

NORTHAMPTON LOCAL PLAN PART 2 HOUSING TECHNICAL PAPER

Northampton Borough Council

1 INTRODUCTION

Northampton Borough Council is preparing a Local Plan Part 2. It will contain development management policies and site allocations, and will conform to the West Northamptonshire Joint Core Strategy (Local Plan Part 1 - adopted 2014).

In investigating sites for allocation in the local plan, it was concluded that the Council would not be able to meet the housing trajectory as required by the West Northamptonshire Joint Core Strategy, particularly for the first five years of the local plan period. In addition, the Council was unable to identify a 20% buffer for persistently under-delivery, to accord with Government guidance.

The objectives of this housing technical paper are as follows:

- To demonstrate that the Council is able to deliver the housing requirement set out in the West Northamptonshire Joint Core Strategy
- To justify why the Council needs to re-profile its trajectory in order to meet the housing requirement across the plan period
- To explain how the buffer can be met across the latter part of the plan period

2 PLANNING POLICY CONTEXT

The National Planning Policy Framework (February 2019) maintains the requirement for local planning authorities to identify a sufficient supply and mix of sites, including those for housing. Local plans should contain policies which identify a supply of specific, deliverable site for years one to five of the plan period.

Policy S3 (Scale and distribution of housing development) of the West Northamptonshire Joint Core Strategy requires the delivery of about 18,870 houses in Northampton, between 2011 and 2029. Reference is not made in this policy to a rate of delivery over the plan period. About 8,000 of these dwellings are expected to be provided in the five Sustainable Urban Extensions within Northampton Borough.

Appendix 3 of the Joint Core Strategy (JCS) provides a proposed trajectory for the delivery of housing in Northampton, which is shown in Table 1.

Table 1: West Northamptonshire Joint Core Strategy proposed housing delivery trajectory for Northampton

[illegible]

The profile of the delivery trajectory was heavily influenced by economic conditions and intelligence available at the time the JCS was written. The first three years' figures were, in fact, the numbers of dwellings completed in those three years. Subsequent years' figures were then estimated taking into account information provided by developers and making assumptions about the rate of recovery in the housing market following the economic crash of 2008. This has resulted in a trajectory that envisages delivery in excess of 1,000 dwellings per year from 2014/15 to 2023/24 and peaks in 2019/20 with an annual delivery rate of 1,588 completions. It was acknowledged in paragraph 4.5 of the Second Update of the Housing Technical Paper for the JCS¹ that, for the whole of West Northamptonshire, the new housing trajectory was going to require a much higher rate of annual completions than had ever been delivered before.

3 NORTHAMPTON LOCAL PLAN PART 2

Northampton Borough Council has undertaken the following stages of the local plan preparation:

- Issues Consultation (April 2016) which included the invitation for Call for Sites
- Options Consultation (October 2016) which provided options for the direction the local plan policies should take
- Sites Consultation (September 2017) which sought to gather views on sites which the Council intends to investigate further for site allocations

Key to the above is the need to identify a sufficient supply of sites to deliver the number of houses required, with the appropriate buffer.

4 NORTHAMPTON'S FIVE YEAR HOUSING LAND SUPPLY

Northampton's Five Year Housing Land Supply Assessment for April 2018 shows that 5,139 dwellings have been completed between 2011 and 2018 (see Table 2). This is 1,474 dwellings below the delivery trajectory set out in the JCS for the same period as Northampton has under-delivered against the JCS target over the last four years. To accord with the NPPF, it was necessary to add a buffer of 20% to supply of deliverable sites.

