

# Newcastle-under-Lyme Borough Council

## 5 Year Housing Land Supply Statement: 2017-2022

### 1.0 Background

- 1.1 This is the fifth detailed annual statement of the five year housing land supply that Newcastle-under-Lyme Borough Council has produced. It sets out new information on the delivery of residential development in the Borough for the period 1<sup>st</sup> April 2015 through to 31<sup>st</sup> March 2017 and the availability of land for housing development looking forward over the next five years from 2017 to 2022.

### 2. National Policy and Guidance

- 2.1 Paragraph 47 of the National Planning Policy Framework (NPPF) requires Local Planning Authorities to annually identify and update a supply of specific deliverable sites sufficient to provide five years' worth of housing against the housing requirements for their area. To be considered 'deliverable', sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. In particular the NPPF points out that the development has to be viable in order to be considered to be deliverable.
- 2.2 The Planning Practice Guidance (PPG) states that sites with planning approval can be considered to be deliverable but that this is not a prerequisite; sites without planning approval can be considered as deliverable if there is strong (robust and up-to-date) evidence that they will receive planning approval and can be delivered within five years. They must not have significant constraints to overcome, for example new infrastructure provision. Five such sites have been included in this year's housing land supply and these are detailed in section 7.
- 2.3 Assessments should take into account the anticipated trajectory of housing delivery and consideration of associated risks and an assessment of the local delivery record.
- 2.4 The PPG also states that housing requirement figures in up-to-date adopted Local Plans should be used as the starting point for calculating the five year supply. Such figures are considered to be the most robust because;
- a) they are derived from a full objective assessment of housing needs for the area which has taken into consideration both demographic and market trends;
  - b) they have taken into account policy constraints such as sustainability or environmental factors and housing land availability issues;

- c) they have been informed by duty to cooperate discussions with neighbouring local authorities, and;
  - d) they have been tested through public consultation and an independent examination.
- 2.5 The PPG also states that adopted Local Plan targets may not adequately reflect current housing needs where the evidence underpinning them dates back several years, such as that drawn from revoked regional strategies.
- 2.6 In the absence of a housing requirement derived from an up-to-date Local Plan, and where evidence in a Local Plan has become outdated, the PPG states that the latest full objective assessment of housing needs (OAN) should be considered instead. An OAN does not have full weight until it is set out in an adopted Local Plan.

### **3. Housing Need**

- 3.1 Newcastle-under-Lyme Borough Council and Stoke-on-Trent City Council are working in partnership to produce a Joint Local Plan. This will replace the Core Spatial Strategy and will set a new housing requirement which will take into consideration a full, up-to-date objective assessment of housing need for both authority's administrative areas, and constraints to development.
- 3.2 Evidence relating to the housing need for both local authorities is published in the Strategic Housing Market Assessment 2015 and the Strategic Housing Market Assessment Review (SHMA), 2017. At this stage this is only a recommendation. Both documents have been published, as part of the Joint Local Plan Strategic Options public consultation exercise (17<sup>th</sup> July to 22<sup>nd</sup> August 2017)<sup>1</sup>.
- 3.3 These studies indicate that Newcastle-under-Lyme Borough Council and Stoke-on-Trent City Council share a single housing market area (HMA). The SHMA Review, 2017,<sup>2</sup> recommends a full Objectively Assessed Need (OAN) of 1,390 dwellings per annum across the HMA for the period 2013 to 2033. This need draws on the implications of employment growth on housing need and supporting a return to a higher level of household formation for younger people.
- 3.4 The SHMA Review, in order to identify a recommended OAN for the housing market area, is comprised of an up-to-date assessment of Newcastle's housing need. The assessed housing need for Newcastle-under-Lyme is 586 dwellings per annum from 2013 through to 2039. This assessment does not represent a full OAN as the recommended

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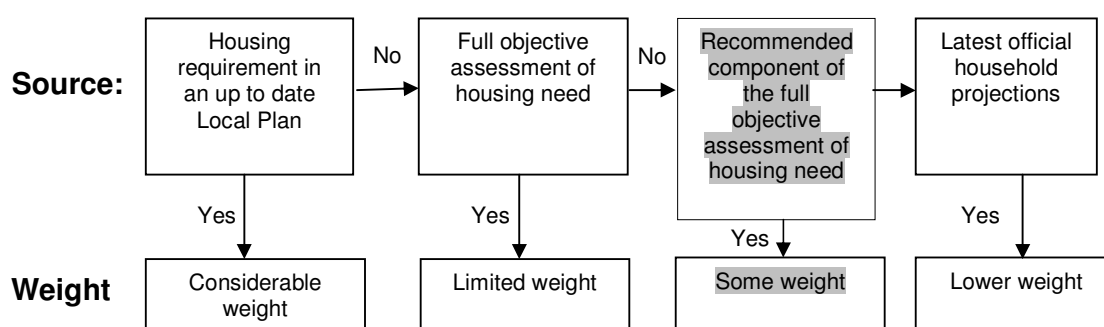
<sup>1</sup> <https://www.newcastle-staffs.gov.uk/all-services/planning/planning-policy>

