



CABINET REPORT

Report Title	Northampton Related Development Area 5 Year Housing Land Supply Assessment
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	19 October 2016
Key Decision:	Yes
Within Policy:	Yes
Policy Document:	Yes
Directorate:	Regeneration, Enterprise & Planning
Accountable Cabinet Member:	Councillor Tim Hadland
Ward(s)	All wards

1. Purpose

- 1.1 To note and approve the latest Five Year Housing Land Supply report for use in development management decisions and to agree a range of actions to bring forward the supply of housing.

2. Recommendation

- 2.1 That the 2016 Five Year Housing Land Supply report and its implications for the determination of planning applications for housing be noted and approved.
- 2.2 That the Director of Regeneration, Enterprise and Planning be requested to produce a Housing Delivery Plan and present it to a future meeting of Cabinet for approval.

3. Issues and Choices

3.1 Report Background

Government Housing Policy

- 3.1.1 In 2015 the Government set out ambitious measures to increase the supply of housing and improve prospects of home ownership for many. The Government's aim is to deliver 1 million new homes by 2020 to boost housing supply significantly. Through the Housing and Planning Act 2016 a number of measures are being taken to enable this target to be met, including further reforms to the planning system, the introduction of starter homes for first time buyers and changes to the affordable housing sector.
- 3.1.2 In May 2016 the Housebuilders Federation (which represents many of the larger volume house builders) emphasised its support for the Government's ambition to build 1 million new homes by 2020 but acknowledged that house builders alone would not be able to achieve this target. The Local Government Association has emphasised that Councils have an important role to play with the support of Government.

The National Planning Policy Framework and Housing Supply

- 3.1.3 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.
- 3.1.4 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
- 3.1.5 In March 2012 the Government published the National Planning Policy Framework (NPPF). The NPPF sets out the Government's planning policies 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. 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.
- 3.1.6 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.

3.1.7 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.

3.1.8 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;”

3.1.9 The NPPF continues:

“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)

3.1.10 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.

3.1.11 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.

3.2 Issues

3.2.1 The 2016 Five Year Housing Land Supply Assessment

3.2.1.1 The West Northamptonshire Joint Core Strategy (JCS) sets out the housing requirement for 28,470 new homes to be provided in the Northampton

Related Development Area¹ (NRDA) between 2011 and 2029. This is the objectively assessed housing need target.

- 3.2.1.2 The JCS identifies how the objectively assessed housing need will be met. The majority of the need is to be met by the Sustainable Urban Extensions which are allocated in the JCS – 16,850 dwellings.
- 3.2.1.3 The remaining need is to be met from a range of large and small sites. Sites are either already allocated (in the existing Saved Local Plan Policies) or have extant planning permission for 8,873 dwellings. A further 2,750 dwellings are to be met from other sites within the urban area, either through new allocations or windfalls (planning permissions on sites not previously identified).
- 3.2.1.4 Since 2011 housing completions in the NRDA have increased significantly year on year from the post-recession low of 423 in 2011/12 to 883 in 2015/16. However, completions have not been as high as planned as house builders have not built as quickly as they said they would. This is clear from the Hardingstone and Collingtree Appeal decisions.
- 3.2.1.5 On 29th February 2016 the Secretary of State allowed the Hardingstone Appeal and granted outline planning permission subject to conditions and a S106 planning agreement. One of the main reasons for the Secretary of State's decision was that Northampton could not demonstrate a 5 year housing land supply. The Secretary of State agreed with the Inspector that in calculating the housing requirement a 20% buffer should be applied (rather than a 5% buffer as argued by the Council). This was because he considered that the shortfall in housing completions during 2006-11 and the cumulative shortfall of 2,929 dwellings up to 2013/14 to amount to persistent under-delivery of housing.
- 3.2.1.6 On 9th August 2016 the Secretary of State allowed the Collingtree Appeal A and granted outline planning permission subject to conditions and a S106 planning agreement. The Secretary of State dismissed Collingtree Appeal B. One of the main reasons for the Secretary of State's decision to allow Appeal A was that Northampton could not demonstrate a 5 year housing land supply.
- 3.2.1.7 The 2016 Five Year Housing Land Supply Assessment for the NRDA (attached as Appendix A to this report) sets out details of the completions since 2011 and the deliverable housing supply by site for the next five years to 2021.
- 3.2.1.8 The deliverable housing supply for the next 5 years is comprised of three types of site:
 - a) *Large sites (over 10 dwellings)* - expected to deliver the majority of the 5 year housing land supply with a total of 7,731 dwellings. More than half of these (4,284 dwellings) will be from the eight sustainable urban extensions allocated in the JCS. The majority of the other large sites already have full

