Options for a new housing target for Coventry 2011-2028

Consultation -
Monday 26 March to Thursday 10 May 2012

Coventry City Council

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Establishing Coventry Housing Need, 2011 - 2028

1. Introduction

1.1 This consultation paper considers a selection of potential housing numbers for Coventry between 2011 and 2028. It is a consultation aimed at gaining the views of Coventry residents and other key stakeholders into the level of housing development during this period.

1.2 It responds to the draft National Planning Policy Framework, and the Government's intention to allow Local Planning Authorities (LPA) to establish their own, locally defined housing requirement. It also builds upon the previous consultation document "Coventry's Proposed Core Strategy", which was published for consultation in September 2011. In doing so it responds to specific observations relating to housing requirements, including a number of queries requesting how the Council intended to develop a housing land requirement and what this was likely to be.

2. Consultation Process

2.1 Consultation will be undertaken in accordance with the Council's adopted Statement of Community Involvement (SCI). It will begin on Monday 26th March, and end on Thursday 10th May (extended beyond 6 weeks to account for three bank holidays).

2.2 As part of the consultation process stakeholder events will be held specifically relating to the Strategic Housing Market Assessment (SHMA). These will contribute to the finalisation of this key piece of evidence.

2.3 Alongside the responses to this consultation any amendments or additions to the draft SHMA will be considered in developing the next stage of the Core Strategy.

2.4 The options identified through this document as well as through the final SHMA will also be subject to a Sustainability Appraisal (SA/SEA).

3. National Guidance

3.1 The draft National Planning Policy Framework (NPPF) was published in July 2011. When adopted, it will replace all existing Planning Policy Statements and Guidance (PPS and PPG), including PPS3 which identifies the current approach to national housing policy.

3.2 The principal aims of both PPS3 and the draft NPPF are largely consistent in that they both aim to increase the supply of housing, with a view to improving affordability and increasing choice and quality. A key difference however is that PPS3 is set within a context of Regional Strategies (RS) remaining relevant, whilst the draft NPPF assumes that RS would have been revoked in accordance with the Localism Act.

4. The Regional Position

4.1 In 2008 the Regional Strategy for the West Midlands was re-issued following the Phase 1 review. This retained the housing requirements published in 2004 for Coventry, which covered the period 2001-2021 and requires a minimum of 14,800 dwellings to be developed within Coventry over this time. The first 10 years of this period has seen 6,806 net completions leaving a minimum of 7,994 to be identified.

4.2 The Council acknowledges that the information upon which this requirement was based has been largely overtaken by events, and in any case was expected to be superseded by the RS Phase 2 Review (2009).

5. The Duty to Cooperate

5.1 The sub-regional agreement upon which the RS Phase 2 Review was based is no longer current. Since 2009 each authority, with the exception of Rugby Borough Council has either withdrawn from the agreement or commenced work on new evidence which would supersede it.

5.2 Subsequently Coventry, Warwickshire and Solihull LPA's have commenced work on agreeing a new sub-regional agreement in accordance with the Duty to Cooperate established through the 2011 Localism Act. This agreement will continue to be developed through evidence building, consultation and stakeholder engagement including through the Local Enterprise Partnership (LEP).

6. Localism

6.1 Since May 2010 the Government has expressed its intention to revoke RS. Notwithstanding the CALA Homes court of appeal decisions this intention has been consistently set out by the Government. In recent months a number of necessary steps to formally revoke RS have been taken. These include:

- The publication of a draft National Planning Policy Framework (NPPF);
- The publishing of Strategic Environmental Assessments (SEA), which covers the revocation of RS and respond to the initial CALA Homes appeal ruling;
- The granting of Royal Assent of the Localism Act in November 2011; and
- Numerous Ministerial quotes and comments regarding the continued desire to revoke RS.

6.2 As such, it is reasonable to assume that both RS requirements are to be withdrawn and LPA's are to establish their own locally defined housing requirement in accordance with the Localism Act and NPPF. In order to support the determination of such requirement suitable evidence must be developed, taking account of:

- Current and future levels of need and demand for housing through a Strategic Housing Market Assessment (SHMA);
- The Government's latest population and household projections from the Office of National Statistics (ONS);
- The availability of suitable land for housing as considered by a Strategic Housing Land Availability Assessment (SHLAA);
- The need to promote housing affordability across all aspects of the market;
- The economic, environmental and social implications of housing growth, including costs, risks and benefits through a Sustainability Appraisal (SA);
- The most sustainable pattern of housing development; and
- The impact of housing development upon existing and planned infrastructure.

