Purpose of report

To consider and agree the latest Five Year Housing Land Supply Report 2016 for use in Development management decisions.

1.0 Recommendations

The meeting is recommended:

1.1 To approve the 2016 Five Year Housing Land Supply Report for use in Development Management decisions.

2.0 Introduction

2.1 The Council needs to demonstrate that there is a 5 year supply of housing land available to meet the requirements of the National Planning Policy Framework (NPPF). This is through the annual publication of its Five Year Housing Land Supply report. Housing figures are used to inform the housing land supply for the Council’s District (District) that in turn is a material consideration in the determination of planning applications across the District.

3.0 Report Details

3.1 This section of the Report sets out the main conclusions of the Draft 2016 Housing Land Availability Report that is appended to this Report.

The 2016 Five Year Supply of Housing Land

3.2 In March 2012 the Government published NPPF. The NPPF supersedes a significant amount of National Planning Policy and became a material planning consideration in plan making and decision taking from 27 March 2012 and therefore must be given due weight. The NPPF stipulates that more land should be identified for housing than was required under previous guidance (PPS 3). An extra 5 or 20%
was required “to ensure choice and competition in the market for land”. The main requirement comes in paragraph 47:

**Local Planning authorities should:**

- use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period;

- 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) 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 planned supply and to ensure choice and competition in the market for land

**On what geographical area should the housing land supply calculation be based?**

3.3 The OAN housing figures set out in the West Northamptonshire Joint Core Strategy (WNJCS) are for South Northamptonshire and for the Northampton Related Development Area (NRDA). Therefore both the quantity and phasing of housing required to meet the needs of both areas is known as is the location of where development is expected.

3.4 Previous 5 Year Housing Land Supply reports for South Northamptonshire have been based on the housing targets for that part of the District excluding the NRDA. This approach of making a clear distinction between the two sets of housing figures has been strongly supported at appeals It therefore seems appropriate to continue to split the requirement in this way.

**What is the Housing Target?**

3.5 The adopted WNJCS sets out the housing requirement for South Northamptonshire (excluding the NRDA) as follows:

Total Housing NEED (2011- 2029) = 6,318 dwellings.

3.6 Appendix 3 of the WNJCS sets out the anticipated number of dwellings that are expected to be built in South Northamptonshire (excluding the NRDA). Between 2011 and 2016 the WNJCS expected a total of 1,685 dwellings to be completed. This leaves a residual target of 4,633 dwellings to be built between 2016 and 2029 (6,318 – 1,685). 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 2016/17 – 20/21 the number of dwellings expected to be delivered is 1,825.

**Housing Trajectory and shortfall**

3.7 Paragraph 47 (bullet 4) of the NPPF clearly advocates a trajectory based approach towards preparing a 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.

Appendix 3 of the WNJCS sets out a phased Trajectory with a base date of 2011. This sets out how the 1,825 dwellings for the period 2016/17 – 20/21 will be delivered on a year by year basis.

The Trajectory expected that 1,685 dwellings would be delivered for the period 2011 – 16. In reality, 1,671 dwellings were completed. This means that since 2011 the Council has under delivered by a net 14 dwellings against the need requirement. In 2015/16 a total of 465 dwellings were recorded as completed in South Northamptonshire (excluding the NRDA). An additional 51 dwellings were completed within the NRDA at Wootton Fields.

The National Planning Practice Guidance 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 Report adopts this approach. The revised target is therefore 1,839 dwellings (1,825 + 14).

Buffer

The NPPF requires Local 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 planned supply and to ensure choice and competition in the market for land’

The Council accepts that it has under delivered against the OAN targets with the base date of 2011. However, the accelerated delivery rate in 2015/16 coupled with the fact that the total under delivery is both very small and has only occurred in 2 of the 5 years of the Plan period to date, the shortfall is not considered to be persistent. Therefore and in contrast to previous years, a 5% buffer needs to be applied, brought forward from later in the Plan period. A previous appeal decision at Potterspury (June 2015) (APP/Z2830/A/14/2224285) also concluded that the buffer should be added to both the shortfall and basic housing requirement.

What is the anticipated supply of dwellings?

Major Sites

In order to obtain robust and up to date evidence on delivery, the Council has contacted known developers / landowners or agents associated with major sites where 10 or more dwellings remain to be completed. The Council considers that the

---

1 For information: If a 20% buffer were applied the requirement the Council would still be able to demonstrate a 5 year supply of housing land – see the calculation at paragraph 3.24 below.
developers/applicants themselves are the best source of information as they are fully aware of any outstanding issues that need to be resolved and the time required for a site to be started as well as local market conditions and planned development rates for a particular site. (Despite repeated requests some responses have not been received. In these cases the Council's own assumptions are used in the calculation).

