



PLANNING COMMITTEE: 2nd September 2014

DIRECTORATE: Regeneration, Enterprise and Planning

HEAD OF PLANNING: Susan Bridge

REPORT TITLE: Northampton Related Development Area 5 Year Housing Land Supply Assessment.

1. RECOMMENDATION

- 1.1 Planning Committee is recommended to note the contents of the report and its implications for the determination of planning applications for housing.

2 PURPOSE OF THE REPORT

- 2.1 This report provides the policy context as to why the need to address the 5 year housing needs is an important material consideration in the determination of planning applications. It sets out the position in relation to deliverable sites identified to meet Northampton's 5 year housing needs. In the context of identified capacity to meet the 5 year supply, it outlines implications for the local planning authorities and the Planning Committee.

3 THE IMPORTANCE OF THE DEVELOPMENT PLAN

- 3.1 Section 38(6) of the Planning & Compulsory Purchase Act 2004 states that planning applications should be determined in accordance with the development plan unless material considerations indicate otherwise. On the 6th May 2014 and 10th June 2014 Planning Committee was presented with reports which identified that whilst the Northampton Local Plan is the starting point for the determination of planning applications, due to its existing age, the weight that can be attributed to it in some cases is to be significantly diminished. The conclusion was essentially that limited weight should be attached to the majority of saved Northampton Local Plan policies
- 3.2 These judgements focussed in particular on the Plan's potential incompatibility with the National Planning Policy Framework March 2012 (NPPF) (when assessed at a strategic level Planning Advisory Service NPPF Checklist) and also took account of weight that can be

attached to emerging policies within the West Northamptonshire Joint Core Strategy Part 1 Local Plan (JCS).

4 THE NATIONAL PLANNING POLICY FRAMEWORK AND HOUSING PROVISION

- 4.1 The National Planning Policy Framework (March 2012) places significant weight on the local planning authority identifying deliverable sites to provide 5 years' worth of housing to meet objectively assessed needs. Paragraph 47 and the National Planning Practice Guidance (March 2014) (NPPG) indicate what can be considered deliverable. Paragraph 48 does however allow planning authorities to include a windfall allowance in identifying how the target will be met.
- 4.2 Paragraph 47 identifies that 5 years' supply plus 5% is required to ensure choice and competition in the market for land. In cases where there has been a record of persistent under-delivery, local planning authorities should increase the buffer to 20%. NPPG addresses the issue of persistent under-delivery further, but does not provide categorical advice on how it is to be determined. It is a matter of judgement for the local planning authority/decision maker.
- 4.3 In the West Northamptonshire context, both Daventry District and South Northamptonshire Councils, who have had significant experience of dealing with housing appeals based on a lack of 5 year housing supply, use the 20% persistent under-delivery buffer target. Planning Inspectors determining appeals within those two administrative areas have identified that persistent under-delivery has occurred.
- 4.4 Paragraph 49 reiterates the need for housing applications to be considered in the context of the presumption in favour of sustainable development set out in paragraph 14. The NPPF makes numerous references to this presumption, however in terms of development types housing is the only one which the NPPF considers merits further emphasis in this regard. In this context the weight attached to the presumption in favour of housing is clearly elevated in a document that in any case should be regarded as a significant material consideration in its own right.
- 4.5 This emphasises the importance of pro-actively planning for meeting objectively assessed housing needs in development plans and making timely positive decisions that allow local planning authorities to meet their housing needs is of major importance to Government. The significance of the weight that should be attached to the delivery of these aims in relation to planning outcomes cannot be over-emphasised. Its implications for the decision making process is certainly something that should not be underestimated by Planning Committee.
- 4.6 The implications of this emphasis has been evident in the last year in the number of Development Plans that have been withdrawn either voluntarily by the Planning Authority, or as a result of a Planning

Inspector's recommendations where it was clear needs were not being planned for in accordance with the NPPF. It has also been a major factor in appeal decisions for housing developments which have invariably been approved by the Secretary of State or Planning Inspectors where the local planning authority is not able to show it has the sites to achieve the 5 year needs. It has been the case that the weight attributed to NPPF has been such that even where there is determined to be a significant conflict with the provisions of the adopted development plan, permission is still granted. The weight attached to meeting NPPF objectively assessed 5 year housing needs has also been upheld by the Courts where decisions have been challenged.

