

Bolsover District Council

Planning Committee

Date of meeting 22nd November 2017

Five Year Housing Supply – updated

Report of the Joint Assistant Director of Planning and Environmental Health

Purpose of the Report

- To set out the background to the assessment of the Council's five year supply of deliverable housing.
- To approve an amendment to the annual assessment and publication of the five year supply of deliverable sites following the release of the North Derbyshire and Bassetlaw SHMA – OAN Update. The annual assessment is 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, rather than against the relevant policies for the supply of housing, which 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 and in August this 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a 5 year supply and therefore planning policies relevant to the supply of housing would no longer be considered as out of date.
- 1.4 Since that report, two important events have occurred that require further consideration to enable a clear position statement from the Council to be made in respect of this issue.

- 1.5 First, in September the Government provided the Consultation document on a new way of working out an authorities housing requirement and at that time set out what those requirements will be. The Government intend, following the consultation to bring in a new approach which will clearly set out what our requirement will be in future years.
- 1.6 Secondly, in October the Council and its partners in the North Derbyshire and Bassetlaw Housing Market Area received the final version of the North Derbyshire and Bassetlaw SHMA – OAN Update’, for Bolsover District and the wider housing market area taking into account the 2014 Sub National Population projections (SNPP), which were published in May 2016 & the Sub National House Hold Projections (SNHP) which were published in July 2016.

Objectively Assessed Need and Housing Targets

- 1.7 The National Planning Policy Framework (2012) introduced the phrase ‘objectively assessed needs’ for housing. It is important to note that objectively assessed need is not the same as housing provision or a housing target.
- 1.8 At present, the methodology for calculating Housing Objectively Assessed Need (OAN) is set out in the National Planning Practice Guidance (PPG). It 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.
- 1.9 The objectively assessed need for housing in Bolsover District was calculated by independent consultants as part of the Strategic Housing Market Assessment (November 2013), which was updated following sensitivity testing in April 2014. This identified the OAN as between 235 – 240 homes a year with the upper figure of 240 being used to calculate the requirement for housing in the district from that point on.
- 1.10 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.
- 1.11 The North Derbyshire and Bassetlaw Objectively Assessed Need Update report (October 2017) identifies that the most appropriate figure for Bolsover District’s OAN, based on the current methodology and the latest SNPP, as suggested in government guidance, should be 272 dwellings per year.
- 1.12 In reaching this figure, the report looks at several scenarios in relation to a potential housing requirement. It considers Demographic Need, with different scenarios for migration. It looks at a Baseline Economic scenario and a Growth Economic scenario. It also considers the potential housing need based on market signals as

well as affordable housing need. Table 1 below looks at the conclusions for the various approaches in the district and across the HMA as a whole.

Table 1

	Starting Point 2014 based Projections	Conclusion on Demographic Need	Adjusted to Boost Affordable Housing Delivery	Adjusted for Baseline Economic Growth	Adjusted for a Economic growth Scenario.	Objectively Assessed Need (OAN)
Bolsover	229	247	272	249	386	272
HMA	983	1,101	1,211	1,124	1,465	1,211

- 1.13 Whilst the Economic Growth scenario is the highest, this is the same for all of the authorities and lifts the requirement by 33% above the demographic need, compared to 2.2% for the economic baseline scenario. The study recognises that this highlights the sensitivity of estimates of the scale of housing need to economic performance, and the degree to which economic growth could drive in-migration.
- 1.14 Within Bolsover, we have evidence that high levels of employment growth through new employment land delivery have not driven housing growth in any clear, identifiable or linked manner. This is probably due in part to the impact of new employment on activity rates, but also due to the nature of the District with the M1 running north-south through it and good links to nearby sub-regional centres elsewhere in Derbyshire and neighbouring Nottinghamshire and relatively low house prices associated with the District's post-industrial heritage and market perception.
- 1.15 Interestingly, the Local Plan Expert Group report, and the recent consultation on housing numbers have both separated out housing requirements from economic growth, apart from the link given by the affordability ratio, which would rise where scarcity of supply for incoming workers would drive up housing prices and require a higher build rate.
- 1.16 The North Derbyshire and Bassetlaw SHMA - OAN Update calculates the OAN for the District as 272 dwellings per annum. As stated in its conclusion, "the OAN is calculated taking into account the adjustments made in drawing conclusions on the demographic need for homes; upward adjustments where appropriate to support baseline economic growth; and a 10% upward adjustment applied to the demographic need to support enhanced affordable housing delivery".
- 1.17 In September the Government Consultation on '**Planning for the right homes in the right places**' came out. Whilst it is currently only a consultation document, it sets out a clear and simple new methodology to defining the housing requirement (OAN), based mainly on the demographic needs of an area but lifted where average house prices are more than 4 times the average income. The figure given for Bolsover within this Government consultation is 244 dwellings per annum. Whilst once again the Council could decide to allocate more should we wish, that is a decision for the Local Plan process and does not impact at this time on the OAN.
- 1.18 However, it is an important consideration as it not only indicates a direction of travel in terms of the Government's approach, but also identified a consistency with the existing figure and the demographic need and highlights the uplift in the OAN for the

