



PLANNING COMMITTEE: 27th October 2015

DIRECTORATE: Regeneration, Enterprise and Planning

DIRECTOR: Steven Boyes

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 2015 Five Year Housing Land Supply Report and its implications for the determination of planning applications for housing.

2 PURPOSE OF THE REPORT

- 2.1 To consider and note the latest Five Year Housing Land Supply report for use in development management decisions.

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 adopted development plan unless material considerations indicate otherwise.
- 3.2 In March 2012 the Government published the National Planning Policy Framework (NPPF). The NPPF sets out the Government's planning policies for England and how these are expected to be applied. The NPPF must be taken into account in the preparation of local and neighbourhood plans, and is a material consideration in planning decisions. The NPPF states that it does not change the statutory status of the development plan as the starting point for decision making. Proposed development that accords with an up-to-date Local Plan should be approved and proposed development that conflicts should be refused unless other material considerations indicate otherwise. The NPPF states that it is highly desirable that local planning authorities should have an up-to-date plan in place.
- 3.3 The NPPF stresses the importance of having a planning system that is plan led. It states that due weight should be given to relevant policies in

existing plans according to their degree of consistency with the NPPF. Where a proposal accords with an up-to-date development plan, it should be approved without delay, unless there are clear material reasons otherwise as required by the presumption in favour of sustainable development.

- 3.4 Where the development plan is absent, silent or the relevant policies are out of date, the NPPF requires the application to be determined in accordance with the presumption in favour of sustainable development unless otherwise specified (see Paragraph 14 of the NPPF).
- 3.5 For the purposes of Section 38 of the Planning and Compulsory Purchase Act 2004 the adopted Development Plan for Northampton Borough currently comprises the following:
- Northampton Local Plan Saved Policies - Adopted 1997
 - Northampton Central Area Action Plan - Adopted 2013
 - West Northamptonshire Joint Core Strategy Local Plan Part 1 - Adopted 2014
 - Northamptonshire Minerals and Waste Local Plan – Adopted 2014

4 THE NATIONAL PLANNING POLICY FRAMEWORK AND HOUSING SUPPLY

4.1 The NPPF 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 of the NPPF and the accompanying National Planning Practice Guidance (NPPG, March 2014) set out what can be considered deliverable. Paragraph 48 of the NPPF does, however, allow local planning authorities to include a windfall allowance when identifying how the target will be met.

4.2 Paragraph 47 (bullet 2) of the NPPF states:

“To boost significantly the supply of housing, local planning authorities should:

Identify and update annually a supply of specific deliverable sites sufficient to provide five years' worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period). 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;”

4.3 The 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 for the local planning authority/ decision maker.

4.4 The NPPF continues:

“Local planning authorities may make an allowance for windfall sites in the five-year supply if they have compelling evidence that such sites have consistently become available in the local area and will continue to 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, and should not include residential gardens.” (Paragraph 48)

“Housing applications should be considered in the context of the presumption in favour of sustainable development. 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.” (Paragraph 49)

4.5 Failure to demonstrate five years’ worth of deliverable housing supply means that policies for the supply of housing cannot be considered up-to-date. Without this supply there is a presumption in favour of granting planning permission to applications for new housing unless the development can be shown to cause demonstrable harm to other factors that outweigh the need to provide new housing. This approach has been upheld in numerous planning appeals.

4.6 This emphasises the significant importance the Government places on pro-actively planning to meet the objectively assessed housing need in development plans and making timely positive decisions that allow local planning authorities to meet their housing needs. 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 should not be underestimated.

5 THE 2015 FIVE YEAR HOUSING LAND SUPPLY ASSESSMENT

5.1 The full 2015 Five Year Housing Land Supply Assessment for the Northampton Related Development Area is available on the Council’s website. This section of this report sets out a summary of the key elements only.

The Geographical Area for the Housing Land Supply Calculation

5.2 The 5 year housing land supply assessment for Northampton relates to the Northampton Related Development Area (NRDA) as set out in the Joint Core Strategy (WNJCS). This is the area in which Northampton’s housing needs will be met.

What is the Housing Target?

- 5.3 The WNJCS sets out the housing requirement for the Northampton Related Development Area of 28,456 dwellings. This is the objectively assessed housing need (OAN) target.
- 5.4 The housing trajectory in the WNJCS (Appendix 3) sets out the anticipated number of dwellings that are expected to be built in the NRDA. Between 2011 and 2015 the WNJCS expected a total of 2,853 dwellings to be completed. This leaves a residual target of 25,603 dwellings to be built between 2015 and 2029 (28,456 minus 2,853).
- 5.5 The WNJCS sets out how it expects this OAN housing need target (excluding any shortfall) to be met for the remainder of the Plan period. For the period 2015/16 – 2019/20 the number of dwellings expected to be delivered is 9,687.

