

# COVENTRY & WARWICKSHIRE HOUSING NEEDS REPORT

on behalf of South Warwickshire Consortium



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## REPORT

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## EXECUTIVE SUMMARY

This report has been drafted on behalf of the South Warwickshire Developer Consortium ("the Consortium") to respond to the Issues and Options ("IOD") Regulation 18 version of the Coventry Local Plan. The Forum are a consortium of housebuilders who operate in the Coventry and Warwickshire Area. For the purpose of this consultation, the Consortium consists of the following members:

- Taylor Wimpey Strategic Land;
- Miller Homes; and
- William Davis Homes.

The report seeks to address the main findings and underlying assumptions presented in the Coventry & Warwickshire Housing & Employment Development Needs Assessment ("HEDNA") used to inform the IOD 2021-2041 consultation, held during September and October 2023.

RPS recommends that the Council takes on board the matters raised in this report as part of refining the evidence as the Plan review moves forward.

The main issues and conclusions drawn from the analysis are summarised below.

- The Government's starting point for assessing housing need is the Standard Method. For any alternative projections to be justified as the basis for assessing local housing need, the assumptions need to be robust and that exceptional local circumstances exist. RPS contend that such exceptional circumstances do not exist.
- The economic baseline would suggest that recent economic performance in Coventry broadly reflects the level of growth seen both regionally and nationally; it does not highlight anything exceptional has occurred in Coventry. Similarly, the house price trends during 2010-2020 in Coventry do not indicate evidence that anything exceptional has occurred.
- The principal focus of a move to an alternative projection methodology in the HEDNA is to support an alternative projection for Coventry. This approach has very little to do with justifying any alternative approach for the other constituent authorities in Coventry & Warwickshire.
- The HEDNA uses the Census 2021 outputs as a starting point for the alternative projections. It must be assumed the Census 2021 are sufficiently robust for this exercise. However, as highlighted in the HEDNA (paragraph 5.92) this may not be the case. Consequently, it is questionable whether the Census outputs should be used in any aspect of the forward planning exercise until they have been properly verified by ONS. RPS suggests measures have already been taken to address methodological issues relating to student population numbers, through the Higher Education Leavers Methodology (HELM), which was applied to the official population estimates from 2017 onwards. It is likely that potential under-estimation of move out of the area, notably

Coventry, have been addressed and so is not a significant factor in determining population estimates after this date, and has been exaggerated in the HEDNA.

- The approach taken in the HEDNA to defining the population assumptions is convoluted and complicated, with many assumptions used that have not been adequately explained (and the acknowledgement that these are likely to be incorrect). RPS contend that the analysis cannot be relied upon as a robust and credible basis for a forward projection of population.
- The alternative ‘trend-based’ approach in the HEDNA will not meet the full housing needs of the C&WHMA, and results in a lower figure compared to the standard method (around 600 fewer dwellings per annum). This runs the risk of under-supply of housing, which could result in worsening affordability of housing and a reduction in the provision of affordable housing to meet the needs of those households on lower incomes. At a time of a cost of living crisis and other inflationary pressures on households, restricting the supply of housing will undoubtedly cause further hardship for many people seeking to access housing in the area.
- RPS contends that the assessment of local housing need in Coventry & Warwickshire should be based on the standard method preferred by Government and which remains their formal approach for assessing local housing need at this time.
- RPS raises concerns regarding the deliverability and developability of certain elements of the supply from remaining site allocations, and the justification given for the proposed windfall allowance. RPS contend that the supply-side provision of housing forecast by the Council is over-optimistic and is not suitably evidenced. It is the view of RPS that the need-supply shortfall, or unmet need, emanating from the City will continue based on the current evidence.

## 1 INTRODUCTION

- 1.1 The purpose of this report is to provide a response to the Coventry & Warwickshire Housing and Employment Development Needs Assessment, November 2022 ("HEDNA").
- 1.2 The report has been prepared on behalf of the South Warwickshire Developer Consortium ("the Consortium") and is their formal representation to the Coventry Local Plan Issues and Options (Regulation 18) consultation ("IOD") on matters relating to housing need and supply.
- 1.3 The report has been prepared in the context of national policy and guidance, which requires local housing need to be based on the standard method 'unless exceptional local circumstances' have been demonstrated to justify the use of any alternative methodology.
- 1.4 The report is structured in order to assess the presence of exceptional local circumstances, consideration of the HEDNA approach to alternative projections, other factors that might point to further adjustments, for example economic growth, and land supply matters relevant at this stage.
- 1.5 For formalities sake, a representation form summary sheet has been prepared separately on the relevant questions in the IOD consultation, to which this report is appended.

## 2 DEMOGRAPHIC ANALYSIS: THE CASE FOR EXCEPTIONAL CIRCUMSTANCES

### National Policy Context

2.1 Paragraph 61 of the National Planning Policy Framework (NPPF) makes clear that to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance, unless exceptional circumstances justify an alternative approach.

2.2 Planning Practice Guidance (PPG) clarifies that, whilst the use of the standard method is not mandatory, if it is felt that circumstances warrant an alternative approach but authorities can expect this to be scrutinised more closely at examination (PPG 2a-003). This is especially the case where the alternative approach results in a lower housing need figure than that identified using the standard method (PPG 2a-015), as is the case in the Council's latest evidence.

### General comments on exceptional local circumstances

#### Study requirements

2.3 Paragraph 1.5 of the HEDNA identifies the key requirements of the study brief, notably to consider overall housing need within the Study area 'having regard to the standard method'. It is plainly the case that the constituent authorities are seeking to cherry pick elements of the standard method in the assessment of housing need in C&W to suit their own objectives as part of the study.

2.4 Paragraph 1.8 of the HEDNA points to 'notable commuting flows between Coventry and the wider South Warwickshire authorities' and the 'important role that Coventry plays as an employment, retail, cultural and service centre for the wider sub-region'. The 'hub and spoke' nature of the relationship between Coventry and the wider HMA is a key facet in the overall economic prosperity of the sub-region which should be fostered and supported through appropriate levels of housing growth. Measures seeking to reduce the level of housing growth across the HMA could have unforeseen and unintended consequences which risks undermining the future health of the local and sub-regional economy. This needs to be considered as part of the assessment process.

#### Recent events

2.5 Paragraph 1.10 explains that '*initial work on preparing the HEDNA was undertaken in 2021*' but that '*the project was however paused to reflect uncertainties associated with demographics, pending the release of data from the 2021 Census. The HEDNA report has then been finalised in Autumn 2022 with demographic analysis and modelling of housing need capturing initial Census data released on 28th June 2022.*'

2.6 RPS would simply point out that, whilst representing an official data source, demographic information in the Census is merely a snapshot in time (and does not, of itself, represent a trend) and so is merely one variable amongst many different inputs, including official mid-year population

estimates, relied upon to help project forward demographic change into the future. The importance or significance of the Census outputs should be seen in this wider context and should not be given undue or elevated status in the assessment process.

## **Economics Baseline**

2.7 Paragraph 2.2 (and Figure 2.1) of the HEDNA highlights that historically growth in GVA has slightly out-performed regional and national trends, with growth of 47% achieved between 2001-19 (reflecting stronger performance since 2013) compared to 33% and 35% at a regional and national level. Nonetheless, GVA growth rate in Coventry (2.0%) has been notably weaker in comparison to the sub-region as a whole (see Figure 2.2) and broadly similar to the UK growth rate (1.9%). Similarly, productivity (GVA per job, Table 2.3) in Coventry sits within the range between regional and national levels, but is lower compared to the sub-region. Employment growth between 2011-2019 in Coventry is also very similar to the levels seen sub-regionally (Table 2.7).

2.8 The evidence would suggest that recent economic performance in Coventry largely reflects the level of growth both regionally and nationally and which has, based on the analysis, seen relatively weaker growth compared to the wider sub-region. This does not highlight anything exceptional has occurred in the economic baseline in Coventry, and also points to the need for measures to support and encourage more growth to help bolster the role of Coventry as the main economic centre in the sub-region.