Table 2: Summary of Five Year Supply of Deliverable Housing for Northampton Borough against the adopted West Northamptonshire Joint Core Strategy

		DWELLINGS
A	JCS Housing Supply Requirement for 2018 – 2023	7,256
B	NPPF 5 year housing requirement (JCS + 20%)	8,707

¹ West Northamptonshire Joint Core Strategy Housing Technical Paper Second Update – To Inform Main Modifications and Additional Work Requested by the Inspector, West Northamptonshire Joint Planning Unit, December 2013 - <http://www.westnorthamptonshirejpu.org/connect.ti/website/view?objectId=11253189>

C	JCS Housing Requirement 2011 – 2018	6,613
D	Net additional dwellings completed 2011-2018	5,139
E	Shortfall of provision compared to 2011-2018 target	1,474
F	NPPF 5 year supply target taking into account of shortfall provision (B+E)	10,181
G	Supply of deliverable sites (planning approvals, windfalls and allocations)	5,334
H	% of 5 year housing supply available (G/F * 100)	52.39%
		YEARS
I	Years of deliverable housing land 2018 – 2023 (H/100 * 5)	2.62

Northampton Borough Council undertook a Call for Sites exercise in 2016 and prepared a Land Availability Assessment in 2017. The potential of over 500 sites was initially investigated. Around 200 of these sites were investigated further with a view to allocation in the Local Plan. In addition, historic windfall delivery rates were reviewed and used for inclusion in the Local Plan Part 2. It was concluded that whilst there were enough sites to meet the housing requirement over the plan period, it had not been possible to identify enough sites to meet the delivery shortfall from 2014 to 2018, or to provide the 20% buffer.

The housing commitments for the remaining Sustainable Urban Extensions (SUEs) are summarised as follows:

Table 3: Housing commitments for the Sustainable Urban Extensions

SUE name	Dwellings completed as at 01 April 2018	Remaining capacity to 2029 as at 01 April 2029	Remaining capacity forecast to be delivered after 01 April 2029
N5 (Northampton South)	0	950	50
N6 (Northampton South of Brackmills)	0	1,100	
N7 (Kings Heath)	0	1,997	803
N9 (Upton park)	0	1,000	
N9A (Norwood Farm/ Upton Lodge)	0	2,026	74
		7,073	927

5 HOUSING DELIVERY TEST

In 2018, the Ministry of Housing, Communities and Local Government introduced a new methodology for measuring housing delivery in the area of relevant plan making authorities². The Housing Delivery Test (HDT) is a percentage measurement of the number of net homes delivered against the number of homes required, as set out in the relevant strategic policies for the areas covered by the HDT (in this case, the West Northamptonshire Joint Core Strategy), over a rolling three year period.

The first HDT, published in February 2019, concluded that Northampton Borough passed the test, achieving 150% of the test's requirement for 2015 to 2018, and therefore, a 20% buffer was no longer required³. Instead, the Borough is only required to identify a 5% buffer for the first 5 years brought forward from later in the plan period.

6 NORTHAMPTON'S HOUSING DELIVERY POSITION

a Meeting the requirement of the Joint Core Strategy

In progressing the Local Plan Part 2, the Council has rigorously undertaken a land availability assessment. Sites which were investigated include:

- Sites which were initially considered through the Strategic Housing Land Availability Assessment during the preparation of the West Northamptonshire Joint Core Strategy
- Sites which were promoted through the Call for Sites exercise for the Local Plan Part 2
- Sites which were granted planning permission
- Sites which were promoted outside the consultation period

The methodology was prepared and consulted upon. This robust methodology, which built on the findings of the consultation exercise, was used to assess the sites. Over 500 sites were considered. Sites which have been built or were under construction were excluded in the initial sift. In October 2017, the Council published a Sites Consultation document setting out the sites which the Council intended to investigate further and the ones which were excluded from further investigation.

Additional detailed investigations, coupled with the publication of the revision to the NPPF in July 2018 which required 10% of allocated sites to be under 1 ha, meant that the Council had to review all the sites once more, including the ones it had excluded from further investigations. In determining which sites were considered suitable for allocation, there was also a need to exclude some of the small sites for windfall purposes, as evidence shows that a substantial proportion of dwellings completed in Northampton are on windfall sites.

² Housing Delivery Test measurement rulebook (MHCLG, July 2018)

³ HDT 2018 Measurement (MHCLG, February 2019)

These detailed investigations concluded that the Council has sufficient supply to meet the requirement of 18,870 **across the plan period** and therefore complies with Policy S3 of the adopted West Northamptonshire Joint Core Strategy. The Council is confident that the approach taken to assessing the availability of sites is comprehensive and that there are no other sources of supply that could reasonably be considered to be suitable, available or deliverable.

b Northampton's 5 year housing land supply position

Northampton has persistently under-delivered on its 5 year housing land supply, which meant that it was expecting to be required to identify a 20% buffer in its land supply. The initial position was that Northampton was unable to deliver the 20% buffer over the first 5 years of the local plan period.