3.14 Based on this information it is assumed that 1,912 dwellings will be delivered from major urban sites over the next 5 years from sites with planning permission. An additional 102 are expected to be delivered from allocated sites but on which planning permission is yet to be granted. A further 920 dwellings are expected from major sites in the rural areas.

Minor sites

3.15 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. This is reflected in the Trajectory.

3.16 Therefore a total of 64 dwellings are expected from minor urban sites and 270 from minor rural area sites.

Windfall allowance

3.17 The NPPF supports the inclusion of a Windfall allowance in a 5-year supply if there is compelling evidence. Paragraph 48 states:

‘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.;

3.18 In the 5 years since 2011 there has been an annual average of 288 windfall completions with an annual average of 88 of these on sites of less than 10 dwellings. The inclusion of a windfall allowance in the calculation of the 5 year housing land supply is well established and has been consistently supported at appeals. It is proposed to include a windfall of 55 dwellings per annum in the trajectory to take account of this historical evidence. As with previous years it is proposed to include a windfall allowance for only years 3, 4 and 5 of the housing supply as it is assumed that all sites likely to be delivered in years 1 and 2 have already been through the planning application process. The evidence shows that there has consistently been a significantly higher level of windfall completions in the District than the allowance in the calculation of the 5 year housing land supply. In addition, work is underway on the Local Plan Part 2A that includes the re-defining of village confines. In turn this could result in further small scale development opportunities being made available in future years within villages.

Allowance from delivery from sites to be allocated in the Part 2 Local Plan
3.19 The Council has already met the rural housing requirement of 2,360 dwellings as set out in the WNJCS through completions since 2011 or through sites with a current planning permission. Since 2011 1,196 dwellings had been completed on sites in the rural areas. At April 2016 there were outstanding planning permissions for a further 1,231 dwellings in the rural areas. This total of 2,427 dwellings exceeds the OAN for the rural areas by 67 dwellings. Policy R1 of the WNJCS states:

*Once the housing requirement for the rural areas has been met through planning permissions or future allocations, further housing development will only be permitted where it can be demonstrated that it:*

1. would result in environmental improvements on a site including for example the re-use of previously developed land and best practice in design; or

2. is required to support the retention of or improvement to essential local services that may be under threat (in particular the local primary school or primary health services); and

3. has been informed by an effective community involvement exercise prior to the submission of a planning application; or

4. is a rural exceptions site that meets the criteria set out in policy H3; or

5. has been agreed through an adopted Neighbourhood Plan.

3.20 Despite this fact the Council acknowledges that it is important that some villages in the District continue to accommodate some additional market and affordable housing. Any further development will need to be in accordance with the criteria set out in Policy R1 as set out above and will also need to be at a scale that is both proportionate to help sustain the viability and vitality of an individual village and that individually or cumulatively does not compromise the urban focussed sustainable development strategy of the WNJCS.

3.21 Work is progressing on the Part 2A Local Plan that will determine which, if any, villages should accommodate growth as well as the location, scale and type of any growth. This may include the need for some appropriately scaled allocations for housing. Decisions on these matters are expected at the end of 2016.

3.22 The fact that the Council can demonstrate a robust 5 Year Housing Land Supply and that it has already met the OAN requirement for the rural areas as set out in the WNJCS clearly means that there is no need for additional developments that are considered contrary to existing policy to come forward prior to the completion of the Part 2 Local Plan. As the scale and location of any future allocations for housing in the rural areas, that may be included in the Part 2A Local Plan, are not yet known, no allowance has been made for this in the Trajectory. The only allowance made is for small scale windfall developments that are likely to come forward that are compliant with existing Policy. If required, this will be updated as the Plan progresses.

*Lapse Rate*

3.23 It is reasonable to assume that not all planning permissions will be implemented, particularly the smaller sites which have not been subject to individual assessment.
In order to ensure a robust approach, there is a need to make an allowance for non-implementation (or lapse rate) of a proportion of some permissions. Any application which expired prior to 1st April 2016, and which were not renewed have been deleted from the supply of planning permissions. In the last monitoring year (15/16) sites comprising 46 dwellings lapsed. In the 5 years of the Plan period a total of 123 dwellings have lapsed at an average of 24 dwellings per year. The lapse rate has varied between 2011 and 2016 from 0.4% to 2.7%. It is therefore reasonable to allow for a 5% lapse rate within the 5 Year Housing Land supply calculation. At April 2016 there were 1,362 dwellings with planning permission which were not started. 5% of 1,362 = 68 dwellings