2.9 Furthermore, planning future growth based on lower housing targets derived for Coventry could undermine the wider economic growth ambitions of the West Midlands Combined Authority (WMCA), in particular the 'Plan for Growth', of which Coventry City Council is a constituent member, which include *inter alia* proposals to upskill and retrain both the future and current workforce<sup>1</sup>.

## **Housing Market Dynamics**

2.10 The HEDNA has reviewed various published datasets relating to the housing market across Coventry and Warwickshire. The data presented largely covers the period to 2020.

2.11 Regarding house prices, paragraph 4.3 of the HEDNA highlights that median prices across the sub-region to December 2020 are considered to be 'modestly above the average' both regionally and nationally reflecting recent house price growth. The lowest prices were observed in Nuneaton & Bedworth, with the next lowest being Coventry, reflecting market conditions in those areas. RPS does not consider house prices in Coventry to be significantly different to other major urban areas elsewhere in the region. In addition, Figure 4.1 of the HEDNA shows that house price trends during 2010-2020 for the sub-region are broadly consistent with trends across the West Midlands and nationally; whilst growth rates to September 2020 (Figure 4.2) within the sub-region show that

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<sup>1</sup> <https://www.wmca.org.uk/what-we-do/economy-and-innovation/plan-for-growth/>

Coventry has grown at a rate consistent with other authorities. This summation indicates that changes in house prices within the sub-region are not significantly different in comparison to other areas or scale of analysis for Coventry and so is not considered to represent evidence of anything exceptional in the data.

2.12 Similarly, qualitative analysis based on information from local agents at paragraph 4.47 of the HEDNA indicates that the supply of homes could not keep up with demand in Coventry, showing there is a need for more (not less) housing to meet the needs of the city.

2.13 The SW Consortium are also concerned that through setting a lower housing target across the CWHMA as whole, the Council are undermining the City's ability to secure developer contributions and commuted sums to help facilitate delivery of the ambitious and large-scale infrastructure that are being planned for, i.e. NUCKLE rail services proposals, as well as other sustainable transport proposals including the Toll End Bar to Coventry and segregated cycle route, which will require developer contributions to deliver them.

2.14 In addition, in terms of the mix of housing, SW Consortium are also concerned that by reducing the quantum of housing, this would undermine policies to help increase the delivery housing to help retain recent graduates, and well as helping to increase family housing which is acknowledged in the Council's evidence as only forming a limited proportion of the overall supply<sup>2</sup>.

### **Considering overall development need for housing**

2.10 In chapter 5 of the HEDNA, it is suggested that the use of the standard method as set out in national planning guidance is not an appropriate basis for the assessment of housing need for the Coventry and Warwickshire authorities, and that an alternative approach is justified. This is described in the HEDNA as a 'trend-based projection'. The justification given (at paragraph 5.1) for a departure from the standard method is the recent publication of data from the Census 2021 issued during 2022, and criticisms made of Office of National Statistics ("ONS") who it is claimed is guilty of '*...significantly over-estimating population growth in Coventry and this seems to be confirmed through Census data.*'

### **Divergence from the Standard Method (Exceptional Local Circumstances)**

2.11 In seeking to demonstrate that exceptional local circumstances exist, paragraph 5.16 of the HEDNA identifies what are described as two 'main considerations' of relevance, as follows:

- Firstly, that demographic data on which projections are based is 'demonstrably wrong' and 'cannot realistically' be used for trend-based projections on which the Standard Method is based; and
- Secondly, that demographic trends have changed so much that it is 'unrealistic' to use a set of projections based on information in a trend period to 2014, which is now over 8-years old.

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<sup>2</sup> Coventry City Annual Monitoring Report 2021/22

2.12 On the first point, RPS will show that the demographic data (notably the 2014-based projections) has not been shown to be 'demonstrably wrong' and it is reasonable to continue to apply the standard method in favour of the Council's alternative 'trend-based' approach.

2.13 On the second point, it is clear that the Government does not expect more recent projections to be used and that all local authorities should use the 2014-based projections in assessing local housing need in their areas, otherwise the alternative approach will not be considered to be following the standard method (PPG2a-015). To use arguments based on the age of the 2014-based projections is clearly erroneous and should be ignored.

2.14 Whilst not specifically advocated in the HEDNA report, the SW Consortium are nonetheless concerned that the Council is seeking to discount any provision to account for the 35% urban centres uplift, which is a requirement under the standard method. The Council does not identify any exceptional circumstances to justify this approach.

## **Reviewing Population Trends**

### **Population**

2.15 Table 5.2 of the HEDNA provides a summary of the mid-year population estimates for the Coventry and Warwickshire authorities, at mid-2020. Table 5.3 provides rounded population figures based on the Census 2021 outputs. This shows that the population estimate in 2020 was higher than the population count based on the Census in 2021. On this basis, the HEDNA concludes (at paragraph 5.23) that the MYE is 'substantially wrong'. Given that estimates and counts are themselves fundamentally different (they are based on different inputs, applied at different times) it is inevitable that the two figures will differ. Similarly, whilst there may be a difference for Coventry (which we address later in this report) it is evident that similar differences exist in other major cities and urban areas elsewhere across the country. This is shown in the analysis of the top 20 urban areas set out below (in Table 2.1) taken from the list of cities identified in the PPG as of December 2020<sup>3</sup>.

2.16 The analysis below shows that mid-year estimates were higher in ten (or half) of the top cities and urban centres, including Coventry, and lower in the other half, largely reflecting the differing nature and basis for the two data outputs.

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<sup>3</sup> Paragraph: 004 Reference ID: 2a-004-20201216 Revision date: 16 12 2020

**Table 2-1 Comparison between population estimates (2020) and Census 2021 counts – Top 20 Cities in England**

Top 20 cities	MYEs mid-2020	Census 2021	(+/-)
Birmingham	1,140,525	1,144,919	4394
Bradford	542,128	546,412	4284
Brighton and Hove	291,738	277,103	-14635
Bristol	465,866	472,465	6599
Coventry	379,387	345,324	-34063
Derby	256,814	261,364	4550
Kingston Upon Hull	259,126	267,014	7888
Leeds	798,786	811,953	13167
Leicester	354,036	368,572	14536
Liverpool	500,474	486,088	-14386
London (All LAs)	9,002,488	8,799,728	-202760
Manchester	555,741	551,938	-3803
Newcastle upon Tyne	306,824	300,125	-6699
Nottingham	337,098	323,632	-13466
Plymouth	262,839	264,695	1856
Reading	160,337	174,224	13887
Sheffield	589,214	556,521	-32693
Southampton	252,872	248,922	-3950
Stoke-on-Trent	256,622	258,369	1747
Wolverhampton	264,407	263,727	-680
All Cities and Urban centres	16,977,322	16,723,095	-254227

Source: ONS Population Estimates, persons, for local authorities in the UK, mid-2020; Census 2021 results (TS008)

2.17 Regardless of the reasons for the difference in figures, the published data nonetheless demonstrates that differences in population estimates and Census outputs are not exclusive to Coventry or the wider sub-region, and so this does not equate to exceptional local circumstances that would justify setting aside the standard method for assessing local housing need in this case, as is argued in the HEDNA.

### Age structure

2.18 Paragraph 5.25-5.26 and Figure 5.1 of the HEDNA illustrate that, at 2020, the population in Coventry is relatively younger in profile compared to the wider sub-region, region and nationally. The HEDNA acknowledges that this is related to the student population residing in the city. The HEDNA also points (in Figure 5.2) to the relatively higher proportion (67.5%) of people are in the 16-64 age range, again 'linked to its student population'.