7. The SHMA

7.1 In 2008 the Council completed its first SHMA, jointly with North Warwickshire, Rugby and Nuneaton and Bedworth Borough Councils. Due to changing regional and local circumstances a revised SHMA has been commissioned to focus solely on Coventry and the local housing markets operating within it.

7.2 The revised SHMA examines housing requirements at both a market and 'affordable need' level, based on economic growth and demographic scenarios. This ensures that the employment and housing needs of the city are considered through an integrated approach. The scenarios generated through the SHMA build upon the most recent ONS projections as well as other demographic drivers, market conditions, economic performance and housing market dynamics.

7.3 A number of scenarios identified through the SHMA form the basis for the options considered in this consultation.

8. The ONS Population and Household Projections

8.1 The most recent government population and household projections were published in 2010 and are based on 2008 data. The next round of publications is expected in 2012/13 and is likely to reflect the Census returns. In their simplest form ONS projections are based on trends observed over the previous 5 year period, so for example the 2008 based projections consider trends between 2004 and 2008.

8.2 The Council takes the view however that ONS projections, especially in the longer term, must be treated with a degree of caution. As such the Council raises the following issues with these projections:

- A 5 year trend does not tell the full story of migration patterns in Coventry in recent years. Annual rates of net migration have been continually inconsistent and heavily reliant on international migration growth. Under the current economic circumstances there is significant doubt over how this migration trend will continue.
- The ONS themselves recognise that the projections are purely "demographic trend based" and work "on the assumption that recent trends in fertility, mortality and migration will continue"[1]. As suggested above it is far from certain that such trends will continue in Coventry.
- The ONS also recognises that the projections "take no account of local development policy, economic factors or capacity of an area to accommodate population"[1]. The Council considers all these issues key in considering the expected level of growth for Coventry.

9. The SHLAA

9.1 The Council published a draft review of its SHLAA in September 2011. This document looked to primarily establish the amount of suitable land available within the existing urban area of Coventry, with a view to protecting Greenfield and Green Belt land from development. It identified a supply of approximately 14,000 dwellings up to 2028 but recognised within its conclusions that this may need to be reviewed depending on the level of need and demand over the same period. The total level of supply has subsequently been increased to approximately 14,400 dwellings in the 2011 Annual Monitoring Report. The supply of new homes could increase further if densities were to be increased, or if former employment land were to be released for new housing. It is the Council’s intention to finalise the SHLAA

[1] Office of National Statistics (ONS) 2008-based Sub national Population Projections: frequently asked questions

following the completion of this consultation exercise and publish it alongside the next stage of the Core Strategy.

10. Housing Affordability

10.1 Between 2000 and 2010 average house prices in Coventry grew by 124%. This included a peak in 2007 before a period of decline during 2008 and 2009. Since then house prices have remained volatile.

11. Sustainable Growth and Development Patterns

11.1 The levels of growth projected for Coventry have been analysed through a Sustainability Appraisal. This process considers the social, economic and environmental impacts of growth requirements. As such, this supports the identification of risks and benefits of each requirement, which are identified below.

11.2 The Council set out a clear pattern for development in its previous consultation document. This was supported by local residents of the city, but was unsurprisingly challenged by the development industry. The Council is fully committed to reducing its carbon footprint and as such reducing the need local residents have for travelling longer distances by private car. Coventry's strategy is therefore based on the sustainable approach to reducing the need to travel, and in turn increasing local access to key services, facilities and employment opportunities. The protection of Greenfield and Green Belt land from development will also support the enhancement of the city's natural environment and improve the health and wellbeing of its citizens.

12. Impact on Infrastructure

12.1 The Council is continuing to identify infrastructure concerns across the city linked to varying degrees of growth. A key concern raised by the city's residents in relation to the previous Core Strategy submission draft was the lack of evidence to support infrastructure requirements associated with higher levels of growth. This was particularly true of proposed Green Belt development and would have been necessary through the Area Action Plan process recommended by the Inspector. As part of the Council's intentions to develop a Community Infrastructure Levy (CIL) the impacts on the city's infrastructure continue to be assessed. It is the Council's intention that as well as local infrastructure need, assessments will also be undertaken alongside our neighbouring authorities and support key investment opportunities through the LEP.

13. Estimating Employment Land Requirements

13.1 As clearly set out in the previous consultation document, the Council is committed to delivering jobs led growth. It is therefore vital to align employment land requirements with housing needs.

