

REPORT OF JENNY CLIFFORD, HEAD OF PLANNING, ECONOMY AND REGENERATION

FIVE YEAR HOUSING LAND SUPPLY

**Cabinet Member
Responsible Officer**

Cllr Richard Chesterton
Mrs Jenny Clifford, Head of Planning, Economy and
Regeneration

Reason for Report: To respond to Scrutiny Committee's request for a report on the position of the Council over 5 year housing land supply and any implications upon it of the recent deferment of Local Plan Review examination sessions. This report is an update to that provided in May 2016.

RECOMMENDATIONS: That the report be noted.

Relationship to Corporate Plan: Priorities within the 2016 – 2020 Corporate Plan are economy, homes, community and environment.

Financial Implications: Limited, but potential beneficial impact on staff resources by deterring major housing appeals.

Legal Implications: The Council is required to have a 5 year land supply of deliverable housing sites together with a buffer of either 5% or 20%, the latter being applied where there has been persistent undersupply of housing. We are considered an authority where the 5 year plus 20% requirement applies.

Risk Assessment: The risks are set out in the main body of the report.

1.0 BACKGROUND.

- 1.1 In respect of housing supply, the National Planning Policy Framework (NPPF) requires local planning authorities at paragraph 47 to:

Identify and update annually a supply of specific deliverable sites sufficient to provide five year's worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land;

- 1.2 In order to be considered deliverable, The NPPF advises that sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans.

- 1.3 The NPPF also advises that where a five year land supply of deliverable housing sites cannot be demonstrated, policies on housing supply should not be considered up to date. In effect, therefore, unless the Council can identify a five year supply of housing land the existing Local Plan policies relating to the supply of housing (including, crucially, the definition of settlement limits identifying areas which are open countryside and those which are within defined settlements) may not be supported by Inspectors at appeal in the face of the short term need for housing in the area. Housing applications are then considered in the context of sustainable development.

2.0 **PREVIOUS MEASURES TO BOLSTER SUPPLY - BRINGING SITES FORWARD.**

- 2.1 Cabinet considered a report on five year housing land supply at the meeting of 7th August 2015. This report assessed our deliverable housing land supply requirements at that time as being met, but recommended emerging local plan allocations (see below) and one contingency site at Pedlars Pool, Crediton be brought forward for development from later in the plan period in order to add to the supply by accounting for 151 dwelling completions over the next 5 years. The emerging local plan allocations that this would applied to were listed as:

Barn Park, Crediton
Old Abattoir, Copplestone
Linhay Close, Culmstock
Hunters Hill, Culmstock
Court Orchard, Newton St Cyres,
South of Broadlands, Thorverton

Some of these sites have progressed to planning application stage.

3.0 **THE 2016 UFFCULME APPEAL DECISION.**

- 3.1 On 11th April 2016, an appeal was allowed for outline planning permission for 60 houses on approximately 3.5 hectares of agricultural land outside the defined settlement boundary of the Uffculme which is not allocated for development. The main issue in determination of the appeal was whether, having regard to the development plan, the National Planning Policy Framework (NPPF), the housing land supply of the Council and the scale and location of the development, the appeal scheme would constitute a sustainable form of development.

- 3.2 In summary the Inspector concluded that at that time:

- Mid Devon had a deliverable housing land supply of approximately 4 - 4.5 years as compared with a requirement for 5 years.
- Average annual housing completion rates (356) had under-delivered against targets(COR3 target of 390 and the full objectively assessed need (FOAN) of 370), therefore,
- There had been a persistent under delivery of housing (he acknowledged that this reflects the economic position nationally) and a buffer of 20% should be applied. (Therefore equivalent of 6 year housing land supply needed in total).
- The supply of housing policies in the Core Strategy were inconsistent with the National Planning Policy Framework as they were adopted before the framework was published in 2012. These policies were therefore not up to date and should be given limited weight.
- The emerging Local Plan Review carried very little weight in respect of key housing issues, as there were significant unresolved objections to proposed housing policy.