2.19 As evidenced elsewhere in this submission, the student population in Coventry is acknowledged as an important consideration relevant to the assessment of future housing need in the city, given the impact it has on the overall age profile across the city. It is important that future growth projections properly account for this component of the population. RPS argue that a move away from the standard method to the alternative 'trend-based' approach in the HEDNA does not do this and so is not an appropriate basis for assessing future housing need in Coventry and Warwickshire.

2.20 Indeed, RPS would argue that a reasonable option for the emerging Plan strategy would be to seek the retention of those people in the student population within the city / HMA after they graduate, rather than simply plan for them leaving in the future.

### **Past Population Change**

2.21 Figure 5.4 of the HEDNA shows how the age structure of the population is considered to have changed between 2011 and 2020, based on ONS mid-year estimates. The HEDNA acknowledges that for Coventry there has been a notable change over time in the age structure with the proportion of people aged in their 20s and early 30s increasing significantly, which tails off (but still shows a smaller increase) in older age groups. This is clearly reflective of Coventry City's status as a university city within the West Midlands, and so does not point towards anything inherently or substantially wrong with the MYEs.

### **Components of population change**

2.22 Paragraphs 5.35-5.36 of the HEDNA makes reference to the issue of Unattributable Population Change ("UPC") and that this may be evident in the mid-year estimates published post-2011 which, in the case of Coventry, is suggested to have 'actually increased significantly'.

2.23 The HEDNA provides no evidence to support this assertion. In fact, UPC was addressed by ONS following the publication of the Census in 2011. This is shown in Tables 5.6 and 5.7 for years 2011/12 to 2019/20. This is confirmed by ONS in the Quality and Methodology Information ("QMI") report dated 24 March 2020, which summarised the process it followed in remedying the issue and states quite clearly:

*"No adjustment for UPC was made in the 2012-based and later sets of projections or in the series of population estimates based on the 2011 Census. This was because the UPC specific to the previous decade was unlikely to be replicated in continuing subnational trends." (RPS emphasis)*

2.24 The issue as to whether UPC is occurring, or has occurred, is a matter for ONS. Their published view is that this is not likely to be a problem for future population estimates (including mid-2020 figures) or later projections (in this case, the 2014-based projections). The commentary on UPC in the HEDNA is erroneous and seeks to confuse and overly complicate the assessment of housing need, and does not point to any likely exceptional local circumstances that would justify setting aside the Government's preferred approach using the 2014-based projections.

### **Accuracy of Population Estimates**

2.25 Paragraphs 5.37 to 5.47 of the HEDNA provides a commentary on discussions between Office for Statistics Regulations ("OSR") and ONS during 2020 and 2021 regarding criticisms originally expressed by Campaign for Protection of Rural England ("CPRE") that the population estimates for Coventry were too high. The HEDNA acknowledges ( see paragraphs 5.46) that it remains the case that ONS has not sought to amend either the population estimates or the (population and household) projections they feed in to. Nonetheless, RPS has some issues with the HEDNA on this matter.

2.26 Firstly, paragraph 5.44 of the HEDNA states:

*“On 29 July 2021 ONS published its response [to the OSR] setting out a work plan to address the OSR recommendations. ONS recognised that there were concerns about population estimates and projections (specifically mentioning Coventry) and that this can have an impact on household projections and therefore calculations of housing need. It is notable that both ONS and the OSR have acknowledged issues with the population estimates for Coventry and its impact on the City’s calculated housing need.” (RPS emphasis)*

2.27 Nonetheless, the same response from ONS also states that:

*“In June 2021 we [ONS] published the latest mid-year population estimates for 2020 and an update on future plans for population and household projections after Census 2021.”*

2.28 At no point in the ONS response do they accept that the population estimates or projections for Coventry are wrong and should be set aside for the purposes of calculating housing need, or that they are ‘concerned’ with them. In fact, the ONS response merely highlights the concerns are presented to them from other parties.

2.29 Secondly, the HEDNA states (at paragraph 5.46):

*“...at this point no attempts have been made by ONS to amend either population estimates or the projections they feed into...”*

2.30 RPS would merely point out that, based on the information available including the Census 2021 data and other information which has been submitted to it by other parties including OSR, ONS does not consider it necessary or appropriate at this time to issue amended or revised population estimates for Coventry. This is a matter that ONS is currently looking at and will publish up to date estimates and projections in due course.

2.31 And thirdly, paragraph 5.47 of the HEDNA states:

*“...there are question marks over the components of change data in Coventry but no official alternative...”*

2.32 This is merely an assertion made in the HEDNA but which does not reflect any official position issued by either ONS or the Government on the veracity or efficacy of the published population estimates or projections that local authorities should be using to calculate housing need in their areas, including Coventry. In fact, no change has been made to the NPPF or practice guidance regarding how housing need is to be determined, which continues to require the 2014-based sub-national projections as the starting point. Similarly, ONS has not recommended that alternative methods should be applied to the calculation of housing need due to issues with their official figures.

2.33 Taken together, RPS does not accept the suggestion made in the HEDNA that there are official concerns with the population estimates or projections from the body responsible for their production; in this case, ONS. The information relied upon in the HEDNA does not establish the existence of exceptional local circumstances in relation to the perceived accuracy of official population estimates that would justify setting aside the official projections.

## Overall Population Growth

2.34 Paragraph 5.51 of the HEDNA asserts that the increase in population in Coventry based on the population estimates is caused by the ONS recording students and young people moving into the city, but not then recorded them moving out. This is because, it is claimed, the population amongst those in their mid to late 20s does not show a sharp decline in 2020 as might be expected once student move out of the city (see Figure 5.9). It goes on to state:

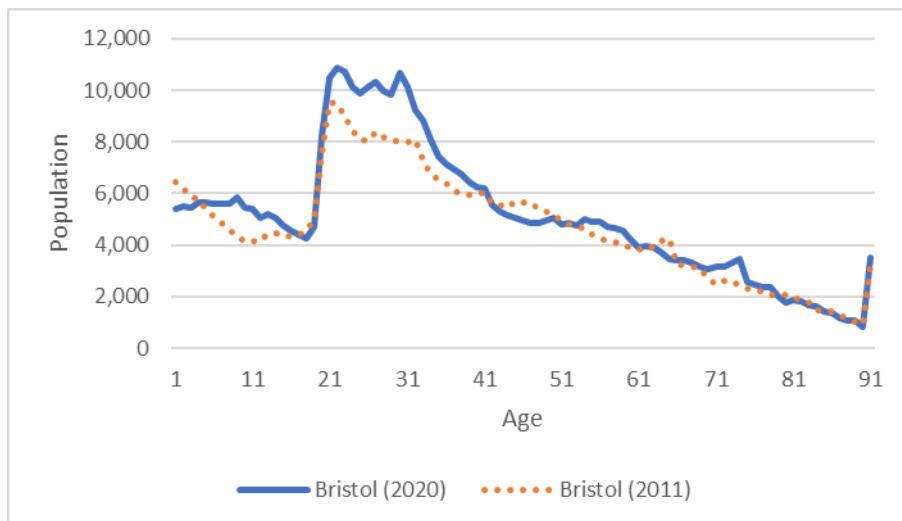
*"It is possible that Coventry has seen a greater retention of students but at first glance the change from 2011 to 2020 does not look realistic."* (RPS emphasis)

2.35 The HEDNA has also sought to use data on age structure from 2011 to 2020 to support this view (see Figure 5.10). RPS would point out that the numbers of people in student age bracket (early to mid-20s) increase significantly between 2001 and 2011, and which is likely to have continued beyond 2011.

2.36 Paragraph 5.5 of the HEDNA than asserts that the projected age structure changes shown in Coventry are '*really quite different*' from any other locations in the period 2011-2020. This is based on a comparison of Coventry with five other large urban centres which have a 'notable' student component (see Figure 5.11).