However, Northampton's position on housing delivery over the next 5 years has changed significantly as a result of successfully passing the Housing Delivery Test. The buffer requirement of 5% means that Northampton will still face a shortfall for the period 2018/19 to 2022/23, although the shortfall is smaller than in previous years.

Table 4: Housing Land Supply 2018/19 – 2022/23

JCS Target 2011/12 – 2017/18	6,613
b) Shortfall 2011/12 – 2017/18	1,474
c) JCS Target 2018/19 – 2022/23	7,256
d) 5% Buffer of JCS Target 2018/19 – 2022/23	363
(T) Overall Target (b + c + d)	9,094
(S) Supply [Northampton Anticipated Delivery 2018/19 – 2022/23]	7,369
% of target available on deliverable sites (S/T) x 100	81.03 %
Supply in Years (S/(T/5))	4.1 years

Table 5 shows the five year land supply position, starting from the year in which the Local Plan Part 2 is expected to be submitted to the Secretary of State (2019/20). This table shows that the supply will just fall short of the 5 year land supply. For the purposes of estimating completions in 2018/19, the conservative view has been taken that they will equal the number of dwellings committed (apart from Sustainable Urban Extensions, windfalls and allocations) as at 1st April 2018.

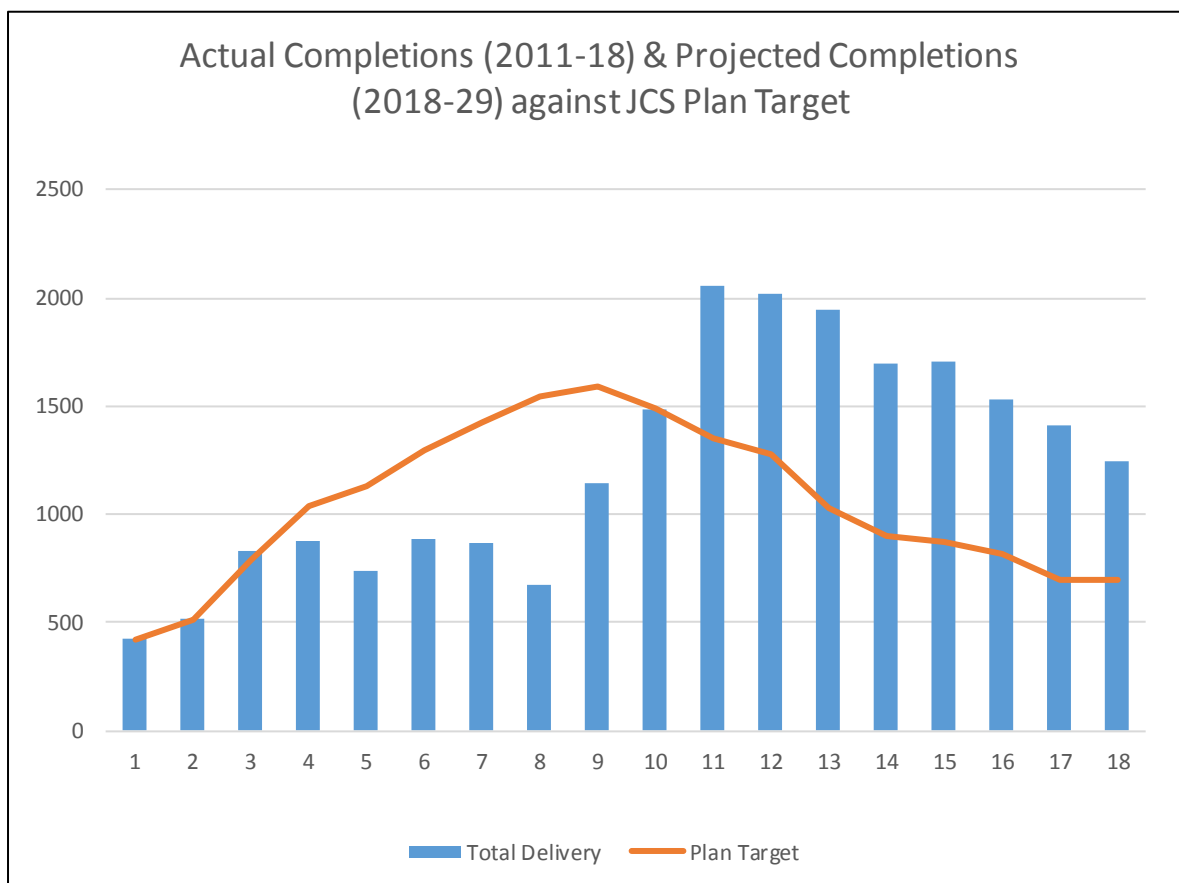
Table 5: Housing Land Supply 2019/20 – 2023/24

