

## **5 Year Housing Land Supply Statement for the Borough of Newcastle-under-Lyme: 1<sup>st</sup> April 2015 to 31st March 2020**

### **Purpose of the Report**

To present the information and results of the calculation of the 5 year housing land supply, as contained in the accompanying Statement.

To provide guidance on the significance and impact of the 5 year supply position on the Development Management decision making process.

### **Recommendations**

- 1) That members note the results of the 5 year supply report.**
- 2) That officers prepare a midyear housing supply statement following the publication of the Strategic Housing Market Assessment**
- 3) That members note the significance of the 5 year supply position in Development Management decision making.**

### **Reasons**

To ensure the Council makes decisions in line with up-to-date planning policy and its latest 5 year housing land supply Statement.

## **1.0 INTRODUCTION & BACKGROUND**

- 1.1 Local planning authorities are required by the National Planning Policy Framework (NPPF) to identify a supply of specific deliverable sites sufficient to provide five years' worth of housing against their housing requirements. Whether or not a local planning authority can demonstrate a five-year supply of deliverable housing sites is a key driver behind the increase in planning permissions granted for housing sites nationally. The consequences of not being able to demonstrate a five year supply of deliverable housing sites is that relevant housing supply policies in the development plan cannot be considered as up-to-date. Members will be aware that locally this has resulted in some refused housing proposals being won at appeal that do not conform to the adopted development strategy for the borough.
- 1.2 Under the NPPF and Planning Practice Guidance (PPG), the only way to definitively demonstrate beyond all doubt a five year supply of deliverable housing sites is to adopt an up-to-date Local Plan (i.e. a post-NPPF version). Without an up-to-date Local Plan, less weight can be given to the five year housing land supply figure. In other words it is open to challenge by the development industry, and may be found wanting on appeal. As Members will be aware, the Council is in the process of preparing an up to date Local Plan in partnership with Stoke-on-Trent City Council. This is scheduled to be subject to independent examination and adoption in 2018.
- 1.3 The NPPF and PPG oblige local planning authorities to produce a five year housing land supply Statement and to do so on at least an annual basis. Current guidance (the PPG) indicates that such assessments should be "made publicly available in accessible format", and that "once published, such assessments should normally not need to be updated for a full twelve months unless significant new evidence comes to

light or the local authority wishes to update its assessment earlier". The Five Year Housing Land Supply Statement (2015-2020) that accompanies this report fulfils this requirement. This is the fourth detailed annual statement prepared by the Council. Prior to publishing these annual statements, the Council previously set out the five year housing land supply figure within its Annual Monitoring Reports.

- 1.4 The Statement presents information on the availability of land for housing development in the Borough as at 1<sup>st</sup> April 2015. This date is used because it is the end of the monitoring year for collating information on development activity. The available supply of land at 1<sup>st</sup> April 2015 is projected forwards to determine the extent to which it can meet the anticipated requirement for housing to be developed over the next five years to 2020.
- 1.5 For the first time this calculation is based on official household projections. Previous statements have been based on the housing requirement set out in the Core Spatial Strategy. The reasons for this change are set out in more detail in section 2 of this report and sections 3 and 4 of the Statement. The resulting supply of housing land is expressed in the number of years that all of the land would be used up if the required levels of development were to be met.