2.37 RPS has also analysed age structure for other centres ignored by the HEDNA; notably Bristol, shown below.

**Figure 2-1 Estimated population change, 2011 and 2020 - Bristol**



Source: ONS mid-year estimates

2.38 The analysis shows that there are other places beyond Coventry where students are likely to be moving to the area, but then staying longer, or permanently, rather than leaving shortly after graduating. In this respect, the HEDNA does acknowledge 'some degree of retention' of younger people is occurring in the centres surveyed, for example Birmingham. This would support the position that Coventry's population grew at one of the fastest rates in the country (19.7%) between 2011 and 2020. RPS contends that evidence of population change in other student cities similar to Coventry undermines the suggestion in the HEDNA that 'there must be serious doubts about the

validity of the level of population growth in Coventry', but rather it is eminently possible that population growth in Coventry is reflected in the population estimates. This is further evidence that undermines the view that exceptional local circumstances exist to justify setting aside the standard method.

## Dwelling stock change

2.39 Paragraph 5.57 -5.58 of the HEDNA assert that the change between 2011-20 in population (19.7%) and dwelling stock (8.6%) in Coventry are somehow 'out of kilter' inferring that level of population growth in the city has been over-estimated. The HEDNA seeks to illustrate this in Figure 5.13 and Table 5.9. RPS disputes the assertion and its relevance to supporting exceptional local circumstances.

2.40 Firstly, mid-year population estimates and dwellings data are different in nature (one deals with people, the other with buildings) and so are not directly comparable.

2.41 Secondly, changes in Coventry have broadly reflected both national and regional growth in the dwelling stock over the period surveyed, as shown below.

**Table 2-2 Dwelling Stock Growth (2011-20) – Coventry in context**

Dwellings	2011	2020	change (11-20)	% change
England	22,976,066	24,709,834	1,733,767	7.5%
West Midlands	2,376,728	2,532,422	155,694	6.6%
Coventry	132,891	144,350	11,459	8.6%

*Source: Live Table 125; HEDNA*

2.42 And thirdly, the methodology used to collect dwelling stock statistics referred to in the HEDNA do not count communal establishments<sup>4</sup>, including halls of residence and other managed residential accommodation. This could account in part for the difference in changes in the population and dwelling stock as those students moving to the area and into shared accommodation would not be counted in the stock figures but would be counted in the in-migrants component of the population estimates.

2.43 Taken together, the changes in dwelling stock in Coventry is broadly aligned with change elsewhere at national and regional level, albeit slightly higher growth, but this does not amount to exceptional circumstances as is being suggested in the HEDNA.

2.44 What the data does show is that stock growth rates in other parts of the sub-region are much higher than Coventry, in particular Stratford-upon-Avon (14.5%), Warwick (9.5%) and Rugby (11.1%). This is likely the result of these areas accommodating not only their native growth, but also the unmet need from elsewhere, including Coventry (and Birmingham, to a lesser extent) between 2011-2020. This demonstrates the ability of the shire districts to meet wider than local needs when properly planned for.

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<sup>4</sup> <https://www.gov.uk/government/statistics/dwelling-stock-estimates-in-england-2022/dwelling-stock-estimates-england-31-march-2022-technical-notes>

## Electoral register data

2.45 Table 5.10 and 5.11 of the HEDNA provide some information on recent changes in the numbers of people on the electoral register across the sub-region. Whilst the data is noted, it is likely that as older people move out of the area or pass on, these people are removed from the register, whilst younger residents moving into the area may be less inclined to use their vote (including some students), but this is only conjecture and is difficult to quantify. Regardless of the reasons, RPS would point out that this data does not inform the population estimates or the projections at a sub-national (or national level) under the current methodology used by ONS, and so the weight ascribed to it is minimal.

## Patient Register

2.46 Table 5.12 of the HEDNA provides a comparison of the ONS MYEs and population records drawn from the patient register (PR). The HEDNA (see paragraph 5.63) asserts that the situation in Coventry '*...would potentially point to population estimates in Coventry being over-estimated*'. However, the HEDNA acknowledges that the PR figures should be '*...treated with caution...*' as there is a risk of double-counting due to reliance on a process of unregistering and re-registering with a new GP surgery. RPS would agree.

2.47 Similarly, the MYEs and PR data are different in nature and have different purposes; the MYEs are the output from an analysis of a wide range of inputs and assumptions, whilst the PR data is a single dataset. Furthermore, it must be noted that one of the inputs to the MYEs includes patient register data. RPS would agree that the patient register data should be treated with caution, but to draw direct comparisons between the official estimates and patient register data in this way is not a valid exercise and should be given limited weight in considering whether exceptional circumstances exist or not.

## Other comments on Population Dynamics in Coventry

### House Prices

2.48 Paragraph 5.70 asserts that if the population of Coventry has grown as significantly as suggested by ONS [in the MYEs] but with a relatively limited supply of new homes (as measured by the dwelling count) then it is possible that pressure on the housing stock would have seen above average increases in house prices. The HEDNA argues that is not the case in Coventry and that the analysis provided, '*...again points to estimates of population potentially having been over-estimated...*'.

2.49 In supporting its position, Table 5.15 of the HEDNA compares changes in median house prices for Coventry with the rest of the sub-region (Warwickshire), West Midlands, and England over the period 2011-2020. This shows that the increase in Coventry (53%) is higher on all counts, which the HEDNA acknowledges. Nonetheless, the HEDNA focuses on the absolute price of homes, which shows Coventry has the cheapest housing and therefore a more affordable place. As a

result, the HEDNA draws the conclusion that this is evidence that population estimates have been over-estimated. RPS disputes this, and draws on other comparisons as evidence.

2.50 Firstly, official data<sup>5</sup> shows that median house prices increased by an average of 50.7% for all local authority areas (England and Wales<sup>6</sup>) between 2011 and 2020, slightly lower than the increase in Coventry. And secondly, as shown below, when looking specifically at other similar areas (the top 20 cities and urban centres) of which Coventry is one, official figures show that median prices increased at an average of 47%, considerably lower than in Coventry.

**Table 2-3 Changes in Median House Prices Paid: Top 20 cities and urban centres, 2011-2020**

Top 20 cities and urban centres	2011	2020	Change 2011-20	% change
Birmingham	125950	194950	69000	54.8%
Bradford	118000	147500	29500	25.0%
Brighton and Hove	240000	380000	140000	58.3%
Bristol, City of	170000	290000	120000	70.6%
Coventry	122000	187000	65000	53.3%
Derby	119000	173000	54000	45.4%
Kingston upon Hull, City of	88000	120000	32000	36.4%
Leeds	140000	201500	61500	43.9%
Leicester	122000	190000	68000	55.7%
Liverpool	110500	140000	29500	26.7%
Manchester	127500	208263	80763	63.3%
Newcastle upon Tyne	130000	175000	45000	34.6%
Nottingham	95000	155000	60000	63.2%
Plymouth	142000	187500	45500	32.0%
Reading	190000	310000	120000	63.2%
Sheffield	122000	169375	47375	38.8%
Southampton	160000	223000	63000	39.4%
Stoke-on-Trent	85000	127000	42000	49.4%
Wolverhampton	115000	168000	53000	46.1%
			Av. change 2011-20	47.4%

*Source: ONS Median House Prices Small Area Statistics*

2.51 Taken together, the analysis above clearly shows that Coventry has experienced 'above average' increases in house prices during the period which does not point to any over-estimate of the population, contrary to the view expressed in the HEDNA.

## Summary on exceptional circumstances

2.52 The Council's evidence on demographic and other housing-related factors set out in the HEDNA asserts that estimates of population in Coventry as having been over-estimated in the period since

<sup>5</sup> ONS House Price Statistics for Small Areas (HPSSAs) Dataset 9: Median price paid for administrative geographies, Table 2a

<sup>6</sup> Excluding Greater London authorities

2011. On this basis, the HEDNA claims that exceptional local circumstances exist to justify setting aside the standard method as a basis for calculating local housing need as part of the next iteration of plan-making for the Coventry & Warwickshire HMA authorities.