affordable housing need, as well as how unconnected the Economic Growth figure is from all other scenarios for Bolsover District in particular..

1.19 Going forward, the Council will need to review its preferred housing target of 240 dwellings per year for the emerging Local Plan for Bolsover District in light of the findings of the Objectively Assessed Need Update report, the Government’s proposed new methodology for calculating the OAN for the District and any changes to national planning policy that may be forthcoming in the revised NPPF, which is expected to be published for consultation early in 2018.

The Housing Requirement

1.20 For the last four years, the housing requirement has been based on the objectively assessed need identified in the 2013 Strategic Housing Market Assessment (SHMA) (as updated) of 240 dwellings a year. As set out above, this figure is no longer the most appropriate figure to use at this time and we need to consider both the OAN within the Objectively Assessed Need Update report (272) and, with an eye to the future, the Government’s consulted upon new methodology (giving rise to a figure of 244) that could become the new approach to setting the OAN for the District.

1.21 Whilst the 2013 SHMA has a base date of 2011, the Objectively Assessed Need Update report, updates the base date to 1st April 2014. The Government Consultation on ‘**Planning for the right homes in the right places**’ proposes to also update the base date to 1st April 2014.

1.22 As can be seen from Tables 2 and 3, below, based on the new 2014 base date, in only 1 year has the Council failed to see housing delivery in excess of either OAN requirement, and that was only by 19 dwellings. Over the last 3 years, the number of completions has exceeded the OAN Update requirement by 56 and the Government’s proposed new methodology figure by 140.

Table 2: Housing provision against the OAN Update figure of 272			
Year	Annual Requirement	Completions (Net)	Variation
2014/15	272	253	-19
2015/16	272	326	+54
2016/17	272	293	+21
Total	816	872	+56

Table 3: Housing provision against the Government Proposed figure of 244			
Year	Annual Requirement	Completions (Net)	Variation
2014/15	244	253	+9
2015/16	244	326	+82
2016/17	244	293	+49
Total	732	872	+140

1.23 On this basis it is no longer considered that the previous poor delivery of housing, due in large degree to wider economic factors at that time, can be seen as a record of ‘persistent under delivery’, as since the base date of these requirements the need

has been exceeded. Therefore, there is no longer 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. Guidance now requires only a 5 % buffer.

The Housing Supply

1.24 This mid period review is due to the changes affecting the requirement alone, due to the new SHMA report and the potential impact of the Government’s consultation. As a result, the assessment is still based on the housing supply position at the end of March 2017 and the reasoning set out in the August report and contained in Table 4 below still stands.

1.25 A new full review will take place in April / May 2018, by which time the Government should have decided how the requirement should be calculated in future years.

1.26 Table 4 below, summarises the housing supply position as outlined in the August 2017 report.

Table 4: 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	2,098	320	2,418

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

1.27 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

1.28 The Council has consistently followed the Sedgefield method when assessing its five year supply and so has always planned to meet any shortfall within 5 years rather than across the whole of the Plan period (the Liverpool method). On the same basis we have spread the excess to date across the next 5 years, to reflect how many houses would need to be built for the Council to stay on track.

1.29 As outlined above, now that the Council can evidence that within the current housing period we have exceeded our requirement, there is no longer a requirement to have a buffer of 20% because of a record of persistent under delivery. Rather, there is an excess to spread out over the next 5 years and a need to only provide for a 5% buffer in accordance with the NPPF.

1.30 Table 5 below reflects the situation in regard to the SHMA OAN Update figure of 272. Our NPPF requirement of deliverable land would be 1,360 dwellings, minus the excess already provided of 56 (Table 2). This leaves a requirement over the next 5 years of 1,304 dwellings.