**THE FIVE YEAR SUPPLY OF DELIVERABLE HOUSING LAND**

3.24 The Table sets out the 5 Year Supply of housing land calculation for South Northamptonshire.

<table>
<thead>
<tr>
<th>FIVE YEAR SUPPLY OF DELIVERABLE HOUSING LAND</th>
<th>DWELLINGS (OAN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Total Housing Requirement (OAN = 2011 – 2029)</td>
<td>6,318</td>
</tr>
<tr>
<td>B Housing Requirement (OAN = 2011 – 2016)</td>
<td>1,685</td>
</tr>
<tr>
<td>C Completions (OAN = 2011 – 2016)</td>
<td>1,671</td>
</tr>
<tr>
<td>D Shortfall (B-C)</td>
<td>14</td>
</tr>
<tr>
<td>E Basic 5 year housing requirement (2016 – 2021)</td>
<td>1,825</td>
</tr>
<tr>
<td>F 5 year housing requirement + Shortfall (2016 – 2021) (D + E)</td>
<td>1,839</td>
</tr>
<tr>
<td>G 5% Buffer(^2) (5% of F)</td>
<td>92</td>
</tr>
<tr>
<td>H Housing Supply Required 2015 – 2020 (F + G)</td>
<td>1,931</td>
</tr>
<tr>
<td>I Major urban sites with planning permission deliverable within next 5 years</td>
<td>1,912</td>
</tr>
<tr>
<td>J Major allocated urban sites without planning permission deliverable within next 5 years</td>
<td>102</td>
</tr>
<tr>
<td>K Major rural sites with planning permission deliverable within next 5 years</td>
<td>920</td>
</tr>
<tr>
<td>L Minor urban sites with planning permission deliverable within next 5 years</td>
<td>64</td>
</tr>
<tr>
<td>M Minor rural sites with planning permission deliverable within next 5 years</td>
<td>270</td>
</tr>
<tr>
<td>N Supply based on windfall allowance</td>
<td>165</td>
</tr>
<tr>
<td>O Lapse Rate</td>
<td>68</td>
</tr>
<tr>
<td>P Deliverable Supply (I + J + K + L + M + N - O )</td>
<td>3,365</td>
</tr>
</tbody>
</table>

\(^2\) If a 20% buffer is applied this would result in a supply required of 2.207 dwellings (1,839 + 20% of 1,839 = 368 )= 2207. This would result in a land supply of 7.61 years
<table>
<thead>
<tr>
<th>Q</th>
<th>Surplus of Deliverable supply (P) over supply required (H)</th>
<th>1,434</th>
</tr>
</thead>
<tbody>
<tr>
<td>R</td>
<td>Number of Years Supply including 5% buffer (= \frac{3,365}{1,931/5})</td>
<td>8.71</td>
</tr>
</tbody>
</table>

**4.0 Conclusion and Reasons for Recommendations**

4.1 The Council considers that it can demonstrate a robust Five Year Supply of Housing Land. This is important in the future determination of planning applications.

4.2 The total of 516 dwellings completed in 2015/2016 is the highest single year delivery since 2004/05. The housing market is strong and this is particularly demonstrated by high completion rates at Radstone Fields in Brackley and Springfields in Towcester. Completions have increased each year from 226 in 2012/2013 to 516 last year. Information on future completion rates from developers is also very positive with strong rates of completions expected from both Brackley and Towcester as well as the rural areas. This trend has resulted in an increased amount of New Homes Bonus payments to the Council that will continue if the developer forecasts are correct. The current position is therefore positive as it assists the Council in seeking to control where development takes place as well as enhanced financial gain from supported growth.

**5.0 Consultation**

5.1 Consultation on the draft Report has been undertaken with the portfolio holders for Planning and the Environment and Housing and Economic Development, Regeneration and Housing as well as the Head of Strategic Planning and the Economy.

**6.0 Alternative Options and Reasons for Rejection**

6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To amend the recommendations. The Report is based on the latest known information and has been prepared with information provided from the development industry and officers and members from the Council.

Option 2: Not to agree to the recommendations. This would leave the Council more vulnerable to unwelcomed planning applications and appeals.

**7.0 Implications**

**Financial and Resource Implications**

7.1 The cost of preparing this Report will be met from existing resources within the Strategic Planning and Economic Development Division. There may be financial
implications in defending the Council’s position at future planning appeals and legal challenges.

Paul Sutton, Chief Finance Officer, 0300 003 0106
Paul.sutton@cherwellandsouthnorthants.gov.uk

Legal Implications

7.2 The HLA Report is required under the provisions of 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 inappropriate development taking place due to the absence of an up to date 5 Year Housing Land Supply leaving 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 accordance with the provision of the NPPF.

Comments checked by:
Christopher Mace, Solicitor, 01327 3222125
Christopher.mace@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

To preserve what is special.
To protect quality of life.

Lead Councillor

Cllr Roger Clarke
Portfolio Holder for Planning and Environment

Document Information

<table>
<thead>
<tr>
<th>Appendix No</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appendix 1</td>
<td>2016 Five Year Supply of Housing Land Report</td>
</tr>
</tbody>
</table>

Background Papers

None

Report Author

Andy D’Arcy

Contact Information

01327 322267
Andy.darcy@southnorthants.gov.uk