up to date information, and must be tested and benchmarked against other

projections, notably demographic-led projections. This is to ensure that they deliver sufficient homes to support the economic strategy but also ensure they do not under-estimate need based on demographic trends. This is consistent with national planning practice guidance on the use of alternative approaches to assessing local housing need.

- 1.1.35 We acknowledge that an 8,500 job growth forecast represents an ambitious employment growth target for the borough. However, we cannot say with any certainty at present whether the requirement is or is not consistent with the economic ambitions of the Plan until there is certainty over the demographic-led housing need in light of the concerns set out in this response to the previous question. It may be the case that the 545 dpa figure derived from a jobs-led scenario is not sufficient to meet the demographic-based projection of need when all relevant and up to date data is taken into account.
- 1.1.36 Similarly, there is no element of flexibility built into the requirement to ensure a sufficient labour force is provided to support the projected jobs growth. Instead, homes and jobs are 'matched' based on the jobs-led projection. These factors have not been considered in setting the housing requirement. On current evidence, we contend that a higher housing need figure than 545 is required in order to address the various adjustments we argue are necessary in demographic terms, as well as support the economic growth ambitions in the Plan.