## **2.0 KEY FINDINGS**

### **Calculation of the Housing Requirement for the next Five Years**

- 2.1 This year, the housing requirement for the Borough over the next five years has been derived from the official household projections published by the Department for Communities and Local Government (CLG). This reflects the PPG which states that evidence dating back several years, such as that drawn from revoked regional strategies, may not adequately reflect current needs, and the challenge that would have been mounted, at the Gateway Avenue appeal, to the Council's last Supply Statement, had the Inspector not concluded that there had been persistent under delivery of housing and that a 20% rather than a 5% buffer was required.
- 2.2 The Borough's current adopted housing target is set within the Core Spatial Strategy; this is for 5,700 net dwellings to be delivered between 2006 and 2026 (285 net additional dwellings per year). This figure is derived from the West Midlands Regional Spatial Strategy Phase 2 Revision and as such (in the words of the PPG) it 'may not adequately reflect current needs'.
- 2.3 The PPG also states that where evidence in Local Plans has become outdated, information provided in the latest full assessment of housing needs should be considered. The Council has commissioned a Strategic Housing Market Assessment (SHMA) which will present a full assessment of housing needs in the Borough. It is anticipated that this new assessment will be published in time for the public consultation period for the Issues & Options document in Autumn 2015. In order to support and inform the Issues & Options document, your officers are considering publishing a new five year housing land supply statement that takes account of the objective assessment of housing need contained within the SHMA. The assessment of housing needs will then form the basis for future calculations of housing land supply until a new housing requirement is developed as part of the Joint Local Plan.
- 2.4 Where neither an up to date housing requirement contained within a Local Plan nor an up to date assessment of housing need are available, the PPG states that the household projections published by CLG should be used as the starting point for

assessing the five year supply. The guidance also recognises that the weight given to the projections should take account of the fact that they have not been tested or moderated against relevant constraints. This testing would show whether past events that have informed the projections are unlikely to occur again (for example the economic downturn), whether the local property market is capable of accommodating the anticipated household growth, and whether or not there are significant constraints, for example in the local environment or infrastructure, that would prevent the growth from being accommodated in the area.

- 2.5 In light of such limitations, your officers consider that it is appropriate to moderate the 2012-based household projections, which are the latest CLG household projections to be released, with the earlier 2008-based household projections which were the previous full household projections to be released. Considering both sets of household projections together means that periods of economic growth and decline can be taken in to account and balanced out. The 2012-based household projections are influenced by the period of economic downturn that occurred from 2008, whilst the 2008-based household projections are similarly influenced by the strong economic growth that occurred in the early 2000s.
- 2.6 The housing requirement over the next five years, which results directly from averaging out these two sets of household projections, is for **1,420 new dwellings to be completed between 1<sup>st</sup> April 2015 and 31<sup>st</sup> March 2020. This averages out to 284 new dwellings per year.** It is worth noting that this is comparable to the previous Core Spatial Strategy target of 285 new dwellings per year, however it must be emphasised that the Core Spatial Strategy housing target has had no influence on this new calculation derived from the official household projections. Furthermore it is also worth reiterating that these household projections have as yet not been tested against market signals and constraints that may affect future housing development. As previously stated, this is an interim measure for calculating at this point in time the requirement over the next five years and is not a substitute for an NPPF compliant housing requirement set within an up to date Local Plan.

### **Past Housing Delivery**

- 2.7 As well as the requirement for new housing development over the next five years, the Council also needs to take account of any past shortfall of housing that ought to have been delivered. This has to be added on to the requirement for 284 new dwellings per year identified above. Where past under-delivery has been persistent, the NPPF requires local planning authorities to also apply an additional 20% buffer to their housing requirement over the next five years. If there is no record of persistent under delivery then a 5% buffer can be applied.
- 2.8 The base dates for the two sets of households projections (2008 and 2012) have been used to define the time period for measuring past delivery. A requirement of 335 new dwellings per year is derived from the 2008-based household projections and applied to the period 2008 to 2012. From 2012 onwards, a requirement of 232 new dwellings per annum which is derived from the 2012-based household projections is applied. It isn't appropriate to apply the annual figure from the 2012-based household projections to the period preceding 2012, so splitting up the requirements of these two projections into separate time periods is the only way to ensure that they are considered in a balanced way.
- 2.9 The Table below shows how the borough has been delivering against these annual requirements derived from the household projections. This is also presented as Table 1 in the accompanying statement.

Monitoring year:	Net dwelling completions:	Household Projection Requirement:	Delivery against Requirement:
2008-09	277	335	-58
2009-10	207	335	-128
2010-11	183	335	-152
2011-12	251	335	-84
2012-13	414	232	+182
2013-14	295	232	+63
2014-15	219	232	-13
<b>Total:</b>	<b>1,846</b>	<b>2,036</b>	<b>-190</b>
<b>Average per year:</b>	<b>264</b>	<b>291</b>	<b>-27</b>

2.10 As shown, under-delivery has occurred in five out of the past seven years, leading to a shortfall of 190 dwellings at 1<sup>st</sup> April 2015. In accordance with the NPPF, this shortfall and an additional 20% buffer therefore have to be applied to the requirement derived from the household projections. **This increases the requirement for the next five years to 1,932 new dwellings (387 new dwellings per year).** The calculation for this is set out in Table 3 of the accompanying statement and is reproduced below.