- The development in question would deliver social benefits through market and affordable dwellings, promote economic activity and no environmental harm was identified. The development was sustainable and the appeal should be allowed.
- The Inspector considered in some detail on a site by site basis whether they were deliverable and if so, when they would be likely to contribute to supply.

4.0 **CONTRIBUTING FACTORS.**

4.1 **Delivery.**

- 4.2.1 Demonstrating supply is not just about housing numbers. Deliverability is key. To be considered deliverable, sites should be available, be a suitable location for development, be achievable (ie with a realistic prospect that housing will be delivered within five years) and in particular that development is viable. Delivery is also important in the context of the record of delivering allocations in years prior to the point of appeal.
- 4.2.2 The existing local plan meets much of housing requirements by allocating land for development within two urban extension sites: east of Tiverton and at north west Cullompton. Whilst both sites now have adopted masterplans in place, neither have as yet contributed any housing completions. 1,030 houses at Tiverton Eastern Urban Extension have outline planning permission, whilst live planning applications are currently being considered for 600 houses at NW Cullompton. The rate of housing delivery set out in the Allocations and Infrastructure Development Plan Document 2011 anticipated the delivery of the first houses on each of these sites to take place in 14/15. By the end of 16/17 it was expected that 200 houses would have been delivered at Tiverton EUE and 225 at Cullompton NW. Delivery of our strategic sites has therefore been slower than expected.
- 4.2.3 One of the ways that a local planning authority can seek to maintain a supply of deliverable sites is through granting planning permission. The number of planning permissions in the District is currently standing at it's highest figure since 2002/03 and 1665 dwellings with planning permission (Monitoring Report Summary to 31st March 2016). Whilst strategic sites have been slower to come forward than expected, this has been offset by the higher number of planning permissions granted overall. Despite this, average annual housing completions have not met the policy COR3 target of 390 or the FOAN target of 370. This lower rate of housing completion is to a large extent a result of factors outside the control of the Council such as the economy, the local housing market, the availability of mortgage funding and the commercial decisions by particularly national housebuilders over permission implementation and build out rates. The Inspector acknowledged a recent dip in completions was a likely result of economic recession and reflects the position nationally together with efforts to bring forward the urban extensions. Nevertheless, his judgement was still informed by past delivery rates.

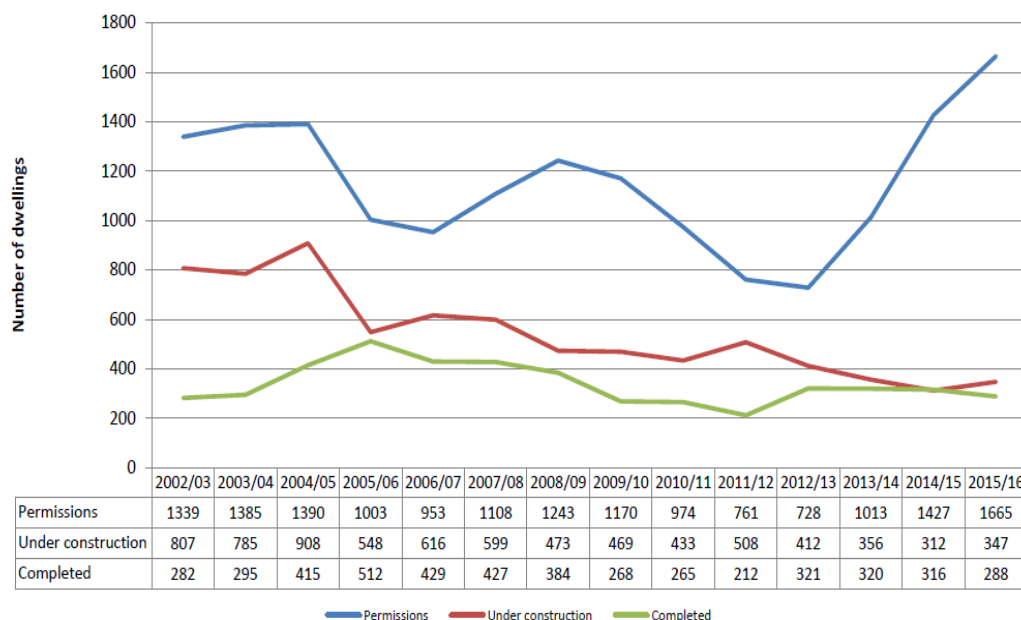


Chart 1

4.2.4 There will always be a time lag between the grant of planning permission and the completion of those houses. Accordingly the release of further sites for housing will not show in expected housing completion figures for several years, especially on largescale sites that require masterplanning or the delivery of infrastructure.