2.53 The analysis set out in this submission disputes this assertion. RPS contends that exceptional local circumstances do not exist. Indeed, in the summary to their own analysis the HEDNA (paragraph 5.73) acknowledges that population growth in Coventry has not been exceptional, which RPS broadly agrees with (though some aspects of change, for example house prices, do show above average trends).

### 3 DEMOGRAPHIC ANALYSIS: HEDNA ALTERNATIVE APPROACH TO CALCULATING HOUSING NEED

#### Establishing a base population estimate

##### Population estimates for Coventry

3.1 Paragraphs 5.74 – 5.161 of the HEDNA provide a commentary on the approach advocated as being a robust and justified alternative to the Government’s standard methodology for assessing housing need. The focus of this element of the HEDNA is to support alternative projections for Coventry.

3.2 The first stage in the HEDNA process is to attempt to establish a population base (at 2020) as an alternative to the MYE figure (379,387) produced by ONS. Due to the considerable uncertainty and lack of any published alternative approach, the HEDNA uses two scenarios; a completions-led; and patient register-led estimates.

3.3 In the dwelling-led approach, paragraph 5.78 of the HEDNA provides two outputs, though the explanation presented for this is vague. For example, at numerous points reference is made to adjustments to the published migration assumptions underpinning the MYEs. This is likely to have a considerable impact on the population estimates, but the reasons for the adjustment to migration trends is not provided.

3.4 Paragraph 5.78 of the HEDNA gives two alternative estimates of population in 2020 for Coventry

- 347,941 – using 2018-SHNP inputs; and
- 341,929 – using 2014-based SNHPs

3.5 Paragraph 5.79 of the HEDNA notes that these figures are ‘some way below’ the official MYE. The HEDNA goes no further here, but RPS would point out that a dwelling completions-led will inevitably be lower than the official estimates as they are constrained by factors such as the adopted Coventry Local Plan strategy, which distributed a significant level of its native housing growth to neighbouring areas largely as a result of the restrictive nature of the tightly drawn development Green Belt boundary that encircles the city. RPS sees no justification for a dwelling-led approach as this simply builds into future projections previous under-provision of housing delivered in the city.

3.6 In the patient register-led approach, whilst the outputs (349,781 and 348,381 people) are slightly higher than in the dwelling-led completions scenario shown above, the difference is not significant and still way below the MYE 2020 figure. In any event, RPS would caution (as the HEDNA already does) against the use of patient register as the starting point here because a single dataset as a basis for the forward projection is overly-simplistic, and reliant on specific actions of individuals and thus is also prone to error. The HEDNA decides that rather than selecting a preferred estimate figure, an average of the four numbers is take forward; this being estimated at a 347,008 population in 2020 for Coventry.

3.7 Figure 5.17 of the HEDNA provides a breakdown of the age structure in the alternative population estimate. This is assumed to provide an average number of people in each year across the four outputs referred to above, but this is not clear. Similarly, paragraph 5.84 states that “*One notable feature is that the retention of people in their 20s (likely to be linked to students) is significantly diminished and overall it is considered that this age structure looks more plausible and is more in-line with that seen in other ‘similar’ areas...*” (RPS emphasis). It is assumed this is linked to the patient register dataset for Coventry which, as already highlighted in this submission and the HEDNA, should be treated with caution. It may also be the case that the diminishing significance of people in their 20s in Coventry is linked to adjustments in the migration assumption applied in the HEDNA, but again this is not clearly explained or justified.

3.8 Taken together, RPS questions the overall robustness of either scenario as an alternative to the official MYEs for 2020 issued by ONS given the concerns highlighted above.

### Population estimates across Warwickshire

3.9 Table 5.17 of the HEDNA provides a summary of the alternative population estimates for the six constituent authorities, including Coventry. These point to higher alternative estimates for all shire districts (except North Warwickshire) compared to the MYEs. This is only a single years’ worth of data and does not constitute a projection over time.

3.10 Nonetheless, it can be seen that the official MYEs published by ONS are not dissimilar to the latest population projections (2018-based) and represent higher figures than the Government’s preferred starting (2014-based projections). This also raises doubts that the MYEs are significantly different from other official statistics.

3.11 In addition, the alternative estimates are relatively well aligned to the population for 2020 in the 2014-based projections, which continues to underpin the standard method calculation for Coventry and Warwickshire (at least for now), albeit there is some redistribution of need across the authorities in the alternative MYE. This is shown below.

**Table 3-1 Estimated population in Coventry & Warwickshire: MYEs and comparators (2020)**

	ONS MYEs (2020)	Estimated MYE (2020)	2014-based SNPPs (2020)	2018-based SNPPs (2020)
<b>NWD</b>	65,452	64878	63,114	66,440
<b>Nuneaton</b>	130,373	132,093	128,979	130,406
<b>Rugby</b>	110,650	111,385	107,873	109,181
<b>Stratford</b>	132,402	134,063	124,335	131,536
<b>Warwick</b>	144,909	149,586	143,158	144,062
<b>Coventry</b>	379,387	347,008	370,238	378,966
<b>C&amp;W</b>	963,173	939,013	937,698	960,591

*Source: HEDNA 2022; CLG 2014-based SNPPs*

3.12 The similarity may simply be a coincidence, but it does suggest that the official projections (2014-based) remain an appropriate starting point for assessing housing need.

## Population estimates and the 2021 Census

3.13 The HEDNA then considers the population outputs from the 2021 Census alongside the alternative population estimates based on its own modelling.

3.14 Paragraph 5.90 of the HEDNA explains that in order to compare the Census population count with the HEDNA estimates, a consistent base date is needed; 2021. To do this, the HEDNA 'rolls forward' by one year the alternative estimate figure to align with the Census date. RPS questions the robustness of this approach, given the concerns highlighted earlier in this submission, and which must assume the alternative estimates and the 2021 Census is correct. However, as highlighted in the HEDNA (paragraph 5.92) this may not be the case due to the pandemic and where people were living at the time of the census count, notably amongst the student population, particularly where many students were working from home. Consequently, it is questionable whether the Census outputs should be used in any aspect of the forward planning exercise until they have been properly verified by ONS.

## Students in the 2021 Census

3.15 Paragraph 5.94 – 5.103 provides a commentary on the potential undercount in the age groups most aligned with the student population (predominantly 20-24 and 25-29 age cohorts) due to the timing of the 2021 Census aligning with the pandemic and the impact of the lockdown policy, relating to Coventry and Warwick.

3.16 Figure 5.19 of the HEDNA shows that in these areas the population in 2021 amongst student age groups was largely stagnant in Coventry and lower in Warwick, compared to the population in 2011. Given these are acknowledged as being cities with sizeable student populations, it would be reasonable to expect an increase in the age groups. The outputs from the 2021 Census raise some concerns that an undercounting in those age cohorts has occurred. The HEDNA acknowledges (at paragraph 5.99-5.102) that students may be 'missing' from the 2021 Census, which the two main universities in those cities also acknowledge as being a possibility. However, this issue is essentially left hanging in the HEDNA, which states (at paragraph 103):

*"For the purposes of analysis in this report, it has therefore been assumed that the Census is as accurate as it reasonably can be – and taken forward as a base position for analysis of current and future demographic trends." (RPS emphasis)*

3.17 Given the potential for over-estimation of population in student-related age groups remains a matter under consideration by ONS, as highlighted earlier in this report, the use of the 2021 Census as a starting point for further work on alternative population estimates and projections for Coventry & Warwickshire HMA must be in question, at least until this matter has been investigated and resolved. This includes consideration of whether the 2021 Census has, in fact, undercounted a proportion of the population in Coventry and other areas in the HMA, for example due to factors relating to the pandemic.