<sup>2</sup> SHMA Review 2017 - <https://www.newcastle-staffs.gov.uk/all-services/planning/planning-policy/joint-local-plan/joint-local-plan-supporting-evidence>

requirement does not apply across the HMA. In simple terms the recommended figure of 586 dwellings per annum is the Borough's component of the recommended OAN.

- 3.5 As a result, this Statement provides only an interim and indicative picture of potential housing land supply in Newcastle-under-Lyme Borough alone, and not across the housing market area. This would require a Joint five year housing land supply calculation across both local authority areas in order to encompass the HMA, see Figure 1. It is intended to prepare such a statement at the Preferred Option stage of the Joint Local Plan process. Nevertheless it is considered appropriate to continue to prepare a 5 year housing land supply statement for the Borough alone in order to support development management, and comply with paragraph 47 of the NPPF.
- 3.6 It is important to note that the recommended OAN has not been tested or moderated against relevant development constraints. Such constraints are identified in the Council's Strategic Housing Land Availability Assessment (SHLAA), 2017<sup>3</sup>. The SHLAA 2017 is informed by a desktop assessment of development constraints and their potential to influence a site's suitability for residential development. As a desktop assessment, the SHLAA should not be taken as an indication that a site will or will not obtain planning permission if an application for planning permission were to be submitted.
- 3.7 The diagram below gives an indication of the weighting that can be attached to different sources of housing requirement.

**Figure 1: Weighting of the different sources of housing requirement**



- 3.8 The recommended housing need for Newcastle, according to evidence underpinning the SHMA Review, while not a 'Full objective assessment of housing need', represents the most recent and accurate published indication of the Borough's housing requirement. With regard to Figure 1, it is considered reasonable that the weight attributable to this

<sup>3</sup> Newcastle Borough Council SHLAA 2017 - <https://www.newcastle-staffs.gov.uk/all-services/planning/planning-policy/joint-local-plan/joint-local-plan-supporting-evidence>

assessment of need is between that of a full OAN and the latest official household projections (position indicated by the shaded text), which in accordance with PPG formed the starting point to calculate the area's housing requirement for the 2015-2020 5 Year Housing Land Supply Statement.

- 3.9 This interim requirement is not a substitute for an NPPF compliant housing requirement set out within an up-to-date Local Plan, but is the best currently available information of need against which to analyse the Borough's land supply.

#### **4.0 Past delivery against the latest assessment of housing need**

- 4.1 To ensure choice and competition in the market for land, the NPPF requires local planning authorities to add an additional 5% buffer to their housing requirements over the next five years. For local authorities where there has been a record or persistent under-delivery, this buffer is to be increased to 20%.
- 4.2 In order to determine whether or not we have persistently under-delivered and are therefore required to increase the buffer to 20% we need to measure our past housing delivery against the latest assessment of housing need for the Borough.
- 4.3 Table 1 below shows our annual dwelling completions as measured against the most recent assessment of housing need derived from the SHMA Review, 2017. This housing need applies from 2013.

**Table 1: Housing Delivery 2013-2017**

<b>Monitoring year:</b>	<b>Net dwelling completions:</b>	<b>NUL Latest Indication of Housing Need:</b>	<b>Delivery against Need:</b>
2013-14	295	586	- 291
2014-15	219	586	- 367
2015-16	154	586	- 432
2016-17	412	586	- 174
<b>Total:</b>	<b>1,080</b>	<b>2,344</b>	<b>-1,264</b>
<b>Average per year:</b>	<b>270</b>	<b>586</b>	<b>- 316</b>

- 4.4 As described above, the latest indication of housing need (586 dwellings per annum) suggested by the SHMA Review now forms the most up-to-date indication of need with which to compare historic housing delivery.