13.2 Notwithstanding that, it is notoriously difficult to estimate future employment land requirements; there are a number of different methods available, and each produces wildly different results. The 'sister' technical study "Coventry's Economy: Employment Land Requirements Update, January 2012" considers each of the following:

- Past trends of actual delivery of B1/B2/B8 development based projections;
- Identified supply of housing land based projections;
- Jobs Gap based projections; and

- Shift Share based projections

13.3 As far as possible, the assumptions used in the original "Coventry's Economy 1996 – 2026" study remain the same, to give a suitable comparator. That study supported the previous draft Core Strategy which was found 'sound' by the Inspector.

13.4 Recent trends have seen two consecutive years of record low amounts of employment land delivery. This reflects the continuing weakness of the economy, but the amount of employment land available with planning permission remains high.

13.5 It is worthy of note that the range of results of the projections is significant, between 84 hectares and 288 hectares, although within this range are a number of different scenarios of housing delivery. There are, however, substantial variations within each scenario, for instance Scenario 1 – Past Trends A shows 84 hectares of B-class employment land will be required to service 9,690 new homes. The figure of 84 hectares was arrived at by using a set of assumptions. However, if a like-for-like past trends basis is used as per housing delivery, this figure would be 240 hectares. Scenario 1 uses a period of 20 years and projects forward on an equivalent basis. If a ten year period was used instead however, the projected figure would be only 164 hectares. This reflects an underlying trend of diminishing delivery of B-class employment land, as the economy continues to restructure.

14. Options for Housing Growth

14.1 All figures cover the period 2011 – 2028 and provide a total requirement and annualised figure. The tables below identify the benefits and risks associated with each option, setting out their economic, social and environmental implications. These have been drawn from the SHLAA, the SHMA and the SA of these options. Each scenario also estimates the amount of new employment land that would be required. New employment land includes recycled land, known as ‘churn’.

Scenario 1	**Past Trends A – the last 20 years (1991-2011)**
Scenario Origin and Basis	This scenario is based on the historic trends of average net residential completions over the last 20 years. The data is taken from the Council’s Annual Monitoring Reports.
Housing Requirement (Total and Annual)	9,690 net dwellings will be required between 2011 and 2028. This equals 570 dwellings per annum.
Types of Land Required	The level of supply identified in the SHLAA will be adequate to meet the housing requirement identified by this scenario. This means development will be focused on previously-developed land (PDL), whilst Greenfield and Green Belt sites will be protected from development.
Estimated Employment Land Delivery	The estimated employment land requirements associated with this scenario is 84 hectares (ha). This is based on information contained within the update to the Employment Land Study, January 2012

Benefits and Opportunities	1. Greenfield and Green Belt sites will be protected from development with the focus on urban regeneration and renaissance through the redevelopment of Previously Developed Land.
	2. Existing vacant and derelict land within the urban area will be regenerated and brought back into active use, subject to a robust phasing policy.
	3. Development within the existing urban area will bring an increased number of people closer to existing services, facilities and employment opportunities, reducing the need to travel longer distances. This will also improve the viability of existing services.
	4. A reduced need to travel will promote increased levels of walking, cycling and use of public transport. This will contribute towards reduced carbon emissions and improve the urban environment. This will have a positive effect on public health and wellbeing.
	5. The level of supply identified in the draft SHLAA is higher than the requirement suggesting flexibility in the land supply position. This will help promote choice and opportunity within the housing market and in all parts of the city.
	6. Flexibility in supply may allow for lower densities on certain sites across the city.
	7. The level of development is likely to be deliverable and achievable for Coventry as it is reflective of long term development trends covering periods of growth and decline.
	8. Social and community infrastructure funding can be grouped and focused into growth and regeneration areas, where development is most common.
Risks and Impacts	1. The requirement is lower than current demographic projections. This could lead to higher levels of out-migration than those estimated by the ONS. This could result in a 'real' decline in the city's population.
	2. Increased out-migration could result in an increase in the need to travel, especially for employment purposes.
	3. There is a risk that new homes, employment, retail and leisure opportunities will be developed outside of the city. This could see investment diverted elsewhere and put at risk the city centre regeneration strategy.

	4. Significant pressure will be placed on urban land for development. This may increase pressure on employment sites to be redeveloped for housing.