4.2.5 The Inspector considered in some detail the extent to which individual development sites could reasonably contribute to the deliverable housing land supply. This involved an analysis of factors such as the planning status, whether there were any potential delays in the site coming forward from the timescale expected and whether a developer was in control of the land and ready to deliver houses. The Inspector considered that several sites would come forward later than thought or that was uncertainty over their delivery. He discounted them from contributing to the supply with the consequence that our deliverable housing numbers were less than anticipated.

4.2 Evidence base.

4.2.1 A Strategic Housing Market Assessment reviews the whole housing market area within which Mid Devon is located and informs housing policies and strategies by identifying the future quantity of housing needed including breakdown by type, tenure and size. This was considered up to date and was accepted by the Inspector as being the best available evidence at the appeal and the basis upon which to assess housing need. It proposed a higher housing figure from 2013 onwards of 370 dwellings per annum compared with the Core Strategy of 290 dwellings per annum from 2016 onwards. In setting this higher requirement, an equivalent supply is needed. Our deliverable supply fell short of this.

4.2.2 A Strategic Housing Land Availability Assessment identifies specific, deliverable sites for housing that are ready for development. Dated February 2015 it was also considered up to date.

4.4 Rate of plan production.

- 4.4.1 Work stated on preparing the Local Plan Review in 2013 with its subsequent submission to the Planning Inspectorate at the end of March 2017. The plan now awaits examination.

4.3 Methodology and assumptions.

- 4.5.1 Calculating deliverable housing land supply, the housing requirement and the appropriate rate of delivery involves applying a series of assumptions and a complicated working methodology. The position on these differed between the Council and the applicant at the Uffculme appeal with the latter taking a more pessimistic stance on delivery and using a housing requirement calculation that resulted in more housing be needed within the early years of the current plan period. Differences between a Council and developers over such matters is common and resulted in each party going into the appeal with a different understanding of land supply available. It is common practice during appeal hearings for applicants to assess each site individually and to argue that a number of them are not genuinely deliverable and to seek to reduce the allowance for windfall sites.
- 4.5.2 The Government is currently consulting on a standard method for the calculation of a local authority's housing need, with the intention that a simpler, quicker and more transparent standard approach to assessing local housing need is applied.

5.0 UPDATED SUPPLY POSITION.

- 5.1 The Council intends to issue an update to its housing land availability in early October. At the time of writing this report, 5 year housing land supply calculations (including a 20% buffer) indicate that the Council is still currently not able to meet this requirement. Housing land supply is currently considered to be 4.15 years (as compared with the Inspector's estimate of between 4 -4.5 years in April 2016).

6.0 RISK ASSESSMENT.

6.1 Housing on unplanned sites.

- 6.1.1 Until the Council can demonstrate a 5 year land supply (with 20% buffer) there will be vulnerability to housing applications coming forward on sites that have not been planned for development. Appeal losses can result in unbalanced distribution of piecemeal development, development in areas considered unsuitable by the Council, a lower level of funding for affordable housing, community facilities and service infrastructure and additional costs to be borne by the Council. Decision making is also taken out of local control. Houses can now legitimately be provided by developers on sites not planned for until supply figures are next tested and a new Local Plan is adopted. However Inspector's will continue to assess the sustainability of housing sites coming forward and the extent to which any material harm will result. It is therefore not a free for all on any site.
- 6.1.2 Officers have been asked to provide information on the amount of such applications that have been received since April 2016. For ease of reporting, information within the table attached at **Appendix 1** to this report relates to major scale housing applications (10 or more dwellings). Other smaller scale applications between 1 – 9 houses have also been received where the application have cited lack of housing land supply as a reason to grant permission. Some of these would have come forward for application irrespective of housing land supply arguments.