## Developing Trend-based Population Projections in Coventry and Warwickshire

### Overview

3.18 Paragraph 5.108 of the HEDNA explains:

*“...the analysis seeks to provide projections rebased to 2021 (Census data) and draws on ONS MYE data up to 2020 – including data about births, deaths and migration.”*

3.19 The ‘driver’ for doing this is set out in the preceding commentary (paragraph 5.106) which states:

*“...this is due to publication of new (2021) Census data which has essentially reset estimates of population (size and age structure) compared with previous mid-year population estimates (MYE) from ONS...”*

3.20 Whether the 2021 Census has reset estimates of population remains a matter of debate, as highlighted in this report. Similarly, it must be noted that the 2021 Census and the 2020 MYEs all post-date the assumptions that underpin the official 2014-based projections and, as such, exceptional local circumstances must be shown to justify their use as part of an alternative method to the standard method preferred by Government, in line with practice guidance. As explained in this report, RPS questions the existence of exceptional circumstances to justify setting aside the standard method. Nonetheless, RPS has reviewed the HEDNA ‘trend-based’ approach and provides a response below, though this does not go into detail on the precise assumptions used in the alternative projections as there are likely to change once ONS issued revised (2021-based) projections in the near future.

### Comments on the assumptions

3.21 At the outset, the HEDNA claims that (at paragraph 5.108) that many of the published data inputs to the projections ‘...are *likely to be incorrect...*’. Nonetheless, the HEDNA shrugs off such problems and continues with the projections. Similarly, the HEDNA (at paragraph 5.109) also acknowledges that the assumptions it has applied in its own modelling ‘... *will need to be reviewed as appropriate...*’ once the ONS issues the next round of projections. This suggests that considerable caution should be taken when applying these alternative scenarios in the HEDNA as part of the plan-making process and specifically the assessment of future housing need.

3.22 It is also noted that the latest sub-national population projections (2018-based) are only used for comparison purposes and ‘..*not directly used in the analysis...*’. There is also no reference at all to the components used in the 2014-based projections. This means the HEDNA represents a new set of population projections that have not applied the most up to date assumptions (devised by ONS) that are needed to carried out modelling i.e. data on fertility, mortality, and migration.

3.23 Consequently, the HEDNA has applied the following assumptions, summarised below:

- **Fertility:** adjustments to fertility rates taken from the ‘SNPP’ (assumed to be the 2018-based rates) to account for the claimed over-estimation of population in Coventry.

3.24 The adjustments to fertility rates are based on the number of births in a single year only. RPS questions whether using just one years' worth of data is sufficiently robust to underpin changes to assumptions that are then applied to projections over a longer time period (i.e. 10 years). This is important as rates are projected to fall in the shire districts in Warwickshire (Table 5.24) which would have a downward pressure on population growth estimates.

- **Mortality:** a similar approach is applied to mortality rates as has been used in fertility rate adjustments.

3.25 In all constituent authorities, mortality is projected to increase (Table 5.25) but has again been derived from a single years' worth of data. This would act further to push future population growth downwards, thus leading to lower population projections overall.

- **Migration:** uses a ten-year trend (2010-2020) assumption, adjusted to account for the differences between the MYE 2020 and 2021 Census.

3.26 The HEDNA acknowledges that the migration adjustments are derived from a 'complicated' analysis (paragraph 5.123), as the process follows a number of stages and applies numerous assumptions which are not clearly explained.

3.27 For example, Table 5.27 of the HEDNA provides a comparison of population estimates between MYEs 2011-2020 (and assumes a figure for 2021, but this is also not clearly explained) and the 2021 Census for the sub-region as a whole; covering the period 2011-2021. The table shows that estimates in the MYEs are 29,337 higher than the 2021 Census. The HEDNA attributes all of the difference solely to migration. The HEDNA (paragraph 5.126) assumes that 50% of the difference is due to an under estimate of in-migration, and 50% to an under-estimate of out-migration. However, the HEDNA provides no evidence to justify this assumption.

3.28 The outcome is that the HEDNA (see Table 5.29) assumes that 29,337 fewer people migrated into Coventry & Warwickshire between 2011 and 2021. This fits the difference between the MYEs and the 2021 Census in table 5.29, but results (see Figure 5.2, page 124) in a very different migration trend in the HEDNA trend-based model compared to past trends seen in the MYEs published by ONS.

3.29 Furthermore, the SW Consortium notes from the Issues and Options document (see commentary relating to question 6) that partners in the sub-region have joined with partners across the wider West Midlands to produce a West Midlands Regional Strategic Employment Sites Study to better understand the issue and to plan for growth accordingly; this piece of evidence is due summer 2023. However, no such evidence has been made public at this part of the issue and options consultation process. Accordingly, the assessment of future need has not been informed by all the relevant evidence and so remains incomplete and therefore is not a sound alternative to the standard method.

3.30 Given that the approach to defining the population assumptions is so convoluted and complicated, with so many assumptions used that have not been adequately explained (and the acknowledgement that these are likely to be incorrect) RPS contend that the analysis cannot be

relied upon as a robust and credible basis for a forward projection of population. Nevertheless, the HEDNA has applied the population projections as a basis for a set of household projections for the sub-region.

## Household Projections

3.31 Paragraph 5.140-5.145 of the HEDNA briefly describes the process followed in converting population estimates (and projections) into household projections.

3.32 RPS notes that trend-based approach does utilise data on household representative rates (HRRs) and communal population drawn from the 2014-based subnational household projections (paragraph 5.142). This is to be welcomed. Nonetheless, paragraph 5.144 also states that, '*...the 2014-HRRs [household representative rates] have been adjusted to match the estimated number of households shown above with future (projected) years using the same incremental changes as in the base source...*' (RPS emphasis). It is therefore unclear what formation rate have been used in the household projections, nor to what extent the rates have been altered.

3.33 Table 5.32 of the HEDNA provides a summary of the change in the number of households based on the 'remodelled projection'. It shows a substantial reduction, nearly 400 households per annum, in the projected number of households compared to the 2014-based projections used in the standard method (3,511 v 3,894 hhpa). The result is that the level of housing need determined for Coventry & Warwickshire would be reduced from 5,554 to 4,906, a reduction of 648 dwellings per annum.

3.34 The reduction in need would represent an approach that runs counter to the Government's support for boosting the supply of housing set out in national policy, but could also build into the projections potential under-estimation of need within certain age groups due to issues with the 2021 Census count relating to the student component of the population, which has largely been ignored. The approach advocated in the HEDNA is unjustified and is not consistent with national policy.

## Summary on the trend-based approach

3.35 As explained in the previous chapter, RPS considers there are no exceptional local circumstances that exist to justify setting aside the Government's preferred 'standard' method for calculating housing need.

3.36 Whilst the alternative approach results in higher housing need in some areas, it will not meet the full needs of the HMA. This runs the risk of under-supply (and not a boost in supply) of housing, which could result in worsening affordability of housing and a reduction in the provision of affordable housing to meet the needs of those households on lower incomes. At a time of a cost of living crisis and other inflationary pressures on households, restricting the supply of housing will undoubtedly cause further hardship for many people seeking to access housing in the area.

3.37 RPS considers issues relating to the supply of housing in some more detail later in this report.

3.38 It is also the case that methodology used in the HEDNA is overly-complicated and is selective regarding those elements of the standard method it seeks to move away from. Similarly, as highlighted, there may well be issues with the number of people counted in the 2021 Census due to the timing of the count and the pandemic and how this may have influenced where people were living on Census day (Sunday 21 March 2021). This could have impacted on the number of people counted with certain age groups, notably 20-29 years (and possibly younger). This can only be clarified through further investigation by ONS. RPS does note that measures have already been taken to address methodological issues relating to student numbers, through the Higher Education Leavers Methodology (HELM), which was applied to the official population estimates from 2017 onwards. It is likely that potential under-estimation of move out of the area, notably Coventry, have been addressed and so is not a significant factor in determining population estimates after this date, and has been exaggerated in the HEDNA.