Requirement for next five years: (derived from annual average of 2008 and 2012-based household projections)	1,420
+ existing shortfall (190 dwellings)	1,610
+ 20% buffer (322 dwellings)	<b>1,932</b>

### Housing Land Supply

2.11 The Five Year Housing Land Supply Statement identifies that the remaining capacity of all sites with approval for housing development in the borough at 1<sup>st</sup> April 2015 was 1,698 new dwellings. Included within this figure are 256 dwellings that have been resolved to be permitted by Planning Committee and which were awaiting the signing of Section 106 obligations at 1<sup>st</sup> April 2015. The details of all sites included in the supply are provided in the Appendix to the Statement.

2.12 Three additional sites that as yet do not have planning approval have also been included in the housing supply contained within the Statement. These are:

- Wilmot Drive, Cross Heath (100 dwellings, SHLAA<sup>1</sup> site 337)
- Ashfields New Road, Cross Heath (42 dwellings, SHLAA site 9775)
- The Hawthorns, Keele (55 dwellings, SHLAA site 40)

<sup>1</sup> Strategic Housing Land Availability Assessment

- 2.13 These sites have been included taking into account the relevant sections of the NPPF and PPG. These do allow for sites without planning approval to be included as deliverable, provided that up to date and sound evidence to support the likelihood of their delivery in the next five years is clearly and transparently set out, taking into account a consideration of associated risks and an assessment of the local delivery record. Such sites must not have significant constraints to overcome, for example new infrastructure provision.
- 2.14 The first two sites listed above (Wilmot Drive and Ashfields New Road) have been included because written assurances have been received from the site landowners or their agents that planning approval is to be sought this year and taking account of the delivery record of such parties the view has been reached that the number of dwellings listed can be delivered in the next five years. Both sites have also been identified as deliverable in the SHLAA. Furthermore, the likelihood of the Wilmot Drive development taking place was agreed by both parties to the public inquiry into the appeal for land at Gateway Avenue, Baldwins Gate (13/00426/OUT).
- 2.15 The Keele Hawthorn site, as Members will be aware, is currently subject to a planning appeal against the Council's refusal of planning permission. As far as the Council was concerned the principle of residential redevelopment of the site was acceptable, but the scheme involved overdevelopment and harm to the character of the Conservation Area and the locality. The proposal that is subject to the appeal is for 92 dwellings, however the site is identified as deliverable in the SHLAA for 55 dwellings. In light of the Planning Authority's reasons for refusal your officers consider that it is appropriate to include the lower figure derived from the SHLAA within the housing land supply for the next five years.
- 2.16 The NPPF also states that an allowance for windfall sites can be included in the five year supply calculation if there is compelling evidence that they have consistently become available in the area and will continue to provide a reliable source of supply. Windfall sites are defined as those that have not specifically been identified as available in the Local Plan process and are normally previously developed sites that have unexpectedly become available.
- 2.17 For the purposes of the Five Year Housing Land Supply Statement, windfall sites are considered to include the change of use and conversion of existing buildings for residential use and sites not previously identified within the SHLAA. Table 4 of the Statement shows that an average of 33 new dwellings per year has previously been delivered on such sites between 2008 and 2015. This differs from last year's figure of 40 dwellings per annum because the development of windfall sites has been lower in the past year and last year's calculation was informed by a different time period.
- 2.18 33 dwellings per year is therefore the windfall assumption used in the five year supply calculation. As most planning approvals remain extant for up to 3 years, this windfall assumption is applied to the latter two years of the five year period (i.e. 2018-2020) in order to avoid duplication with any existing approvals or double counting. This provides an additional anticipated supply of 66 new dwellings within the next five years.
- 2.19 Taking in to account all of the above sources, **the total capacity of land for housing development in the period 2015-2020 is 1,961 new dwellings**. This is summarised in Table 5 of the statement, which is also reproduced below.