Scenario 2	**Economic Growth Projection**
Scenario Origin and Basis	This scenario has been developed through the SHMA process and assumes that the number of jobs in Coventry will grow at a rate 5.2% over the plan period. The figure of 5.2% has been taken from the 2010 IPM sub-regional baseline forecasts for Coventry. The figure is also reflective of the annual average rate of delivery seen in Coventry in the last 10 years, which is evidenced in the Councils Annual Monitoring Reports.
Housing Requirement (Total and Annual)	11,373 net dwellings will be required between 2011 and 2028. This equals 669 dwellings per annum.
Types of Land Required	The level of supply identified in the draft SHLAA will be adequate to meet the housing requirement identified by this scenario. This means development will be focused on PDL, whilst Greenfield and Green Belt sites will be protected from development.
Estimated Employment Land Delivery	The estimated employment land requirements associated with this scenario is 99ha. This is based on information contained within the update to the Employment Land Study, January 2012
Benefits and Opportunities	1. Greenfield and Green Belt sites will be protected from development with the focus on urban regeneration and renaissance through the redevelopment of Previously Developed Land.
	2. Existing vacant and derelict land within the urban area will be regenerated and brought back into active use, subject to a robust phasing policy.
	3. Development within the existing urban area will bring an increased number of people closer to existing services, facilities and employment opportunities, reducing the need to travel longer distances. This will also improve the viability of existing services.
	4. A reduced need to travel will promote increased levels of walking, cycling and use of public transport. This will contribute towards reduced carbon emissions and improve the urban environment. This will have a positive effect on public health and wellbeing.

	5. The level of supply identified in the draft SHLAA is higher than the requirement suggesting flexibility in the land supply position. This will help promote choice and opportunity within the housing market and in all parts of the city.
	6. Flexibility in supply may allow for lower densities on certain sites across the city.
	7. The level of development is likely to be deliverable and achievable for Coventry as it resembles average development trends in Coventry over the last 10 years.
	8. Social and community infrastructure funding can be grouped and focused into growth and regeneration areas, where development is most common.
Risks and Impacts	1. The requirement is lower than current demographic projections. This could lead to increased levels of out-migration than estimated by the ONS. This could result in a 'real' decline in the cities population.
	2. Increased out-migration could increase travel patterns, especially for employment purposes.
	3. Significant pressure will be placed on urban land for development. This may increase pressure on employment sites to be redeveloped for housing.

Scenario 3	**ONS Household Projections**
Scenario Origin and Basis	This scenario is based on the 2010 population projections published by the ONS. The number of households differs slightly to the ONS figures due to some re-basing to 2011 and adjustments to headship rate assumptions. In addition, it includes an allowance of 2.5% for vacant properties. This is based on standard national assumptions when formulating housing requirements from household growth projections.
Housing Requirement (Total and Annual)	20,655 net dwellings will be required between 2011 and 2028. This equals 1,215 dwellings per annum.
Types of Land Required	The level of supply identified in the draft SHLAA would not be adequate to meet the housing requirement identified by this scenario. This would require a further review of the SHLAA to identify suitable provision. As such, it is likely to require the use of Greenfield land alongside a primary focus on PDL. The level of supply required to meet this requirement may also require the release of some Green Belt land as part of a robust phasing policy.

Estimated Employment Land Delivery	The estimated employment land requirements associated with this scenario is 180ha. This is based on information contained within the update to the Employment Land Study, January 2012
Benefits and Opportunities	1. Existing vacant and derelict land within the urban area will be regenerated and brought back into active use, subject to a robust phasing policy.
	2. The level of development will promote choice and opportunity within the housing market and in all parts of the city.
	3. Social and community infrastructure funding can be grouped and focused into growth and regeneration areas, where development is most common.
	4. Development is likely to be encouraged at higher density within the existing urban area, which will bring an increased number of people closer to existing services, facilities and employment opportunities, reducing the need to travel longer distances. This will also improve the viability of existing services.
	5. A reduced need to travel will promote increased levels of walking, cycling and use of public transport. This will contribute towards reduced carbon emissions and improve the urban environment. This will have a positive effect on public health and wellbeing.
Risks and Impacts	1. Significant pressure will be placed on urban land for development. This may increase pressure on employment sites to be redeveloped for housing.
	2. Greenfield and Green Belt sites may be required for development but could be phased towards the later parts of the plan period to support urban regeneration.
	3. Higher levels of growth represent an increase on past development trends, placing greater reliance on private sector delivery at a time of reduced grant funding to support third sector developments. This could place pressure on the deliverability of the requirement and the achievability of the overall strategy.
	4. A requirement at this level could risk over allocation of land during a period of market uncertainty, which may compromise urban regeneration. This is a significant risk in the first 5 years of the plan period in particular.

