

Bolsover District Council

Planning Committee

Date of meeting – 30th August 2017

Five Year Housing Supply

Report of the Joint Assistant Director of Planning and Environmental Health

This report is public

Purpose of the Report

- To set out the background to the assessment of the Council's five year supply of deliverable housing.
- To approve the annual assessment and publication of the five year supply of deliverable sites for housing as required by paragraph 47 of the National Planning Policy Framework (NPPF) 2012.

1 Report Details

Introduction

- 1.1 Members will be aware that where a Council cannot demonstrate a five year supply of deliverable housing sites, housing applications fall to be considered in the context of the presumption in favour of sustainable development, as relevant policies for the supply of housing may not be considered up to date. Therefore whether or not an authority has a five year supply has a direct impact on the Council's ability to influence the location of new housing. The adoption of a new Local Plan and achievement of a five year supply will give members greater control over the location of new housing development in the district.
- 1.2 Whilst the absence of a five year supply is not conclusive in favour of the grant of planning permission, the Secretary of State and their inspectors usually place great weight on the need to demonstrate a five year supply in line with paragraph 47 of the NPPF which emphasises the need 'to boost significantly the supply of housing'.
- 1.3 In October of last year, we were able to report that due to the positive and proactive approach the Council had taken to housing sites, we could demonstrate a 5 year supply and therefore planning policies relevant to the supply of housing would no longer be considered as out of date.

Objectively Assessed Need and Housing Targets

- 1.4 The National Planning Policy Framework (2012) introduced the phrase 'objectively assessed needs' for housing (although the phrase is relatively new, the ideas

underpinning it are not). It is important to note that objectively assessed need is not the same as housing provision or a housing target.

- 1.5 Objectively assessed need (OAN) is based on modelling work using demographic factors such as births, deaths, number of households; migration patterns; and, employment to predict the number of houses likely to be needed in an area. This basic data is refined by considering other factors, such as whether household formation has been suppressed by affordability or past under-provision, or whether the figures will support forecast employment growth to arrive at an objectively assessed need.
- 1.6 The objectively assessed need for housing in Bolsover district was calculated by independent consultants as part of the Strategic Housing Market Assessment (November 2013). This identified the OAN as between 235 – 240 homes a year. The upper figure (240) was used to calculate the requirement for housing in the district for the last three years, and is being utilised in developing the new Local Plan.
- 1.7 Following consideration of the options for a housing target, in February 2016 the Council selected a preferred housing target for the emerging Local Plan for Bolsover District of 240 dwellings per year based on meeting the OAN. This preferred housing target was reconsidered and subsequently incorporated into the Consultation Draft Local Plan for Bolsover District when this was published for public consultation in October 2016.
- 1.8 In response to the consultation, there has been significant objection to the use of 240 as an OAN on the basis that the figure does not reflect the most recent demographic projections and a higher figure should be used. The Council however had already committed to undertaking a review of the figure and that work is now under review and a new Draft SHMA is expected in the near future.
- 1.9 The Government have also announced the intention of introducing a new method to calculate the level of housing need. It is likely that over the coming year, once these issues are clarified, a new OAN figure will need to be agreed upon for the purpose of using within the Local Plan work and for calculating the 5 year housing supply.

The Housing Requirement

- 1.10 For the last three years, the housing requirement has been based on the objectively assessed need identified in the 2013 Strategic Housing Market Assessment (SHMA) of 240 dwellings a year. As set out above, this figure is still the most appropriate figure to use at this time and no justified, alternative figure is currently available.
- 1.11 The 2013 SHMA has a base date of 2011. Any shortfalls in delivery from this date have to be added to the requirement. Table 1 below shows that between the 1st April 2011 and the 31st March 2014, housing delivery was significantly below the annual requirement but that there has been an encouraging uplift in delivery in the past three years.
- 1.12 As can also be seen from Table 1 this uplift has not been sufficient to completely offset the previous shortfall and therefore the outstanding 188 dwellings need to be

added to the next five year supply period. This also means that the Council's historic record of 'persistent under delivery' remains at the present time.