Housing Trajectory and Shortfall

- 5.6 Paragraph 47 (bullet 4) of the NPPF clearly advocates a trajectory based approach towards preparing the 5 year housing land supply and states:

“To boost significantly the supply of housing, local planning authorities should: for market and affordable housing, illustrate the expected rate of housing delivery through a housing trajectory for the plan period and set out a housing implementation strategy for the full range of housing describing how they will maintain delivery of a five-year supply of housing land to meet their housing target”

- 5.7 The housing trajectory in the WNJCS is a phased trajectory with a base date of 2011. This sets out how the 9,687 dwellings for the period 2015/16 – 2019/20 will be delivered on a year by year basis.
- 5.8 The trajectory expected that 2,853 dwellings should be delivered for the period 2011 – 2015. In reality 2,650 dwellings were completed. This means that since 2011 there has been an under delivery by a net 203 dwellings against the need requirement.
- 5.9 The National Planning Practice Guidance (NPPG) considers that local planning authorities should aim to deal with any under-supply within the first five years of the plan period where possible. This 2015 Assessment adopts this approach.

Buffer

- 5.10 Paragraph 47 (bullet 2) of the NPPF requires local planning authorities to include:

“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 planning supply and to ensure choice and competition in the market for land.”

5.11 It is accepted that there has been an under delivery in one year against the objectively assessed need target with the base date of 2011. The NPPF requires local authorities to have either a 5% or 20% buffer. Based on this the revised housing target is as follows:

- Five Year requirement = 9,687 dwellings
- 5% buffer of 9,687 dwellings = 485 dwellings
- Five Year requirement + 5% buffer = 9,687 + 485 = 10,172
- Five year requirement + 5% buffer with shortfall of 203 dwellings = 10,375 dwellings

What is the anticipated supply of dwellings?

Large Sites (Over 10 dwellings)

5.12 Large sites (over 10 dwellings) are expected to deliver the majority of the 5 year housing land supply with a total of 7,086 dwellings. More than half of these will be from the eight sustainable urban extensions allocated in the WNJCS. The majority of the other large sites already have full planning permission or are under construction. The exception is the former School sites which have taken longer to come forward than originally expected but are now progressing in the light of the economic upturn.

Small Sites (10 dwellings and under)

5.13 Small sites with planning permission are expected to be delivered in the next 5 years in accordance with the NPPF. The Council is not aware of any issues that will prevent the delivery of sites with planning permission in a timely manner.

5.14 Therefore, a total of 348 dwellings are included from small sites in the 5 year housing land supply.

Windfall Allowance

5.15 Paragraph 48 of the NPPF supports the inclusion of a windfall allowance in a 5 year supply if there is compelling evidence.

5.16 Notwithstanding the fact that the Northampton Local Plan 1997 is particularly aged and therefore many allocations on its Proposals Map having been overtaken by events, even a few years after its adoption it became evident that the Plan significantly underestimated the likely supply of ‘windfall’ developments. The contribution from sites not identified on the Proposals Map as housing allocations continues to make substantial contributions towards meeting housing needs.

Evidence to support the WNJCS indicates that windfall sites of under 200 dwellings (excluding exceptional events such as the school reorganisation process) have the capacity to generate up to 300 dwellings per annum – a sum that has consistently been delivered for over a decade. It is anticipated that this trend will continue, (if not increase) certainly in the short to medium term due to the Government’s change to permitted development rights, the contents of the NPPF (flexibility on employment allocations) and policies that will be included in Local Plan Part 2 policies.

- 5.17 In terms of assessing future years’ windfalls the assumption has been made that 300 dwellings will be delivered annually in the future. In order to remove the potential for double counting, no provision of additional windfall in years one and two has been assumed and a discounted amount has been included in the remaining years. Therefore, a total of 360 dwellings are included from windfall sites in the 5 year housing land supply.

The Five Year Supply of Deliverable Housing Land Calculation

- 5.18 The table below sets out the 5 Year Supply of Housing Land calculation for the NRDA.