- 4.5 Table 1 shows that net completions for each year between 2013 and 2017 fell short of the level required, according to the most recent indication of the area's housing need. This under-delivery equates to a cumulative deficit of 1,264 dwellings over the past 4 monitoring years, which amounts to more than 2 years' worth of the latest indication of housing need.
- 4.6 Given the identified shortfall above and a historic record of under-delivery in general between 2008 and 2013<sup>4</sup>, it is considered appropriate to apply the 20% buffer to Newcastle's 5 year housing requirement. Although it related to the housing requirement of the Core Strategy it is relevant to note that the Inspector who determined the Gateway Avenue Baldwins Gate appeal in January 2015 took the same view concluding :-

*"In assessing the correct buffer to apply, it is good practice to look at the Council's housing delivery figures over a significant period of time to iron-out short term fluctuations. The Council's own evidence is that the CSS target of 285 dwellings per annum has been met in only 2 of the last 8 years. Even though the Council can demonstrate a surplus in the last 2 published years, and Mr Bridgwood (the Council's planning witness) submits that the current year appears to be on a similar upward trajectory, the fact remains that there is a large cumulative deficit of some 303 dwellings, which amounts to more than a full year's requirement. To my mind, the evidence clearly demonstrates persistent under-delivery, thereby requiring a 20% buffer to be applied".*

## **5.0 Housing Requirement over the Next Five Years**

- 5.1 As described in section 3, the most recent published assessment of the area's housing need suggests that 2,930 net dwellings should be completed over the next five years (586 x 5). Furthermore, as the local authority has fallen significantly short of achieving 586 net dwellings per annum since 2013, when the SHMA took effect, this above deficit should be added to the housing target of the next 5 years and taken into account in the calculation. This approach is advocated by the Planning Advisory Service<sup>5</sup>.
- 5.2 In light of the cumulative deficit identified in section 4 and historic under-delivery, it is considered necessary, to accord with paragraph 47 of the NPPF, to apply a 20% buffer to the Borough's housing requirement over the next 5 years. The calculation of the 20% buffer includes both the housing requirement (2,930) along with the delivery shortfall (1,264). The calculation of the 20% buffer and the housing requirement for the next 5 years is summarised in the table below.

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<sup>4</sup> Newcastle-under-Lyme Borough Council Year Housing Land Supply Statement: 2015-2020

<sup>5</sup> PAS website: <https://www.local.gov.uk/pas/pas-topics/local-plans/five-year-land-supply-faq#17>. Where an authority has persistently under-delivered in recent years, at what point in the calculation should the extra 20% be added? Should it be added to the backlog or not?

**Table 2: Additional housing requirements for next five years**

Requirement for next five years: (586 dwellings per annum derived from SHMA, 2017)	2,930
+ existing shortfall (Apr 2013 – Apr 2017)	1,264
+ 20% buffer (2,930 + 1,264 / 5 = Historic under-delivery penalty)	839
<b>Total:</b>	<b>5,033</b>

## 6.0 Windfall Allowance

- 6.1 Paragraph 48 of the NPPF states that local planning authorities can make an allowance for windfall development in their five year supply if there is compelling evidence that such sites have consistently become available in the area and will continue to provide a reliable source of supply. Windfall sites are defined as those which have not specifically been identified as available in the Local Plan process. A windfall allowance should be realistic and have regard to the Strategic Housing Land Availability Assessment (SHLAA), historic windfall delivery rates and expected future trends.
- 6.2 Table 3 below shows the past trends in windfall site completions since 2008. These typically comprise of changes of use and conversions and sites not already identified in the published SHLAA.

**Table 3: Calculation of the windfall allowance**

Year:	Windfall Completions		Total:
	Change of use/ Conversions:	Sites not identified in the SHLAA:	
2008-09	18	30	48
2009-10	39	8	47
2010-11	3	18	21
2011-12	16	11	27
2012-13	25	6	31
2013-14	18	15	33
2014-15	24	2	26
2015-16	43	N/A	43
2016-17	232	20	252
<b>Average per year:</b>			<b>59</b>

- 6.3 Considering the monitoring data presented in Table 3 a windfall allowance of 59 dwellings per year for the last two years of the next five year period is carried forward in to the housing land supply calculation in the next section. This figure is only applied to the last two years (i.e. 2020-2022) in order to avoid double counting of existing planning approvals which are likely to be built in the next three years. This is greater than the allowance of 33 dwellings per year identified in the 2014-15 statement. This is due to the windfall completion figures for 2016-17 being higher than in preceding years. This increase is primarily as a result of a relaxation of permitted development rights regarding the conversion of offices and agricultural buildings to residential use<sup>6</sup>.