5 THE ASSESSMENT OF 5 YEAR HOUSING SUPPLY RELATED TO NORTHAMPTON'S NEEDS

- 5.1 It has long been recognised that, due to the tightly drawn boundary around Northampton, Northampton's housing needs cannot be accommodated solely within the Borough boundary. In terms of plan making, the adoption of Northamptonshire County Structure Plan Alteration Number 1 in 1992 marked the formalisation of specific requirements within Daventry District and South Northamptonshire Councils' areas to meet Northampton's housing needs. These resulted in the allocations at Grange Park and land north of Whitehills (currently promoted as Buckton Fields).
- 5.2 More recently the JCS has sought to address these needs through identifying the boundary of the Northampton Related Development Area (NRDA). The NRDA includes areas within Daventry District and South Northamptonshire in which housing will be developed to meet Northampton's needs. The 5 year housing supply assessment for Northampton relates to the NRDA. A fuller report of the assessment is included in http://www.northampton.gov.uk/downloads/file/5202/5-year_housing_land_supply-2012
- 5.3 The submitted JCS identifies a housing requirement to meet objectively assessed needs within the NRDA for the period 2014-2019 of 8398 dwellings. Taking account of the minimum 5% buffer required by the NPPF, the requirement rises to 8818 dwellings. In assessing capacity to meet the requirement Northampton Borough Council has worked with Daventry District and South Northamptonshire Councils, as well as the West Northamptonshire Joint Planning Unit. It has also taken account of developers' estimated levels of delivery on the proposed Sustainable Urban Extensions put forward at the recent JCS examination hearings and evidence of delivery through historic trends and recent survey work. An allowance has also been made anticipated windfalls, which can be justified on the basis of previous trends and known potential capacity.
- 5.4 The assessment identifies that a 5 year supply for the NRDA cannot be shown. It identifies the capacity to deliver 4.87 years of housing needs. In numbers terms this equates to a 223 dwellings shortfall. If a 20% persistent under-delivery buffer was to be assumed, the gap would be

much larger. In either case, the supply falls foul of the NPPF, with its associated implications.

- 5.5 As can be seen from the schedule of sites within http://www.northampton.gov.uk/downloads/file/5202/5-year_housing_land_supply-2012, the assumption is that sites included as Sustainable Urban Extension allocations (SUEs) within the JCS will start delivering housing in a timely manner, with all providing some dwellings in the five year period. The 5 year assessment is based on the situation as it was assessed 1st April 2014. More recent decisions by Planning Committee including the refusals for sites such as the Northampton South of Brackmills SUE (JCS Policy N6) and land at Harcourt Way potentially put at jeopardy the assumptions contained within the 5 year supply analysis. This could be in the delivery of the SUE for which permission has been refused and also its impact on confidence of developers to bring forward other SUEs until the JCS allocations are resolved through adoption of that Plan. Consistently refusing applications that have the potential to be counted towards windfall totals could also undermine the delivery assumptions for this source of capacity.

6 OPPORTUNITIES TO THE LOCAL PLANNING AUTHORITIES TO MAKE UP THE SHORTFALL IN THE 5 YEAR HOUSING LAND SUPPLY

- 6.1 As identified the NPPF places significant weight on local planning authorities being able to deliverable housing sites to achieve a 5 year supply. Paragraph 49 states that “relevant policies for the supply of housing should not be considered up-to-date if the local planning authority cannot demonstrate a five-year supply of deliverable housing sites.” In the context of the NRDA, the relevant adopted Local Plan policies related to remaining significant undeveloped housing allocations are essentially taken forward in the emerging JCS. The JCS clearly sets out allocations for additional SUEs to meet housing needs to 2029, some of which the Council is on record as supporting (allocations in the December 2012 submission) whilst others it has stated that it does not support (allocations meeting the additional needs 2026-2029 - January 2014 modified submission).
- 6.2 In terms of meeting the 5 year housing supply, there are essentially three options open to the West Northamptonshire Joint Strategic Planning Committee (as the local planning authority for the purposes of plan making for West Northamptonshire wide Plans) and NBC, SNC and DDC in their roles as both local planning authorities with plan making responsibilities for district/borough plans and also in determining planning applications. These are:
- a) Seek to increase the speed of housing delivery on sites already identified (e.g. on major SUEs complete more houses in a shorter timeframe, for example 1000 houses instead of 500, or encouraging sites not currently started to start sooner)

- b) In taking forward Part 2 Local Plans, identifying sites for dwellings over and above the number assumed for windfalls in the JCS
- c) Granting planning permission for sites that have not already been included in windfall assumptions or allocated either within existing Local Plans, or the JCS.

6.3 With regards to a) two elements merit examination:

- i. Working with the developer/landowner to ensure consent for sites is brought forward quicker than has been anticipated – for example providing as much confidence to the developer that consent will be given expeditiously or for instance where necessary gaining external funding/prioritising works to remove delivery blockers such as infrastructure costs. The confidence has to be encouraged by both the actions/rhetoric of officers and Planning Committee. In relation to the infrastructure blockers, S.106 are being varied to assist development, whilst funding for transport infrastructure in particular is being supported through bids by partners (such as the County Councils and the Local Enterprise Partnerships) to available funding sources.
- ii. Encouraging developers/landowners to develop more houses more quickly on site themselves or by releasing other planned phases to other developers. To a large extent the more buoyant the housing market, the more that this issue would sort itself out, but realistically to deliver more than would ordinarily occur developers/landowners would require gaining financial advantage in doing so.