		Dwellings
A	Housing Supply Requirement for 2015-2020 JCS:	9687
B	NPPF 5 Year Housing Requirement (JCS + 5%)	10172
C	Housing Requirement 2011-2015 JCS	2853
D	Net additional dwellings completed 2011-2015	2650
E	Shortfall of provision compared to 2011-2015 target	203
F	NPPF 5 Year Supply Target Taking Account of Shortfall Provision (B+E)	10375
F	Supply of deliverable sites (Appendix 1 of 5 Year Housing Land Supply Assessment)	7794
		%
G	% of 5 year housing supply available: $7794 / 10375 * 100$	75.12%
		Years
H	Years of deliverable housing land 2015 - 2020: $75.12 / 100 * 5$	3.76

- 5.19 The assessment identifies that a 5 year supply for the NRDA cannot be demonstrated. It identifies the capacity to deliver 3.76 years of housing need. This equates to a shortfall of 2,581 dwellings. If a 20%

persistent under-delivery buffer was to be assumed the gap would be much larger. In either case the supply falls short of the NPPF, with its associated implications.

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

6.1 In terms of meeting the 5 year housing land supply there are three options open to the local planning authorities whose administrative areas are wholly or partly within the NRDA, i.e. Northampton Borough, Daventry District and South Northamptonshire Councils:

- a) Seek to increase the speed of housing delivery on sites already identified (e.g. build more quickly and/ or encourage allocated sites to start sooner than expected);
- b) Progress the Part 2 Local Plans to ensure that non-strategic sites over and above the number assumed for windfalls are identified for development to meet the housing requirement set out in the WNJCS; and
- c) Grant planning permission for sites that have not already been included in the windfall assumption or allocated in the existing Development Plan.

6.2 In relation to option a) above, there are two elements that can assist:

- (i) working with developers/ landowners to ensure consent for sites is brought forward quicker than anticipated, for example providing as much confidence to the developer that consent will be given expeditiously or, for example, where necessary gaining external funding or prioritising works to remove delivery blocks such as infrastructure costs. This can be achieved by working with partners such as Northamptonshire Highways and the Local Enterprise Partnerships; and
- (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 and the more efficient the whole of the development process, the more this issue will be addressed. However, there is a limit to the capacity of any local housing market to accommodate increased levels of delivery in terms of the ability of buyers/ occupiers to meet their need (e.g. mortgage availability, financial stability, etc) and the ability of developers to meet the demand (e.g. construction skills shortages, building costs, building material availability, etc).

6.3 In relation to option b) all three Councils that are wholly or partly within the NRDA have now commenced the Part 2 Local Plans however these are still at any early stage. The opportunity for the Northampton

Borough Local Plan Part 2 to identify appropriate sites over and above those counted as windfall is 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 each. To meet the housing requirement set out in the WNJCS additional housing capacity will have to be found in the Borough. Although this cannot be ruled out as occasionally large unidentified sites have come forward (e.g. British Timken, Express Lifts), the reality is that the opportunity to identify additional housing sites of over 200 dwellings each is likely to be limited – certainly for delivery in the short term.

- 6.4 In relation to option c) above when looking for capacity within the NRDA similar points to those listed above under option b) apply.
- 6.5 Whilst option a) above provides the opportunity to increase the 5 year housing land supply its ability to meet the shortfall is unclear given that the 5 year housing supply on average requires delivery of 2,075 dwellings per year to meet needs. Reliance on the market to consistently achieve these levels will be extremely challenging. Given historic delivery rates Planning Committee may view such targets as unrealistic. However, in the context of the NPPF, this is not relevant; it is for the local planning authorities to positively plan to enable delivery rates to meet objectively assessed housing needs and identify a 5 year housing land supply to achieve these delivery rates.

7 LEGAL IMPLICATIONS

- 7.1 The 5 Year Housing Land Supply Assessment is required by the NPPF. It is a key consideration in the determination of planning applications and the Council therefore needs to ensure that its policies are deliverable and up to date. There is a major risk that not having up to date policies in place may lead to development taking place which the Council would otherwise not wish to grant planning permission. If the Council refuse housing applications when there is not an up to date 5 year housing supply this will leave the Council exposed to the risk of facing planning inquiries with its housing policies considered out of date and therefore without weight attached to any conflict with them. In order to reduce this risk the Council needs to ensure that it pro-actively identifies and provides sufficient housing land supply to meet the housing requirement set out in the WNJCS. Without a 5 year housing land supply the presumption in favour of sustainable development for planning applications for housing development gains greater weight compared to the policies within the Development Plan.

8 SUMMARY AND LINKS TO CORPORATE PLAN

- 8.1 The issues associated with meeting the 5 year housing needs is relevant in part at least to the majority of the Corporate Plan (2015 Update) 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.