Source of Supply:	Dwellings:
Remaining capacity of sites with planning approval at 1 <sup>st</sup> April 2015:	1,442
Capacity of sites resolved to permit at Planning Committee but awaiting approval of conditions or S106 agreements:	256
Capacity of sites with no planning approval but anticipated to deliver new housing prior to 2020:	197
Windfall allowance:	66
<b>Total:</b>	<b>1,961</b>

### Calculation of the 5 year Housing Land Supply Figure

- 2.20 With the housing requirement derived from the household projections for the next five years being 1,932 new dwellings, and the supply of land for housing development at 1<sup>st</sup> April 2015 being 1,961 new dwellings, there is an indicative land supply in the borough of **5.07 years**. This is however more of an indicative figure, rather than a clear demonstration of a 5 year housing land supply, because it is based on a calculation using the household projections, which is only a “starting point” in determining the need for housing land required to be developed.
- 2.21 The Council would only be able to beyond doubt defend this housing land supply position if an, as yet unidentified up to date housing requirement within an NPPF compliant Local Plan was at a similar level to the calculation derived from the household projections.
- 2.22 Despite these limitations, it is very important to note that the housing land supply has increased from 1,079 dwellings last year to 1,961 this year, an increase of 82%. This reflects the number of new dwellings that have obtained planning permission in the past year. By its very nature the continuation of a five year supply of deliverable housing sites means that that new planning approvals will also be required in future in order to keep the supply of housing land ‘topped up’. This is because sites must be removed from the supply either if their development has been completed or if their planning approval lapses (unless there is clear evidence to support a continued view that they remain deliverable). As an indication, approved but unimplemented sites with a combined capacity of 40 dwellings are due to expire in the six months from 1<sup>st</sup> April to 1<sup>st</sup> October 2015.
- 2.23 Full details of how the five year supply figure has been calculated are included in the Five Year Housing Land Supply Statement which is attached as an Appendix to this report. Following Planning Committee’s consideration of the Statement, it will be published on the Planning Policy pages of the Council’s website and be the basis for the Council’s position on housing land supply in the borough.

### 3.0 DEVELOPMENT MANAGEMENT IMPLICATIONS

- 3.1 According to the Statement the supply of land for housing development is 5.07 years' worth or 29 dwellings over the housing requirement that is derived from the household projections. As pointed out in the introduction, this is not a substitute for a robust and defensible housing requirement set within an up to date and NPPF compliant Local Plan, nor is it based upon a full objective assessment of housing needs as no such assessment is currently available.
- 3.2 Paragraph 49 of the NPPF states that housing applications should be "considered in the context of the presumption in favour of sustainable development" and that "relevant policies for the supply of housing should not be considered to be up to date if the local planning authority cannot demonstrate a five year supply of deliverable housing sites".
- 3.3 The NPPF describes housing supply policies as either up to date or not by reason of whether or not a planning authority can demonstrate a five year supply of housing sites. There is no middle ground anticipated in national policy. A Local Planning Authority either can or cannot demonstrate such a supply. Because the new Statement provides a supply calculation based upon household projections it is most unlikely that such a calculation would be considered to be a **demonstration** of a five year supply of deliverable housing sites, and so the directive in paragraph 49 of the NPPF must be considered to be engaged – the Council's housing supply policies still cannot be considered to be up-to-date.
- 3.4 If housing supply policies (which include most particularly saved Local Plan Policy H1 and its reference to village envelopes, and CSS policy ASP6 with its reference to Rural Service Centres and a maximum amount of dwellings within the Rural Area) are not up-to-date then, according to the NPPF in paragraph 14, insofar as development management or decision-taking is concerned, this means, because housing supply policies are not up-to-date, unless material considerations indicate otherwise, granting planning permission unless;
- any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the Framework taken as a whole; or
  - specific policies in the Framework indicate development should be restricted.

This is described as the presumption in favour of sustainable development.