6.4 With regards to b) until more certainty is provided by the JCS examination process through the receipt of the Inspector's report and the Joint Planning Committee's/respective Local Planning Authorities' response to it, the opportunity in the next year for Part 2 plans to start to identify appropriate sites over and above those counted as windfall is very limited. The windfall estimation assumes 300 dwellings per annum and takes account of sites that are of sufficient size to deliver up to 200 dwellings. To meet JCS targets additional housing capacity will have to be found in the Borough. Although it can't be ruled out, as major redundant employment sites have occasionally historically come forward to create such supply (e.g. Timken and Express Lifts since the 1997 Northampton Local Plan was adopted), the reality is that the opportunity to identify additional housing sites of over 200 dwellings is likely to be limited – certainly for delivery in the short term.

6.5 In relation to c) when looking for capacity within the Borough, the same points as identified in relation to b) exist. However, outside the Borough boundary, as part of the JCS examination process numerous additional sites were promoted as being appropriate for inclusion. The majority of these, consistent with the JCS vision and objectives are located adjacent to the Borough boundary.

- 6.6 Whilst a) provides the opportunity to increase capacity, at this stage its ability to meet the shortfall is unclear (i.e. it cannot be regarded as deliverable), given that the 5 year housing supply on average requires delivery of 1754 dwellings per year to meet needs. Whilst this level of delivery was achieved in the mid-2000s, reliance on the market to consistently achieve these levels (and higher for the period to 2029) will be extremely challenging. Given historic delivery rates Planning Committee may view such targets as unrealistic. However, in the context of NPPF such views are essentially irrelevant; it is for local planning authorities to positively plan to enable delivery rates to meet objectively identified housing needs.

7 IMPLICATIONS THROUGH NOT BEING ABLE TO SHOW A 5 YEAR HOUSING LAND SUPPLY

- 7.1 As identified the NPPF places significant weight on local planning authorities being able to identify deliverable housing sites to achieve a 5 year supply. The reality is that local planning authorities who do not confront the issue of pro-actively seeking to meet their objectively assessed housing needs through positive planning, either in plan making or taking decisions to support timely delivery to meet the 5 year supply have the potential to lose the initiative in the future planning of their communities.
- 7.2 The extent to which this effectively becomes a significant issue for local planning authorities who do not pro-actively address meeting the 5 year needs largely depends on the appetite of developer/landowners to promote sites. In a buoyant housing market, landowners and developers will more often than not be willing to take the opportunity to pursue planning permission on sites which they feel they have a more than reasonable chance of gaining consent (if not through the local planning authority, then through the Planning Inspectorate). Northampton has now more than reached the tipping point in terms of market recovery. The market is now sufficiently robust to ensure that applications that would not have been pursued in less buoyant times for fear of being refused will now prove to be attractive propositions.
- 7.3 The more buoyant/resilient rural housing markets of neighbouring South Northamptonshire and Daventry District Councils have over the last year or so had to respond to a number of appeals. They provide a salutary example of what Northampton Borough Council can expect as a local planning authority if it does not approve planning applications for housing where a 5 year supply cannot be shown. Both Councils sought to defend refusals of housing applications against a context of what the Inspector has ultimately decided is a lack of a 5 year housing supply. Nearly all of these appeals have been allowed, even when challenged by the respective Council in the High Court. Whilst the Councils may have felt this was the right approach to take, ultimately it has proven to gain little in terms of supporting the local planning authorities' positions whilst being a significantly resource intensive process involving officer time, fees for consultants and fees for counsel.

- 7.4 In terms of resources, should decisions against refusal by Northampton Borough Planning Committee for major development be appealed, and costs awarded against the Council, ultimately it possible that this will total a substantial sum for each site.
- 7.5 As Northampton can no longer meet its housing needs within the Borough boundary, adjoining Councils also are at risk in relation to applications being submitted outside the NRDA related to meeting Northampton's housing needs.
- 7.6 In moving forward clearly items for Planning Committee will address the individual merits of an application, including the weight that should be given to relevant material considerations. Notwithstanding this this report outlines as a background the weight that Planning Committee should give to the presumption in favour of development, which is particularly emphasised in the NPPF for housing where as in the case of Northampton currently, a 5 year housing supply cannot be evidenced by the local planning authority.

8 LEGAL IMPLICATIONS

- 8.1 As the report highlights, the need for local planning authorities to pro-actively plan to identify and provide for meeting objectively assessed housing needs. Where five year housing supply cannot be identified within by the local planning authority, the presumption in favour of development for housing applications gains greater weight compared to the policies within the Development Plan.

9 SUMMARY AND LINKS TO CORPORATE PLAN

- 9.1 The issues associated with meeting the 5 year housing needs is relevant in part at least to the majority of the Corporate Plan (refresh) priorities. However, two key priorities in relation to this report are: Priority 5: Better Homes for the Future – Helping You to Have a Home and Priority 6 Creating Empowered Communities. Evidence identifies a significant housing need both for market and affordable that without corrective action will not be met in terms of rates of delivery for the next 5 years.