¹ The NRDA is the area in which Northampton's housing needs will be met – the entirety of Northampton Borough and neighbouring parts of Daventry District and South Northamptonshire Councils.

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.

- b) *Small Sites (10 dwellings and under)* – all 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. Therefore, a total of 262 dwellings are included from small sites in the 5 year housing land supply.
- c) *Previously unallocated sites (known as windfalls)* - Based on evidence the assumption has been made that 300 dwellings will be delivered annually in the future on sites that have not previously been allocated (these sites are known as windfalls). In order to remove the potential for double counting, no provision of additional windfall in the first two years of the 5 years supply 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.

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

Table 1: The Five Year Supply of Deliverable Housing Land Calculation

		Dwellings
A	Housing Supply Requirement for 2016-2021 from Joint Core Strategy:	10586
B	NPPF 5 Year Housing Requirement (Joint Core Strategy + 20% buffer)	12703
C	Housing Requirement 2011-2016 from Joint Core Strategy	4245
D	Net additional dwellings completed 2011-2016	3533
E	Shortfall of provision compared to 2011-2016 target	712
F	NPPF 5 Year Supply Target Taking Account of Shortfall Provision (B+E)	13415
F	Supply of Deliverable Sites (Appendix 1 of 5 Year Housing Land Supply Assessment Report)	8328
		%
G	% of 5 year housing supply available: 8328/ 13415 * 100	62.08%
		Years
H	Years of deliverable housing land 2016 - 2021: 62.08/ 100 *5	3.10

3.2.1.10 The assessment identifies that a 5 year supply for the NRDA cannot be demonstrated. It identifies the capacity to deliver 3.1 years of housing need. This equates to a shortfall of 5,087 dwellings. The supply falls short of the NPPF, with its associated implications. There is clearly an urgent need to bring forward measures which will increase the housing supply.

3.2.2 Addressing the Shortfall in the 5 Year Housing Land Supply

3.2.2.1 In the light of the critical importance of the 5 year housing land supply it is proposed that a Housing Delivery Plan is prepared to identify actions that can be taken together to address the shortfall in the housing land supply.

3.2.2.2 Actions will include the following:

- *Stalled Sites Delivery*
Identifying sites that may not be progressing as expected and identifying the reasons and solutions for delays e.g. working with developers and landowners to understand any problems they are facing and how they can be overcome with the support of the Homes & Communities Agency.
- *Supporting Start Up & Small/ Medium Sized House Builders*
Identifying barriers currently faced by start-up and SME house builders and working with them and other organisations to find solutions including: access to funding, identifying suitable sites, increasing the speed of the planning process and supporting construction skills training.
- *Infrastructure Funding and Delivery*
Working with our partners, such as Northamptonshire County Council, NPH and SEMLEP, to gain external funding or prioritise works to overcome blockages to the delivery of housing e.g. road schemes or utilities connections.
- *Improved Co-ordination with Statutory Bodies*
Working with key organisations to ensure all parties work as effectively as possible to overcome barriers to development, e.g. Highways England, the Environment Agency and the Homes and Communities Agency.
- *Ensuring an Effective Planning Process*
Identifying where improvements can be made to the planning application process to minimise delays and ensure both the developers and local communities' confidence in the system including shorter planning consents, a fast track planning process and a cross-boundary development contributions protocol with Daventry District and South Northamptonshire Councils.