## **7.0 Current Five Year Housing Land Supply**

- 7.1 The Appendix to this statement lists sites included in the five year housing land supply and all sites with existing planning approval as at 1<sup>st</sup> April 2017.
- 7.2 The inclusion of the five additional sites follows the guidance in the NPPF and PPG as described in section 2. Details of the five sites and the reasons for including them are as follows:
- Wilmot Drive, Cross Heath (60 dwellings out of total 276 expected to be delivered within 5 years – this is a deliverable SHLAA site CH4 considering an application had been made by a developer on the 31<sup>st</sup> March 2017 for full planning permission for 276 dwellings, the site is also identified as a development site in the Knutton and Cross Heath Development Sites (Phase 1) Supplementary Planning Document, and lies within the urban area.
  - Land off Eccleshall Road, Loggerheads (55 dwellings out of total 55 expected to be delivered within 5 years) – an application for outline planning permission was subject of a positive resolution by the Planning Committee in February 2017 – that planning permission be granted subject to the completion of a Section 106 agreement. The site was originally allocated to the developable supply (6-15 year period) of the SHLAA, 2017. However, considering the site's position within the development management process, it is appropriate to feature in the deliverable supply (0-5 year period).
  - Land off Deans Lane and Moss Grove, Chesterton (50 dwellings out of total 50 expected to be delivered within 5 years) – an application for outline planning permission was subject of a positive resolution by the Planning Committee in December 2016 - that planning permission be granted subject to the completion of a Section 106 agreement. The site was originally allocated to the developable

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<sup>6</sup> Planning case reference 14/00778/COUNOT involved the conversion of one site from office use to 147 residential apartments

supply (6-15 year period) of the SHLAA, 2017. However, considering the site's position within the development management process, it is appropriate to feature in the deliverable supply (0-5 year period).

- Chester Road (former Talke Library), Talke (5 dwellings) – this is a deliverable SHLAA site TK12 that has been included because it is understood the site has been recently sold with the intention of being developed in the short term and no constraints appear to prevent this from being achieved.
- Queensway, Westlands, Newcastle (5 dwellings) – this is a deliverable SHLAA site WL6 that appears to not be constrained.

- 7.3 Taken together, these five sites could contribute 175 new dwellings to the housing supply over the next five years.
- 7.4 The remainder of the deliverable housing land supply is made up of sites with planning approval. Some of these approved sites have had some housing development completed on them (these completions are taken in to account in the Appendix to this statement which indicates the proposed and remaining site capacity). Table 4 below summarises all of the capacity included within this Statement.

**Table 4: Housing site supply 2017-2022**

Source of Supply:	Dwellings:
Remaining capacity of sites with planning approval at 1 <sup>st</sup> April 2017 (sites identified in the SHLAA plus sites less than 5 capacity and sites with permission via change of use / conversions, taking account of build out rates as set out in the SHLAA Methodology:	1,523
Capacity of sites with no planning approval as at 1 <sup>st</sup> April 2017 but considered deliverable:	175
Windfall allowance (2 x 59):	118
<b>Total:</b>	<b>1,816</b>

## 8.0 Housing Land Supply Calculation

- 8.1 The previous sections of this statement explain all of the different considerations that need to be factored in to calculating the supply of housing land. This section brings together all of these factors to determine how the capacity of land for housing development in the Borough compares with the area's recommended housing need figure

(please note, as explained earlier in this statement, this is not the Objectively Assessed Housing Need) for the next five years.

- 8.2 The basic calculation to determine this is for the amount of housing land available (the deliverable supply) to be divided by the annual requirement (the demand). This is set out in Table 5 below.

**Table 5: Calculation of the housing land supply**

Housing requirement 2017-2022 (Includes under-delivery 2013-2017 + 20%) – from Table 2:	5,033
Annual Requirement (i.e. 5,033 divided by 5 years):	1,007
Total Deliverable Supply Capacity (+ Conversions and Change of use permissions and a windfall allowance of 118 for years 4 and 5 of the supply) – from Table 4:	1,816
<b>Number of years' worth of housing land supply against the requirement:</b> (i.e. total supply of 1,816 divided by the annual requirement of 1,007)	<b>1.8</b>

- 8.3 Table 5 indicates that the Borough is currently unable to demonstrate a five year housing land supply according to the latest available evidence regarding its housing need.