15. Summary of Options

15.1 The Table below summarises the options set out above. It specifies the likely target, draft level of supply and the difference between the two. It also identifies the likely land types that would be necessary to meet the requirements.

Table 1: Summary of Housing Requirement Options

Option	Scenario	Total Requirement	Annual Requirement	Total Difference*	Land Type Requirements		
					PDL	Green field	Green Belt
1	Past Trends A – the last 20 years (1991-2011)	9,690	570	4,710	Y	N	N
2	Economic Growth Projection	11,373	669	3,027	Y	N	N
3	ONS Household Projections	20,655	1,215	-6,255	Y	Y	?

* Compares the total requirement against a level of supply developed through the draft SHLAA and identified in the 2011 AMR (approximately 14,400 dwellings). This demonstrates the level of flexibility in the housing land supply.

Key for the above table: Y = Yes, N = No, ? = Uncertain at this time

16. Consultation Questions

16.1 Through the consultation process the Council wishes to gauge the views and opinions of Coventry residents, key stakeholders, neighbouring authorities and the development industry as to what is there preferred option or options.

16.2 Responses should be made using the attached form and be submitted to the Council by 5pm on Thursday 10th May 2012.

Glossary

AMR	Annual Monitoring Report. Report published once a year and submitted to the Government by local planning authorities or regional planning bodies assessing progress with and the effectiveness of policies.
B1/B2/B8	Business uses, such as factories, offices, distribution warehouses etc
Green Belt	National policy designation that helps to contain development, protect the countryside and promote development of PDL and assists in the urban renaissance. There is a general presumption against inappropriate development in the Green Belt.
Greenfield	Land that has not previously been developed.
IPM	Integrated Policy Model. This is a Coventry & Warwickshire model that estimates future jobs growth in the area.
LEP	Local Enterprise Partnership. Local Enterprise Partnerships are locally-owned partnerships between local authorities and businesses and play a central role in determining local economic priorities and undertaking activities to drive economic growth and the creation of local jobs. They are also a key vehicle in delivering Government objectives for economic growth and decentralisation, whilst also providing a means for local authorities to work together with business in order to quicken the economic recovery
net dwellings	Additional homes, meaning the number of new homes built, minus the number of homes demolished or otherwise lost. For instance, converting a house to two flats would result in one net new dwelling.
NPPF	National Planning Policy Framework. This is the amalgamation of the Planning Policy Guidance (PPG), Planning Policy Statements (PPS), and various Ministerial Statements into a single, streamlined volume.
PDL	Previously developed land occupied by a permanent structure and associated development, such as car parking, which can be re-developed for other uses.
PPS/PPG	National Planning Policy Statements / Guidance. These set out the detailed planning rules. They are due to be replaced by the NPPF
PPS3	Planning Policy Statement 3, concerned with managing the supply of housing land
RS	Regional Strategy – Prepared by Regional Assemblies and approved by Government and forms part of the Development Plan. It sets out how a region should develop in spatial terms over a long-term time frame.
SA/SEA	Sustainability Appraisal. This is a process of objectively comparing the likely positive and negative social, environmental and economic impacts of different policy approaches.
SCI	Statement of Community Involvement. This sets out how, who when, where and how the Council will consult on its planning proposals
SHLAA	Strategic Housing Land Availability Assessment. Makes an assessment of the amount of land that is available for housing development.
SHMA	Strategic Housing Market Assessment. Provides information on the level of need and demand for housing and the opportunities that exist to meet it
stakeholder	Anyone who has an interest in the future development of an area.

Consultation Return Form

This form should be returned to Coventry City Council at ldf@coventry.gov.uk or to

Planning Policy
Civic Centre 4, Floor 3
Much Park Street
Coventry
CV1 2PY

Forms must be returned by 5pm on Thursday 10th May 2012

Your contact details:
Name:

Address:

Email:

Question 1: What is your preferred option from the selection of potential housing requirements set out above?

Option	Scenario	Total Requirement	Annual Requirement	Preferred Option?
1	Past Trends A – the last 20 years (1991-2011)	9,690	570	
2	Economic Growth Projection	11,373	669	
3	ONS Household Projections	20,655	1,215	

Question 2: Are there any alternative scenarios that should be considered by the Council either through the SHMA process or independently?

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If you need this information in another format or language please contact us

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