

# **Assessment of 5 Year Housing Land Supply**

**January 2009**



## **HOUSING SUPPLY IN CHARNWOOD**

### **1. INTRODUCTION**

- 1.1 Planning Policy Statement 3, Housing (PPS3) states that from the 1<sup>st</sup> April 2007 local planning authorities will need to assess and demonstrate the extent to which existing plans fulfil the requirement to identify and maintain a rolling five-year supply of deliverable land for housing (paras 7, 8 and 68 to 74).
- 1.2 This paper sets out an assessment of whether there is a five year supply of deliverable housing land in Charnwood. This assessment will inform decisions on planning applications for housing developments after the 1<sup>st</sup> April 2008.
- 1.3 The assessment updates the assessment published in November 2007 which was based on the housing land availability position as at April 2007. Further advice from Communities and Local Government (CLG) in its report 'Housing and Planning Delivery Grant Allocation Mechanism and Summary of Consultation Responses' (July 2008) advises that from April 2008, Local Authorities should have a forward looking approach to the Five Year Supply. Therefore, for reports submitted in 2008, the reporting period will be April 2009 to 31 March 2014. The update now reflects the actual position at April 2009 recording actual completions and new sites permitted 2007-2008.
- 1.4 An advantage of the forward looking approach to the Five Year Supply is that it provides a degree of flexibility to the interpretation of five year supply given that surveys of completion only take place once a year.

### **2. THE EXISTING DEVELOPMENT PLAN POSITION IN RELATION TO HOUSING PROVISION**

- 2.1 The adopted development plan is made up of the saved policies from the Borough of Charnwood Local Plan, 2004, the saved policies from the Leicestershire, Leicester and Rutland Structure Plan, 2005 and the Regional Spatial Strategy for the East Midlands 2005 (RSS 8).
- 2.2 Policy 17 of RSS8 sets out a housing requirement for Leicestershire of 3,150 homes per year between 2001 and 2021. The RSS does not break down housing requirements by district. Housing Policy 1 of the Leicestershire, Leicester and Rutland Structure Plan (which was saved on 7<sup>th</sup> March 2008) sets out a requirement for the provision of 63,000 homes over the period 1996-2016 for the plan area, equating to 3,150 homes per year. For Charnwood the Structure Plan sets out an overall requirement of 9,400 homes or 470 homes a year. Housing requirements in the Borough of Charnwood Local Plan covered the period 1991 to 2006 and were based on the previous Structure Plan. The revised Structure Plan replaces these requirements.
- 2.3 The Draft East Midlands Regional Plan was published for consultation in September 2006, and an independent Examination in Public (EIP) was held in May-July 2007 followed by the Panel Report which was published in November 2007. The proposed modifications to the Regional Plan in response to the Panel Report were published for consultation in July 2008. Policy 13 of the Draft Regional Plan recommends an overall requirement of 19,300 homes in Charnwood over the period 2001-2026. The regional housing requirement is set out in four phases over the plan period.

- 2.4 Subject to any changes by the Secretary of State, this requirement will be addressed through the Borough Council's Local Development Framework Core Strategy and Allocations Development Plan Documents.
- 2.5 Because the Draft Regional Plan is at an advanced stage of preparation, it is deemed appropriate to provide a five year supply update against the adopted Regional Spatial Strategy and the Draft Regional Plan.

### 3. DELIVERABLE HOUSING LAND

3.1 PPS3 states that for sites to be considered deliverable they need to be available, suitable and achievable within a five year period (para 54). To establish whether there is a five year supply of deliverable housing land in the Borough, existing site permissions and remaining Local Plan allocations have been assessed and a judgement has been made about whether they are available, suitable and achievable. This assessment has been based on the following assumptions.

3.2 A site is **Available** if it;

- is under construction,

*or*

- is a Local Plan Allocation,

*or*

- has planning permission in full, outline or reserved matters with the intention to implement,

*or*

- is owned by a developer with an intention to develop, there is known developer interest or is advertised for sale.

3.3 A site is **Suitable** if:

- it has no irresolvable physical/environmental constraints preventing development such as:
  - A significant flood risk
  - Active mineral extraction sites
  - Oil and high pressure gas pipelines and 400kv (National grid) overhead electricity lines
  - SSSIs and scheduled ancient monuments

*and*

- it is a suitable location for housing development and would contribute to the creation of sustainable mixed communities in terms of:

- the Borough Council's guidance on development in rural communities <http://www.charnwood.gov.uk/pages/newdwellingsincharnwoodsandruralcommunities>.
- its accessibility to services and facilities, and
- whether it is within or adjoining the settlement boundary or can be combined with another site that is itself within or adjoining the settlement boundary

*and*

- a suitable access can be achieved. Access to the site may be suitable if it is provided from an adjacent site if it is within the control of the applicant or landowner.