3.39 Furthermore, the analysis above (Table 3.1) illustrates that population projections are not 100% accurate and are largely driven by the assumptions that underpin them. The Standard Methodology set out in national policy and guidance is merely a tool that offers consistency on a national scale in order to achieve two key objectives; firstly, to ensure that there is a significant boost in the supply of homes; and secondly to ensure the right type of homes are built in the right locations.

3.40 On a broader subject, the PPG (2a-024) makes clear that an increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes. This is a particularly relevant consideration to certain areas of the CWHMA, notably Coventry, where recent delivery of affordable housing has fallen short of the need since the adoption of the current Local Plan.

3.41 In this context, RPS does not support the use of any alternative approach to the assessment of housing need in Coventry & Warwickshire, and the HEDNA should be based on the standard method preferred by Government and which remains their formal, preferred approach for assessing local housing need at this time.

## 4 URBAN CAPACITY ISSUES

### Current anticipated supply 2021-2041

4.1 Table 6 of the IOD provides a summary of the housing land supply identified to meet the future housing requirement. The table is reproduced below.

**Table 6: Supply as at 31<sup>st</sup> March 2023**

Housing land supply	Number of Homes
Past net completions	3,818 (2021 /22 monitoring year)
	1,620 (2022 / 23 monitoring year)
Call for brownfield sites	1,200 (approx.)
Sites with planning permission (includes those under construction but not completed)	11,914
Local Plan allocations – remaining capacity	3,151
City Centre Area Action Plan Remaining Allocations	455
Windfall	3,000 (2026 onwards)*
<b>Total</b>	<b>25,158**</b>

4.2 A further break down of these numbers is provided in Table 2 of the Housing and Employment Land Availability Assessment (“HELAA”) 2023 issued alongside the IOD consultation.

4.3 The rest of this section provides some observations on the various categories comprising the future supply. The analysis draws on information set out in Appendix 1 of the HELAA, which shows a schedule of sites in the supply.

### Past net completions to date (2021-2023)

4.4 Net completions to date total 5,438 dwellings between 2021 and 2023. For 2021/22, monitoring figures indicate that 2,621 'dwelling equivalents' were Purpose Built Student Accommodation (PBSA). This represents a significant proportion of all new build properties (69%) in that year. In addition, of those non-PBSA completions during 2021/22 (1,233 dwellings) 54% were one and two-bedroom apartments, with the remainder comprising general family housing (i.e. 2+ bed houses). The breakdown of completions for 2022/23 has not been provided as part of the IOD consultation, but was significantly lower overall than the previous year.

4.5 Recent housing delivery indicates a prevalence for purpose built and smaller properties in Coventry. This is helping to meet the needs of specific groups in the city, but the provision of relatively fewer, larger homes risks undermining the supply of homes for other groups, for example families. It is essential that the plan review makes proper provision for all household groups, including families, when setting the housing requirement and addressing sources of supply.

## Sites with planning permission

4.6 The anticipated supply from sites with extant permission currently totals 11,914 dwellings. This comprises sites with both detailed and outline permission as at end of March 2023.

4.7 RPS notes a significant proportion of this supply comprises 'windfalls', some 1,535 dwellings, all of which is anticipated as coming forward in years 1-5. The IOD includes an allowance of 200 dwellings per annum. If this is accepted, then RPS contends that in simple terms the delivery of those windfalls already in the system will take roughly five years to build out, because there is nothing preventing them coming forward in principle. RPS discusses the wider implications for the windfall allowance in this section further below.

## Call for brownfield sites

4.8 The Council has included in the forecast supply a number of sites drawn from a 'call for sites' exercise carried out recently, totalling 1,200 dwellings (approximately).

4.9 No supporting evidence has been provided to demonstrate these sites are developable (6-10 years) during the plan period. RPS notes that a number of the sites identified appear to be in existing use, notably for employment. Similarly, it is has not been demonstrated in either the IOD or the supporting evidence that the loss of employment on these sites is appropriate in policy terms or that they are available and could be viably developed at the point envisaged, in accordance with national policy<sup>7</sup>.

4.10 RPS has reservations regarding the developability of many of these sites without sufficient evidence to justify their inclusion in the forecast supply.

## Local Plan Allocations – remaining capacity

4.11 The Council identifies 3,151 dwellings from existing site allocations with dwellings yet to be delivered at end of March 2023.

4.12 RPS notes the retention of Walsgrave Hill Farm (ref. H2:03) in the forecast supply, for 900 dwellings. The site is located on the boundary between Coventry and Rugby Borough. The site was initially progressed under the duty to cooperate as a cross-boundary matter because of its strategic nature and its relationship to the Green Belt in this location. Coventry City Council released their portion of the site from the Green Belt as part of the adopted Local Plan. However, Rugby decided to retain their portion of the site as Green Belt in their own recently adopted Local Plan. This means the original intentions for the wider site were not taken forward, and the site remains partly allocated in the Coventry Local Plan.

4.13 To date, no live planning application has been submitted seeking planning permission for residential development on the site. This is despite the plan originally being adopted in 2017. The

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<sup>7</sup> NPPF 2021, paragraph 68

Council provides no supporting evidence that justifies the retention of the site in the forecast supply as part of the Plan review. The future deliverability and developability of the site is therefore questionable at this point.

4.14 If this site is removed, it would reduce the forecast supply by 900 dwellings.

## Windfall allowance

4.15 Table 6 of the IOD proposes an allowance for other sites that might come forward on land not specifically identified in the development plan, known as 'windfall sites' as defined in the NPPF<sup>8</sup>.

4.16 The IOD proposes an allowance of 3,000 dwellings. The windfall figure of 3,000 dwellings is based on an anticipated windfall supply of 200 dwellings per year (total 4,000 dwellings), with a deduction of 1,000 dwellings to avoid double counting of (a) the two monitoring years that have passed (2021/22 and 2022/23), and (b) the following three years (2023/24 to 2025/26), which are considered to have been accounted for in the list of extant windfall planning permissions.

4.17 Table 2 of the HELAA provides a breakdown of the overall windfall allowance and how this will be provided across the plan period. The table below shows this.

**Table 4-1 Projected windfall delivery – Coventry to 2039**

Status	Delivery forecast per five-year period			Total supply
	Years 1-5	Years 6-10	11+	
Windfalls (forecast)	400	1,000	1,600	3,000
Windfalls (with detailed PP)	1,535	0	0	1,535
Windfalls (with outline PP)	0	677	78	755

Source: HELAA 2023, Table 2

4.18 With regards to windfalls, paragraph 71 of the NPPF states inter alia:

*"Where an allowance is to be made for windfall sites as part of anticipated supply, there should be compelling evidence that they will provide a reliable source of supply. Any allowance should be realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends...."* (RPS emphasis)

4.19 RPS has a number of concerns with the approach set out in the IOD and supporting documents.

4.20 Firstly, the adopted Local Plan included an allowance relating to 'small windfall sites'. However, none of the published documentation provides any definition of what constitutes a windfall site for the purposes of the Plan review. This is a fundamental first step in determining the appropriate scope and level of windfall allowance to be taken forward and provides the basis for the evidence gathering relied upon as a basis for the allowance.

4.21 RPS contends there is no need to consider an allowance other than for small windfall sites, given the Council's thorough investigation of potential site sources through the HELAA and the call for

<sup>8</sup> NPPF 2021 Glossary

brownfield sites process, which have identified a considerable number of larger sites within the urban area.

4.22 Secondly, the proposed allowance of 3,000 dwellings is nearly times greater than the equivalent allowance set out in the adopted Local Plan (which allowed 350 dwellings<sup>9</sup>). However, no compelling evidence is provided to justify such a substantial increase over a similar plan period to the adopted period (20 years).

4.23 And thirdly, as can be seen in the table above, there is a considerable amount of overlap in the trajectory of windfall delivery across extant and forecast sources. The usual practice has been to restrict the allowance in the early years (usually years' 1 to 3 at least). In this case, the overlap extends well beyond the first three years and cover years 6-10. This presents a significant risk of double-counting over the short to medium term of the plan period. No evidence is provided to address this potential risk of double-counting.