- 3.6 Nevertheless it is considered by your officers that in undertaking the weighing up exercise referred to above, it would not now be unreasonable to take into account the improved housing supply position in assessing what weight to give to the contribution which a proposal might make to that supply. Without going into a specific example, this might mean for example that adverse landscape impact might perhaps more easily "significantly and demonstrably outweigh" the benefits particularly if such benefits were solely ones relating to the supply of housing.
- 3.5 The Framework in giving examples of the specific policies in the Framework (the second bullet point) refers to policies relating to land designated as Green Belt, designated heritage assets and locations at risk of flooding. This it should be noted is a list of examples rather than an exhaustive list.
- 3.6 The NPPG, published in March 2014, notes that unmet housing need is unlikely to outweigh the harm to the Green Belt and other harm to constitute the "very special circumstances" justifying inappropriate development on a site within the Green Belt. Member may remember that such advice was given at the time of the consideration of the Pepper Street proposals (13/00970/OUT)

- 3.7 Over the years there have been a series of responses by the Council as the local planning authority to this situation, in development management terms. With the focus always being on achieving sustainable development, there has been an acceptance for some time that an objection of conflict with policies on housing land supply within the development plan cannot be raised to the development of greenfield sites within the urban area. There are numerous examples of this with probably the most significant one being the site known as Apedale South, the residential development of which obtained planning permission from the Council in December 2014, with the signing of the associated Section 106 agreement.
- 3.8 A similar approach has been taken to greenfield sites in the Rural Service Centres (Madeley, Loggerheads and Audley Parish). Each of these locations has a village envelope or, in the case of Audley Parish, a series of village envelopes, the boundaries of which are set out in the Local Plan and on the Local Development Framework Proposals Map.
- 3.9 The same position has been adopted with respect to proposals within those village envelopes that are not within the Rural Service Centres and are not “washed over” by the Green Belt. This means Betley, Mow Cop, Madeley Heath, Baldwins Gate, Ashley and Whitmore. Even though Core Spatial Strategy Policy ASP6 seeks to direct residential development, within the rural areas, to the Rural Service Centres, this policy cannot be considered to be “up to date” and provided the development in question is a sustainable one such locations can be an acceptable location for development.
- 3.10 Over the last year and a half there have been a series of applications relating to significant residential proposals on sites which whilst not within a village envelope are immediately adjacent to it but are not within the Green Belt. Examples include the Gateway Avenue, Baldwins Gate proposals (13/00426/OUT), the land to the rear of Rowley House, Moss Lane, Madeley (13/00990/OUT), the land off Mill Lane, Madeley and the land of New Road, Madeley (14/00930/OUT). All of these proposals were approved, either on appeal (as in the case of Gateway Avenue), or by the Borough Council itself. Other proposals, for development that is further away from such villages have been generally refused and upon occasion this position has been supported on appeal – the development at Farcroft, Manor Lane (14/00037/OUT) being an example. An appeal has been lodged with respect to the proposals adjacent to Slaters, Stone Road, Hill Chorlton (14/00875/OUT)
- 3.11 The approach taken by your officers on such applications has reflected the position set out in paragraph 14 of the NPPF and will continue to do so given that it is still considered that the Council cannot demonstrate a 5 year supply of deliverable housing sites. Further applications for residential development have been received that are neither within the urban area nor within the Rural Service Centres nor the village envelopes indicated above. Each will need to be considered on its own merits bearing in mind in particular the guidance set out within paragraph 14 of the National Planning Policy Framework, as set out in paragraph 3.4 above.
- 3.12 Similarly applications may be received on employment sites whose development for residential purposes may be considered to be contrary to Local Plan Policy E11 on proposals that would lead to the loss of good quality business and general industrial land. Again the same approach will need to be taken, as it was in reports on applications such as those for Linley Trading Estate (13/00625/OUT) approved in January 2014 (subject to the prior completion of a legal agreement) and Land off Watermills Road (13/ 00974/OUT) refused in April 2014 and then allowed on appeal in



February 2015. The weight to be given to the benefit of additional supply of housing as opposed to the adverse impact of the loss of employment land, will take into account the information in the new Supply Statement.