JCS Target 2011/12 – 2018/19	8,157
b) Shortfall 2011/12 – 2018/19	2,346
c) JCS Target 2019/20 – 2023/24	6,737
d) 5% Buffer of JCS Target 2019/20 – 2023/24	337
(T) Overall Target (b + c + d)	9,420
(S) Supply [Northampton Anticipated Delivery 2019/20 – 2023/24]	8,633
% of target available on deliverable sites (S/T) x 100	91.6%
Supply in Years (S/(T/5))	4.6 years

This means that there will be a degree of reliance on addressing any shortfall in the next 5 year phase of the Local Plan as there is a shortfall of 787 dwellings (9,420 – 8,633) in the first five years of the Plan when applying the Sedgefield method.

The substantial gap between the delivery and plan target figures from years 4 to 7 (2014/15 to 2017/18) on the graph in Graph 1 (below) illustrates the shortfall that, under the Sedgefield method, would need to be made up over the first five years of the plan period.

**Graph 1: Housing Delivery in Northampton against the Joint Core Strategy
Housing Delivery Trajectory**



The table, set out at Appendix A, shows the detail of past performance and predicted housing delivery in future years to 2029.

It is clear that, notwithstanding the large amounts of allocated capacity already in Northampton, housing has not been delivered at the rates anticipated in the JCS. By 2018/19, the West Northamptonshire Joint Planning Unit envisaged that nearly 1,600 dwellings would have been provided in SUEs in Northampton Borough. In practice, only 80 dwellings have been delivered in SUEs since 2011. In the Borough, total delivery has undershot by 1,475 dwellings from 2011 to 2018 and it is anticipated that that this figure may have increased to 2,346 by 2019.

Short term housing supply is constrained by the JCS’s heavy reliance on large Sustainable Urban Extensions for substantially meeting the Borough’s housing needs. Of the 18,870 dwellings, the JCS had anticipated that some 8,000 dwellings would come forward in the plan period to 2029. However, the timescale for the delivery of these SUEs has proved to be overly ambitious, slow to deliver and is

likely to only deliver just over 6,100 dwellings as opposed to 8,000 within the plan period.

The Council has researched alternative sites in the borough exhaustively through its Call for Sites and Land Availability Assessments. There are no other obvious sources of supply. Extending existing SUEs in the Northampton Related Development Area further out into South Northamptonshire and Daventry would likely just increase the supply of land where delivery would continue to be slow.

JCS Policy S6 – Monitoring and Review indicates that if monitoring indicates that delivery of policy objectives is not being met then, among other things, targets should be reviewed and policy or strategy should be reviewed. Appendix 6 of the JCS sets out in more detail the contingency provisions that can be invoked if there is under-delivery against the proposed housing delivery trajectory. These contingencies include a review of the JCS's trajectory / requirement and reviewing policy. The JCS needs to have been reviewed by December 2019 (five years after its adoption) and work is just starting on its successor, the West Northamptonshire Strategic Plan, which will include a full review of housing policies.