Table 1: The shortfall to date against the Objectively Assessed Need of 240 and selected Local Plan housing target			
Year	Annual Requirement	Completions (Net)	Shortfall
2011/12	240	124	116
2012/13	240	120	120
2013/14	240	136	104
2014/15	240	253	-13
2015/16	240	326	-86
2016/17	240	293	-53
Total	1440	1252	188

The Housing Supply

- 1.13 Government policy in relation to the supply of housing in the 5 year supply is that it should be 'deliverable'. For the purposes of this assessment this means that sites should be available; in a suitable location; with a realistic prospect that housing will be delivered on the site within five years, and in particular that development of the site is viable. Not all sites with planning permission are considered 'deliverable', within the next five years.
- 1.14 The assessment of the five year supply for deliverable housing follows the completion of the annual Residential Land Assessment. This includes a survey of all the sites in the District with planning permission (including sites with committee resolutions to approve subject to completion of S106 agreements), and sets out how many houses have been built, and how many houses are still to be built. Owners / developers of major sites with planning permission have been surveyed to help assess when sites are likely to be developed. This information feeds into the assessment of how many sites will be deliverable over the next five years.
- 1.15 In addition to sites with planning permission, the Council has included housing allocations within the draft version of the Local Plan for Bolsover District (October 2016). The decisions underpinning these allocations have also provided a policy stance on the few sites allocated in the current Bolsover District Local Plan that have not come forward. In addition, the sites allocated within the emerging Local Plan may make a contribution to the supply of deliverable housing sites where they fall within the five year supply window.
- 1.16 The Council has taken a robust approach in relation to considering what elements of our supply can be considered to be deliverable over the next five years. This has seen sites that we consider are unlikely to deliver within the five year period to be excluded. In addition, the later years of provision from larger sites that will take more than five years to build out are also excluded.
- 1.17 Overall, we are only relying on 42% of our overall supply and discounting 3372 potential dwellings. This shows that a robust approach has been taken to discounting, however this is far from a precise science. Sites previously discounted have, due to changed circumstances, recently seen renewed interest. Therefore

there is no guarantee that these sites will not come forward, so delivery could actually be higher.

1.18 Table 2 below gives a breakdown of the components of the five year deliverable supply. Due to the five year supply update being published substantially into the monitoring year (traditionally as part of the Authority Monitoring Report), the table also includes an additional year in order to provide a robust five year supply position.

Table 2: Components of the five year deliverable supply			
Year	Supply - Sites with planning permission* at 31st March 2017 considered to be deliverable	Additional deliverable supply from Local Plan allocations	Total
2017/18	303	0	303
2018/19	477	0	477
2019/20	486	30	516
2020/21	386	90	476
2021/22	247	90	337
2022/23	199	110	309
Total	2098	320	2418

*including sites with committee resolutions to approve subject to completion of S106 agreements

1.19 As can be seen in Table 2, following the Council's positive response to the historical lack of a five year supply through its decisions on planning applications in recent years, the supply of deliverable sites has been significantly boosted. In this context, the additional supply of deliverable sites from Local Plan allocations is expected to make a greater contribution towards the end of the five year supply window.

1.20 Whilst all major sites in the district have been assessed for their deliverability, it is not practical to assess each minor site. Therefore, a lapse rate of 15% based on historic lapse rates on minor sites has been applied to the total number of dwellings that could be provided by minor sites. This reduced total level of deliverable minor sites has then been apportioned across the first three years of the supply period to reflect the three year period for implementation and the fact that infrastructure requirements for such sites are generally minimal.

1.21 A full list of the deliverable sites included in the five year supply is set out at Appendix B.

Assessment of the five year supply

1.22 The Council has consistently followed the Sedgefield method when assessing its five year supply and so has always planned to meet the shortfall within 5 years rather than across the whole of the Plan period (the Liverpool method). Therefore, as outlined above, the housing requirement is 240 dwellings per year plus the existing shortfall, meaning that during the period 2017/18 to 2021/22 this would equate to a requirement of 1,388 dwellings. On the basis that the shortfall would be met within

the five years, when 2022/23's requirement is added the requirement would rise by 240 only (our standard requirement) to 1,628 dwellings.

1.23 Due to the Council's record of 'persistent under delivery', in addition to the requirement and shortfall there is a Government requirement to ensure the Council has a 20% buffer of deliverable land, within the 5 year period, to increase the land supply and to ensure choice and competition in the market. As such, this 20% buffer needs to be reflected in the five year supply assessment and the Council's quantity of deliverable supply measured against it.

1.24 Therefore, our NPPF requirement of deliverable land is 1,200 dwellings, plus the shortfall of 188 (1,388 dwellings), plus the 20% buffer (1,666 dwellings). Provided we can show a supply in excess of 1,666 units over a 5 year period, our planning policies in relation to housing supply are not considered to be out of date.

1.25 As set out in table 2 above, against this housing requirement the Council has 2,109 dwellings in the deliverable supply for the period 2017/18 to 2021/22, with an additional 309 dwellings expected within 2022/23.