1.31 If we then add the NPPF buffer of 5% (65 dwellings), provided we can show a supply in excess of 1,370 units over a 5 year period we comply with the NPPF requirements and our planning policies in relation to housing supply are not considered to be out of date.

1.32 With a potential delivery 2,109 units within the relevant time period, we clearly exceed the requirement by 739 units.

Table 5: Deliverable supply set against the SHMA Updated OAN (272) requirement and 5% buffer					
Year	OAN pa. +/- Variation (11) spread over 5 years	Potential Delivery pa.	Cumulative requirement	Cumulative Potential delivery	NPPF requirement (+5%)
2017/18	261	303	261	303	1370
2018/19	261	477	522	780	
2019/20	261	516	783	1296	
2020/21	261	476	1044	1772	
2021/22	261	337	1305	2109	
2022/23	272	309	1577	2418	

1.33 Table 6 below reflects the situation in regard to the Government's proposed new OAN methodology requirement of 244. Our NPPF requirement of deliverable land would be 1,220 dwellings, minus the excess already provided of 140 (Table 3). This leaves a requirement over the next 5 years of 1,080 dwellings.

1.34 If we then add the NPPF 5% buffer (54 dwellings), we have an overall requirement of 1,134 dwellings. Provided we can show a supply in excess of this over a 5 year period, we again comply with the NPPF requirements and our planning policies in relation to housing supply would not be considered to be out of date.

1.35 With a potential delivery 2,109 units within the relevant time period, we clearly exceed the requirement by 975 units

Table 6: Deliverable supply set against the Government's OAN (244) requirement and 5% buffer					
Year	OAN pa. +/- Variation (28) spread over 5 years	Potential Delivery pa.	Cumulative requirement	Cumulative Potential delivery	NPPF requirement (+5%)
2017/18	216	303	216	303	1134
2018/19	216	477	432	780	
2019/20	216	516	648	1296	
2020/21	216	476	864	1772	

2021/22	216	337	1080	2109	
2022/23	244	309	1628	2418	1390

1.36 Both Tables (5 & 6) clearly show that regardless of whether we look to 2022 or 2023, the potential delivery exceeds the requirement throughout.

1.37 To calculate the extent of the Council's deliverable supply, one needs to add the excess to date, to the deliverable supply and divide the remainder by the annual requirement. This means for the next 5 years to 2021/22:

- SHMA Updated OAN figure of 272 gives - $2,109 + 56 = 2,165 \div 272 = 7.96$ years
- Government OAN figure of 244 gives - $2,109 + 140 = 2,249 \div 244 = 9.22$ years.

1.38 Therefore, against either requirement the Council can show a strong supply of housing sites that could within the next 5 years provide for around 8 to 9 years of housing.

1.39 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 within a 5 year period from 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, whether we look at the SHMA Updated OAN approach or the Government's consultation approach.

2.3 However, for clarity it should be agreed at this time that the Council accepts the 2017 SHMA Updated OAN report findings. As they are based on the current national methodology, the Council will now utilise the updated OAN figure of 272 units per annum in order to calculate the 5 year housing requirement until a final version of the Government's new approach is confirmed. Based on the latest information from the Government, this is expected to be in spring of 2018.

2.4 Therefore, against this requirement and as shown above, the Council can demonstrate a supply in excess of 5 years and do not have to accept that policies related to the supply of housing within the Adopted Local Plan are out of date.

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 report went to the Local Plan Steering Group on 10th November 2017.

4 Alternative Options and Reasons for Rejection

- 4.1 As explained at paragraphs 1.1 & 1.2 above there is a requirement the NPPF 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. Agrees to adopt the findings of the North Derbyshire and Bassetlaw SHMA – OAN Update' (October 2017) and utilise them in the calculation of the 5 year supply
- iii. Approves the assessment of the Council's current five-year supply of deliverable housing sites as set out at Appendix A;
- iv. Authorises the publication of the five Year Supply Assessment (Appendix A), the Schedule of Deliverable Sites in the five year supply (Appendix B), and the final version of the North Derbyshire and Bassetlaw SHMA – OAN Update' on the Council's website; and
- v. 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 iv 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	No
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two or more District wards)	
District Wards Affected	All
Links to Corporate Plan priorities or Policy Framework	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: COMMUNITY SAFETY – Ensuring that communities are safe and secure ENVIRONMENT – Promoting and enhancing a clear and sustainable environment REGENERATION – Developing healthy, prosperous and sustainable communities

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	
Report Author	Contact Number
Rob Routledge	Ext 2299