4.24 Taken together, RPS contends that the windfall allowance is overstated and should only reflect potential supply from smaller sites. No compelling evidence provided to justify the allowance of 3,000 dwellings.

4.25 On this basis, the Council should revisit their analysis and their assumptions (whatever these are) in order to provide a future windfall allowance that is based on compelling evidence as part of the next iteration of the plan review.

## **Concluding remarks on supply**

4.26 Based on the foregoing analysis, RPS contends that the supply-side provision of housing forecast by the Council is over-optimistic and is not suitably evidenced. This relates to concerns raised on elements of the supply from remaining site allocations and the windfall allowance.

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<sup>9</sup> Adopted Coventry Local Plan 2011-31, Table 4.1

## 5 CONCLUSIONS

5.1 This report has been drafted on behalf of the South Warwickshire Developer Consortium ("the Consortium") to respond to the Issues and Options ("IOD") Regulation 18 version of the Coventry Local Plan. The Forum are a consortium of housebuilders who operate in the Coventry and Warwickshire Area. For the purpose of this consultation, the Consortium consists of the following members:

- Taylor Wimpey Strategic Land;
- Miller Homes; and
- William Davis Homes.

5.2 It should be noted that some or all of the above organisations may be making their detailed submissions to the Regulation 18 Consultation. This response is not expected to replace those submissions, but sit alongside them, addressing matters specifically related to housing need and supply, both in Coventry and Warwickshire more broadly.

5.3 This report seeks to address the main findings and underlying assumptions presented in the Coventry & Warwickshire Housing & Employment Development Needs Assessment ("HEDNA") used to inform the IOD 2021-2041 consultation, held during September and October 2023.

5.4 The executive summary highlights the main issues and conclusions drawn from the analysis. RPS recommends that the Council takes on board the matters raised in this report as part of refining the evidence as the Plan review moves forward.

### General comments on exceptional local circumstances

5.5 Paragraph 1.5 of the HEDNA identifies the key requirements of the study brief, notably to consider overall housing need within the Study area 'having regard to the standard method'. It is plainly the case that the constituent authorities are seeking to cherry pick elements of the standard method in the assessment of housing need in C&W to suit their own objectives as part of the study.

5.6 Measures seeking to reduce the level of housing growth across the HMA could have unforeseen and unintended consequences which risks undermining the future health of the local and sub-regional economy. This needs to be considered as part of the assessment process.

5.7 The importance or significance of the Census outputs should be seen in this wider context and should not be given undue or elevated status in the assessment process.

5.8 The economic baseline would suggest that recent economic performance in Coventry largely reflects the level of growth both regionally and nationally and which has, based on the analysis, seen relatively weaker growth compared to the wider sub-region. This does not highlight anything exceptional has occurred in Coventry, and also points to the need for measures to support and encourage more growth to help bolster the role of Coventry as the main economic centre in the sub-region.

5.9 The HEDNA shows that house price trends during 2010-2020 for the sub-region are broadly consistent with trends across the West Midlands and nationally; whilst growth rates to September 2020 (in Figure 4.2) within the sub-region show that Coventry has grown at a rate consistent with other authorities. Analysis of house price change in Coventry is not considered to represent evidence of anything exceptional in the data.

### **Lack of clear justification for exceptional local circumstances**

5.10 The evidence on demographic and other housing-related factors set out in the HEDNA asserts that estimates of population in Coventry as having been over-estimated in the period since 2011. On this basis, the HEDNA claims that exceptional local circumstances exist to justify setting aside the standard method as a basis for calculating local housing need as part of the next iteration of plan-making for the Coventry & Warwickshire HMA authorities.

5.11 The analysis set out in this report disputes this assertion. RPS contends that exceptional local circumstances do not exist. Indeed, in the summary to their own analysis the HEDNA (paragraph 5.73) acknowledges that population growth in Coventry has not been exceptional, which RPS broadly agrees with (though some aspects of change, for example house prices, do show above average trends).

### **Demographic analysis**

#### **Establishing a base population estimate**

5.12 The principal focus of a move to an alternative projection methodology in the HEDNA is to support alternative projections for Coventry. This approach has very little to do with justifying an alternative approach for the other constituent authorities in Coventry & Warwickshire.

5.13 The official mid-year population estimates (“MYEs”) published by ONS are not dissimilar to the latest population projections (2018-based) and represent higher figures than the Government’s preferred starting (2014-based projections). This also raises doubts that the MYEs are significantly different from other official statistics. RPS questions the overall robustness of the HEDNA as an alternative to the official population estimates for 2020 issued by ONS. This suggests that the official projections (2014-based) remain an appropriate starting point for assessing housing need.

5.14 The HEDNA uses the Census 2021 outputs as a starting point for the alternative projections. It must be assumed the Census 2021 are sufficiently robust for this exercise. However, as highlighted in the HEDNA (paragraph 5.92) this may not be the case due to the pandemic and where people were living at the time of the census count, notably amongst the student population, particularly where many students were working from home. Consequently, it is questionable whether the Census outputs should be used in any aspect of the forward planning exercise until they have been properly verified by ONS.

5.15 Given the potential for over-estimation of population in student-related age groups remains a matter under consideration by ONS, as highlighted earlier in this report, the use of the 2021 Census as a starting point for further work on alternative population estimates and projections for Coventry & Warwickshire HMA must be in question, at least until this matter has been investigated and resolved. This includes consideration of whether the 2021 Census has, in fact, undercounted a proportion of the population in Coventry and other areas in the HMA, for example due to factors relating to the pandemic.

#### **The alternative ‘trend-based’ projections in Coventry and Warwickshire**

5.16 The approach taken in the HEDNA to defining the population assumptions is so convoluted and complicated, with so many assumptions used that have not been adequately explained (and the acknowledgement that these are likely to be incorrect). RPS contend that the analysis cannot be relied upon as a robust and credible basis for a forward projection of population.

5.17 RPS considers there are no exceptional local circumstances that exist to justify setting aside the Government’s preferred ‘standard’ method for calculating housing need.

5.18 Whilst the alternative approach results in higher housing need in some areas, it will not meet the full needs of the HMA. This runs the risk of under-supply of housing, which could result in worsening affordability of housing and a reduction in the provision of affordable housing to meet the needs of those households on lower incomes. At a time of a cost of living crisis and other inflationary pressures on households, restricting the supply of housing will undoubtedly cause further hardship for many people seeking to access housing in the area.

5.19 It is also the case that methodology used in the HEDNA is overly-complicated and is selective regarding those elements of the standard method it seeks to move away from. Similarly, there may well be issues with the number of people counted in the 2021 Census due to the timing of the count and the pandemic and how this may have influenced where people were living on Census day (Sunday 21 March 2021). This could have impacted on the number of people counted with certain age groups, notably 20-29 years (and possibly younger). This can only be clarified through further investigation by ONS. RPS suggests measures have already been taken to address methodological issues relating to student numbers, through the Higher Education Leavers Methodology (HELM), which was applied to the official population estimates from 2017 onwards. It is likely that potential under-estimation of move out of the area, notably Coventry, have been addressed and so is not a significant factor in determining population estimates after this date, and has been exaggerated in the HEDNA.

5.20 In this context, RPS does not support the use of any alternative approach to the assessment of housing need in Coventry & Warwickshire, and the HEDNA should be based on the standard method preferred by Government and which remains their formal, preferred approach for assessing local housing need at this time.

### **Land supply matters**

5.21 RPS provides some observations on the various categories comprising the future supply. The analysis draws on information set out in Appendix 1 of the Housing and Employment Land Availability Assessment, which shows a schedules of sites in the supply.

5.22 RPS contend that the supply-side provision of housing forecast by the Council is over-optimistic and is not suitably evidenced. This relates to concerns raised on elements of the supply from remaining site allocations and the windfall allowance.