1.26 Table 3 below shows the requirements set against the deliverable supply and the NPPF requirements in future years.

Table 3: Deliverable supply set against the requirement and 20% buffer					
Year	OAN pa. + shortfall to date spread over 5 years	Potential Delivery pa.	Cumulative requirement	Cumulative Potential delivery	NPPF requirement (+20% or +5%)
2017/18	278	303	278	303	
2018/19	278	477	556	780	
2019/20	278	516	834	1296	
2020/21	277	476	1111	1772	
2021/22	277	337	1388	2109	1666
2022/23	240	309	1628	2418	1918

1.27 This table clearly shows that regardless of whether we look to 2022 or 2023, the potential delivery sites exceed the requirement throughout. Over either period, the Council has between 2,109 and 2,418 deliverable dwellings, over 400 dwellings in excess of the NPPF requirement, meaning the Council can demonstrate that it has in excess of a 5 year deliverable supply.

1.28 To calculate the extent of the Council's deliverable supply, if one were to subtract the under-provision to date (188 dwellings) from the deliverable supply (2,109 dwellings) and divide the remainder by our annual requirement (240 dwellings pa.) the Council can show over an 8 year supply for the period 2017/18 to 2021/21. This would increase to just under a 9.5 year supply for the period 2017/18 to 2022/23.

1.29 As set out last year, the five year supply can be looked at in different ways and it could be argued that based on the assumed deliverable supply in the 2017/18 and 2018/19 years, the shortfall would reduce and be eliminated by the 2019 update. This would mean that the NPPF requirement to include a 20% buffer would cease and drop to the standard 5% buffer during the five year period, leading to requirement

lower than set out above and thus a supply even greater than the NPPF requirement, than that projected.

1.30 Therefore, when looked at in a variety of ways, the Council is now able to demonstrate a robust five year supply of deliverable residential sites.

1.31 Appendix A sets out the Council's definitive account of its five year supply. Appendix B sets out the sites in the five year supply of deliverable housing sites.

2 Conclusions and Reasons for Recommendations

2.1 The five year housing supply is a consideration of the amount of housing that is deliverable on housing sites within the District at the 31st March 2017.

2.2 The assessment of the five year housing supply is a technical exercise. Based on the above assessment the Council can demonstrate that it has a five year housing supply as required by the NPPF.

3 Consultation and Equality Impact

3.1 Other Officers involved in the preparation of this report were: Interim Planning Policy Manager; Principal Planning Officers; and Senior Planning Information Officer.

3.2 The matter was reported to the Local Plan Steering Group on 2nd August 2017.

4 Alternative Options and Reasons for Rejection

4.1 As explained at paragraphs 1.1 & 1.2 above there is a requirement under national planning policy to carry out the assessment of the five year supply of deliverable housing sites. This means that there is no alternative course of action.

5 Implications

Finance and Risk Implications

5.1 The assessment of the five year supply of deliverable housing sites is part of the annual monitoring work. As such it can be funded from existing budgets. However, it is important that this budget is maintained in future years.

Legal Implications including Data Protection

5.2 The Council has a statutory duty to keep under review the matters which may be expected to affect the development of their area. The development of land for housing is a key issue that affects the growth of the district.

Human Resources Implications

5.3 The assessment can be met within existing staffing resources.

6 Recommendations

6.1 That the Planning Committee:

- I. Notes the detailed issues set out in the report;
- II. Approves the assessment of the Council's current five-year supply of deliverable housing sites as set out at Appendix A;
- III. Authorises the publication of the five Year Supply Assessment (Appendix A) and Schedule of Deliverable Sites in the five year supply (Appendix B) on the Council's website; and
- IV. Gives delegated authority to the Joint Assistant Director of Planning and Environmental Health in consultation with the Chair, and Vice Chair of Planning Committee to make any minor changes to the text or information referred to in recommendation 6.1 III. prior to publication.

7 Decision Information

Is the decision a Key Decision? (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
District Wards Affected	All
Links to Corporate Plan priorities or Policy Framework	<p>The maintenance of a five year supply of deliverable housing has an impact on the way decisions on planning applications for residential development are determined. As such it has potential impacts on the following corporate aims:</p> <p>COMMUNITY SAFETY – Ensuring that communities are safe and secure</p> <p>ENVIRONMENT – Promoting and enhancing a clear and sustainable environment</p> <p>REGENERATION – Developing healthy, prosperous and sustainable communities</p>

8 **Document Information**

Appendix No	Title
Appendix A	Assessment of Five Year Supply
Appendix B	Details of sites in the current five year supply
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Assessment of deliverability of major sites Calculation of lapse rate of minor sites	
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