In the face of long term under-delivery, over which the Council has no significant control, it is unreasonable to envisage that historic under-delivery against the JCS's proposed housing delivery trajectory can be addressed in the first five years of the Local Plan Part 2, particularly at a time when that same proposed delivery trajectory set out in the JCS sets unprecedented levels of housing delivery.

Accordingly, the Council felt that it was necessary for the Local Plan Part 2 to have a housing trajectory that differs significantly from the proposed housing trajectory set out in the JCS.

7 LEGAL OPINION

In February 2019, the Borough Council sought a legal opinion on whether or not it would be acceptable for the Local Plan Part 2 to include a housing trajectory that differed significantly from that set out in the JCS. The legal opinion assessed the following:

- The Government's preferred approach to under delivery resulting in a backlog of need, is that this should be addressed in the first 5 year period. This is known as the Sedgefield Method
- An alternative method of addressing under delivery such as the Liverpool method (spreading the backlog across the whole plan period) or stepped trajectories which delay remedying the backlog until later parts of the plan period

The legal opinion also noted that whilst the NLP2 proposes to make provision for some 20,987 dwellings over the plan period (an over provision of 11%), the short term supply is constrained.

Reference was made to the Council's work on the sources of housing supply. The draft Sites Allocation Methodology and Land Availability Assessment (SAMLAA) concluded that for the period 2019 – 2024, there is a supply of around 8,400 dwellings. Whilst this exceeds the trajectory requirement for the same period, at 6,737 dwellings, this takes no account of the consequences of under-delivery between 2011 and 2018.

The legal opinion noted two important points:

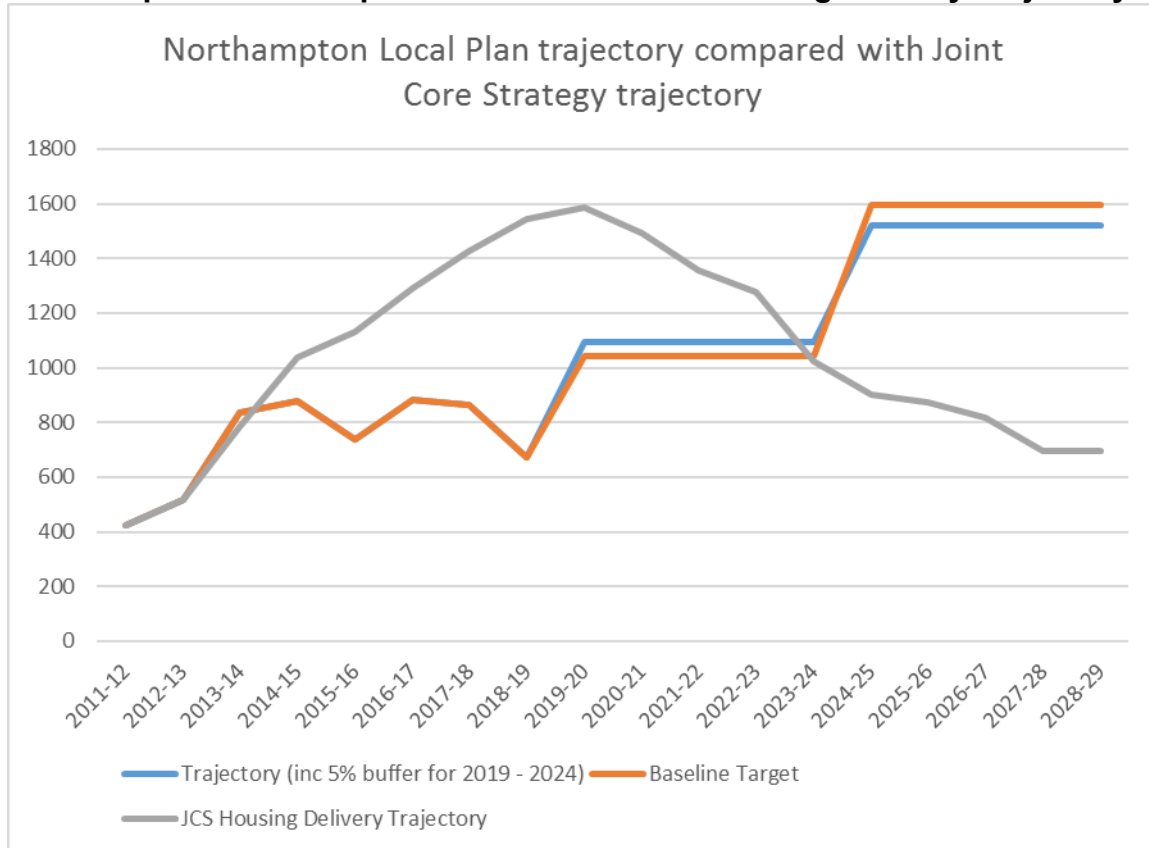
- The approach of using the base figures within the JCS trajectory as the source of the 5 year housing land requirement is **not** set out in policy. The policy only requires 18,870 houses to be delivered in Northampton over the plan period. Therefore, if the Local Plan Part 2 contains an approach to calculating the 5 year requirement which is different from the JCS trajectory, the Plan would still be legally consistent with the policies of the JCS
- The JCS is silent as to **how** any backlog should be addressed in the event that one arises and silent in terms of buffers. These are national policy and practice matters. There is no express statutory requirement for Local Plans to be consistent with national policy, only that those preparing the plans “**must have regard**” to it. The opinion states “it does not follow that a plan which is inconsistent with national policy is unsound. Provided that a departure from national policy is rigorously and robustly demonstrated to be **appropriate for the plan area**, then despite inconsistency with national policy, a local plan can still be sound”.