3.4 For sites to be considered **Achievable** there should be a reasonable prospect that housing will be delivered on the site in 5 years. Sites are considered achievable if:

- there are no irresolvable market factors affecting development such as:
  - land values
  - market demand

*and*

- there are no irresolvable cost factors affecting development including:
  - site preparation costs
  - any necessary work to comply with planning conditions or planning obligations
  - funding issues to address identified constraints or assist development.

*and*

- there are no irresolvable delivery factors affecting development including
  - the developers own phasing,
  - whether there is a single developer or several developers offering different housing products, or
  - the size and capacity of the developer.

3.5 Table I sets out the assessment of sites with planning permission and remaining Local Plan allocations on the basis of these criteria. The assessment is based on the housing land supply information available as at 1st April 2008. The assessment considers the 5 year period 2009-2014.

3.6 The assessment utilised information available from the Borough Council's planning and building control records combined with site visits to check progress on site and consultation with applicants, agents and landowners.

#### **4. THE FIVE YEAR SUPPLY OF DELIVERABLE HOUSING LAND**

4.1 No allowance has been made for windfalls in the calculation of the five year supply. However, it is expected that small and large windfalls will continue to make a contribution to housing land supply. Subsequent permissions on windfall sites will be reflected in the supply

calculations when the assessment is updated annually. The previous five year supply reports have not taken into account small sites permissions which has meant that the 5 year supply calculation represented a conservative assessment. This year, the deliverable stock of small site permissions has been included in the calculation in order to obtain a more accurate assessment of supply.

- 4.2 The assessment demonstrates that there is a 5 year supply of housing land in the Borough when calculating against the Regional Spatial Strategy but there will be a shortfall in supply if the calculation is made against the Draft East Midlands Regional Plan. The position is summarised below:

5 Year supply calculation against the RSS and Structure Plan requirements

		Dwellings	Average Per Year
a	Housing Requirement 2001-2021 (Leicestershire, Leicester and Rutland Structure Plan requirement applied to RSS timeframe)	9400	470
b	Completions 2001-2008	5228	
c	Expected completions 2008-09	807	
d	Completions 01-07 + Expected completions 08-09	6035	
c	Residual requirement 2009-2021 (a-d)	3365	280
d	Requirement for 5 years 2009-2014 = 5 x 280	1402	
e	Expected Supply of deliverable sites	2551	
f	Surplus over requirement (e-d)	1149 (82%)	
g	Number of Years Supply (e/321)	9.1	

- 4.3 The rise in the number of years supply is because, after consulting with developers and landowners, a more accurate indication of when sites are likely to be completed has been achieved. Additionally, the inclusion of the small sites means that there is a larger supply. The increase in the housing supply of 301 dwellings is a reflection of the addition of the smaller sites but is also due to two factors; there has been a net loss of 450 plots (through completions and changes in build rate assumptions) which has been offset by the granting of permission of 272 new plots and the inclusion of 479 small plots in the last monitoring year. Additionally there has been a higher permission rate of large scale housing development followed by a quick build time.

5 Year supply calculation against the

		Dwellings	Average Per Year 2009-2014
a	Housing Requirement 2001-2026 (Draft East Midlands Regional Plan requirements)	19300	810 per annum 2009-2011, 800 2011-2014
b	Completions 2001-2008	5228	
c	Expected completions 2008-09	807	

d	Completions 01-07 + Expected completions 08-09	6035	
c	Residual requirement 2009-2026 (a-d)	13265	780
d	Requirement for 5 years 2009-2014 =5 x 780	3900	
e	Expected Supply of deliverable sites	2551	
f	Surplus over requirement (e-d)	-1350 (-35%)	
g	Number of Years Supply (e/321)	3.3	

- 4.4 The table above demonstrate that the Council will not have a Five Year Supply of deliverable sites when the East Midlands Regional Plan is adopted. This will need to be addressed through the Strategic Housing Land Availability Assessment and the Allocation Development Plan Document.
- 4.5 This assessment will inform decisions on planning applications for housing determined after the 1<sup>st</sup> April 2008 in accordance with PPS3 paragraphs 68-74. It indicates that there is a 5 year supply of deliverable land for housing to meet strategic requirements set out in the adopted Regional Spatial Strategy and Leicestershire, Leicester and Rutland Structure Plan. but that the supply is lower when assessed against the Draft East Midlands Regional Plan. Accordingly planning applications for housing will be considered having regard to policies in the adopted Development Plan, PPS3, in particular paragraph 69, and other material considerations.