6.2 Local Plan Review.

- 6.2.1 The Uffculme appeal Inspector gave little weight to the emerging Local Plan Review due to significant unresolved objections on key housing issues. Although it had not been submitted for examination at that stage, it remains subject to objection and has yet to be tested at appeal. In light of this, the Local Plan Review is not expected to be of substantial assistance to the Council's 5 year land supply until adoption or until the Inspector has heard the housing evidence and presented his findings. The period of vulnerability to the Council in terms of unplanned sites coming forward for housing is considered to be between now and plan adoption or when the Inspector's findings on housing matters are known.
- 6.2.2 Initial hearing in relation to the proposed allocation at Junction 27 of the M5 together with associated housing sites were due to be held on 26th and 27th, but have been deferred by the Inspector at the request of this Council. This is for an independent assessment of the Sustainability Appraisal to be carried out. This work is in the process of being commissioned. At the time of writing this report all tenders have not been received, nor contract awarded and the timescale for this work is therefore an estimate only.
- 6.2.3 Officers are of the view that a delay of in the order of 6 months can be expected. This will allow for the assessment to be carried out and reported upon, for a further period of consultation and for the Inspector to reconvene hearing dates having given the required notice period to participants. Efforts will be made to reduce the period of delay as far as possible where we have control. However it is the plan Inspector who sets dates for examination hearings. Assuming J27 hearings reconvene towards the end of March 2018, the main examination hearing could be in May with the Inspector's report received in September 2018. Members should note that this is an estimate only at this stage and has yet to be confirmed. The Council can expect to continue to receive housing applications on non-allocated sites during this period.

7.0 MITIGATION MEASURES.

1. First and foremost, **Advance the Local Plan Review to adoption.** However this would need to be in conjunction with being able to demonstrate an up-to-date deliverable five year housing land supply. An update on progress is set out above.
2. **Bring forward further sites for housing development.** However this does not overcome the immediate shortfall in completed dwellings that can contribute towards the first few years of the 5 year housing land supply. This is due to the inherent lead in time to prepare applications and go through the planning process together with construction. Encouraging planning applications on further sites in the emerging plan prior to the plan examination and Inspector's decision letter would also be a risk as they are subject to unresolved objections. Where suitable this is being done.
3. **Bring forward contingency sites at Tidcombe Hall, Tiverton and Colebrook, Cullompton.** However based on Devon County Council advice, it is proposed in the emerging plan that the Colbrook site should not come forward, even on a contingency basis until highway improvement works are completed. The Tidcombe Hall site has some potential to be brought forward.
4. **Continue efforts to deliver allocated or appropriate windfall sites, especially the urban extensions at Tiverton and NW Cullompton.** 1,030 houses now have outline planning permission at Tiverton Eastern Urban Extension and junction works have commenced on the A361. Applications for 600 houses have

been received at NW Cullompton and are being considered. Officers are continuing efforts to achieve housing delivery on these large scale allocated sites. Bids for funding have also been made to the Housing Infrastructure Fund in order to deliver highway infrastructure that would support housing delivery. The delivery of housing on other allocated and windfall sites is also important to assist supply. The Planning Service is seeking to accelerate delivery on planned for housing sites wherever possible.

5. **Enter into pre-application discussions on land not planned for housing to date** where approached by developers in order to understand wider issues of suitability and sustainability. This is taking place.
6. **Update the 5 year supply figures.** The latest figures are due to be released in early October (see above).

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Circulation of the Report: Councillors Richard Chesterton

List of Background Papers:

National Planning Policy Framework
<http://planningguidance.communities.gov.uk/blog/policy/>

Cabinet report 7th August 2015
Monitoring Report 2015 Summary Leaflet 1st April 2014 – 31st March 2015
<https://new.middevon.gov.uk/media/205669/annual-monitoring-report-summary-leaflet-2015.pdf>

Scrutiny report 23rd May 2016

DCLG Consultation 'Planning for the right homes in the right places'
<https://www.gov.uk/government/consultations/planning-for-the-right-homes-in-the-right-places-consultation-proposals>