The legal opinion recommended that the most appropriate way forward and one which minimises risk whilst allowing progress to be made on NLP2, is to pursue an approach which complies with the letter of the JCS and the NPPF, but which defers addressing the backlog until later in the plan period. It is noted in the legal opinion that the realism of this approach could be addressed in the West Northamptonshire Strategic Plan which is scheduled to be adopted in 2022.

8 NORTHAMPTON LOCAL PLAN PART 2 HOUSING TRAJECTORY

Taking into account the legal opinion and in the knowledge that the contingencies set out in the Joint Core Strategy will only be applied when the document is replaced by the West Northamptonshire Joint Core Strategy, a new, stepped housing trajectory has been derived that differs from that set out in the JCS substantially, as shown in Graph 2.

Graph 2: Northampton Local Plan Part 2 Housing Delivery Trajectory



The table in Appendix A shows that there is sufficient capacity in Northampton borough to deliver 22,035 dwellings over the period 2011 to 2029. The Joint Core Strategy target for Northampton is 18,870 dwellings over the same period. This means that there is sufficient capacity to deliver a 3,162 dwelling surplus by 2029. Mindful of the fact that delivery rates have proven to be low since 2011, particularly in SUEs, this surplus has been deducted from the requirement for 2019 – 2024 and a flat rate delivery rate of 1,094 dwellings per year has been applied to those years. This is a conservative approach which allows some contingency in case the SUEs continue to under-deliver, but it is also challenging given that it exceeds previous years' rates of delivery since 2011.

From 2024/25 onwards, the annual requirement will step up to 1,518 dwellings per year. Clearly, the higher delivery level envisaged for the last five years of the Plan period is ambitious, but this matter can be addressed in the West Northamptonshire

Strategic Plan, which is timetabled to have reached adoption in 2022. This will enable an early review of the Northampton Local Plan Part 2 to take place.

The trajectory shown in Appendix B and Graph 2 shows the trajectory against a baseline target (which excludes the 5% buffer) and the Joint Core Strategy Housing Delivery trajectory.

The table in Appendix C shows the detail of how it is predicted that sites to be allocated in the Northampton Local Plan Part 2 (i.e. sites excluding SUEs) will be delivered to 2029, giving to a total of 4,749 new dwellings across the plan period.

Appendices

A – Past and predicted housing delivery in Northampton Borough 2011 -2029

B – Local Plan Part 2 Housing Delivery Trajectory

C – Trajectory for sites allocated in the Local Plan Part 2 (excluding Sustainable Urban Extensions)