- *Cross-boundary Delivery*
Working in partnership with Daventry and South Northamptonshire Councils to identify appropriate land and ensure that funding, developer contributions and infrastructure are delivered to meet identified needs.
- *New Delivery Models*
Exploring if there are new ways of delivering housing. The Borough Council is already actively engaged in new delivery models such as building Council houses, starter homes, brownfield land, self-build and custom build housing. However, there may be other opportunities to deliver housing such as housing zones.
- *Identifying New Opportunities for Housing*
Identifying any surplus NBC or other Public Sector land for housing development and working with other public sector landowners to realise the opportunities for housing. Identifying opportunities for greater use of disused land and buildings for housing, including upper floors in Northampton Central Area.

3.2.2.3 In addition to the potential actions listed above, Daventry District, South Northamptonshire and the Borough Council are all now progressing the Part 2 Local Plans which will provide the opportunity to identify appropriate sites for housing development over and above those already identified.

3.3. Choices (Options)

3.3.1 Option 1: Agree

3.3.1.1 It is important to note and approve the 2016 Five Year Housing Land Supply report to ensure clarity for the determination of planning applications for housing as well as to enable consideration of the potential actions required to address the identified shortfall.

3.3.2 Option 2: Do not agree

3.3.2.1 The Cabinet could defer or decide not to note and approve the 2016 Five Year Housing Land Supply report; however this would mean that the Council's position would be unclear creating uncertainty for the determination of planning applications and the consideration of potential actions to address the identified shortfall. This option is therefore not recommended.

4. Implications (including financial implications)

4.1 Policy

4.1.1 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.

4.2 Resources and Risk

- 4.2.1 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.
- 4.2.2 The managed delivery of housing within the Borough increases income to the Council through the New Homes Bonus and Council Tax revenue. The introduction of a Housing Delivery Plan will ensure that these potential sources of income are achieved.
- 4.2.3 Planning Inquiries place pressure on the Council's financial resources which can be significant.
- 4.2.4 The development and implementation of the Housing Delivery Plan (HDP) can be funded from the redirection of existing resources, in particular Planning Policy, Major Projects & Enterprise and Asset Management. This will include the identification of specific staffing resources. The Homes and Communities Agency has already indicated support in principle for a Housing Delivery Plan, and that it is willing to provide specific resources to support the development and implementation of the Plan. Daventry District and South Northamptonshire Councils have also confirmed their support for a Housing Delivery Plan.
- 4.2.5 Depending on the content of the final HDP, it will be necessary to establish specific governance arrangements including a specific Programme Board and a business plan.

4.3 Legal

- 4.3.1 The absence of a 5 year housing land supply may undermine the primacy of the Development Plan in the determination of planning applications and appeals. One of the central objectives of the NPPF is to boost significantly the supply of housing. Paragraph 49 of the NPPF 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. Accordingly the lack of a 5 year housing land supply renders relevant development plan policies out of date and triggers the presumption in favour of sustainable development in Paragraph 14 of the NPPF, reducing the weight that can be attached to development plan policies that fall within the ambit of Paragraph 49.

4.4 Equality and Health

- 4.4.1 The Local Plan identifies the amount, location and type of development required and is subject to a Community Impact Assessment (formerly an Equalities Impact Assessment). The 5 Year Housing Land Supply Assessment assesses progress against the requirements set out in the Local Plan and so is not subject to a Community Impact Assessment itself.

4.5 Consultees (Internal and External)

- 4.5.1 Discussions have taken place with Daventry District Council, South Northamptonshire Council and the West Northamptonshire Joint Planning Unit in order to assess deliverable sites in the Northampton Related Development Area, and how achievable it is to develop a realistic five year deliverable supply in the context of current market and capacity conditions.
- 4.5.2 Information is collected from a variety of sources to inform the assessment of deliverability, including liaison with developers and landowners in relation to specific planning applications and Local Plan allocations.

4.6 How the Proposals deliver Priority Outcomes

- 4.6.1 The issues associated with meeting the 5 year housing needs are relevant in part at least to the majority of the Corporate Plan (2016-2020) priorities. However, the impact on the Priority: Housing for Everyone is particularly relevant. Evidence identifies a significant need both for market and affordable housing that, without corrective action, will not be met in terms of rates of delivery for the next 5 years.

4.7 Other Implications

- 4.7.1 None.

5. Background Papers

- 5.1 Appendix A – Northampton Related Development Area Five Year Housing Land Supply Assessment (April 2016)

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