

## **Assessment of 5 Year Housing Land Supply at 31<sup>st</sup> March 2010**

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# 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 applications for residential planning permission.
- 1.3 This year's assessment updates that published in January 2010, which was based on the housing land availability position as at 31<sup>st</sup> December 2009. Further advice from the Department of Communities and Local Government (CLG) in its report 'Housing and Planning Delivery Grant Allocation Mechanism and Summary of Consultation Responses' (July 2008) states that from April 2008, Local Authorities should have a forward looking approach to the Five Year Supply. Therefore for this report, the reporting period is 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2016.
- 1.4 This update reflects the housing supply position at 31<sup>st</sup> March 2010 recording actual completions and new sites permitted 1<sup>st</sup> April 2009 to 31<sup>st</sup> March 2010. It also takes account of the consultation responses of developers and landowners to ensure that the Council's expectations of the deliverability of housing are informed and balanced.
- 1.5 This assessment will inform decisions on planning applications for housing to be determined in accordance with Planning Policy Statement 3 paragraphs 68-74. Accordingly planning applications for housing will be considered having regard to policies in the adopted Development Plan, Planning Policy Statement 3, in particular paragraph 69, and other material considerations.
- 1.6 Appendix one contains a schedule of the sites that contribute to the five year supply. It includes large sites (10 dwellings and over) and small sites (up to 9 dwellings) within and outside of the Leicester Principal Urban Area and an account is also given of the predominant land type in line with the amended Planning Policy Statement 3 published in June 2010.

## 2. THE DEVELOPMENT PLAN

- 2.1 The provision of housing has historically been a product of the development plan process. Since 2004, strategic policies on housing supply have been expressed through a two tier system of regional spatial strategies and local development frameworks.

- 2.2 However, on the 6<sup>th</sup> July 2010, the Secretary of State laid before Parliament a statement revoking Regional Spatial Strategies with immediate effect. The Direction removes the Regional Spatial Strategy for the East Midlands (RSS 8) otherwise known as the East Midlands Regional Plan (or the Regional Plan) from the Development Plan. The revocation has significant impacts for policy but its immediate implications are most felt in the removal of housing targets for the East Midlands.
- 2.3 The adopted development plan for Charnwood is now made up of:
- The saved policies of the Charnwood Borough Local Plan (January 2004);
  - Leicestershire Minerals Core Strategy and Development Control Policies Development Plan Document (October 2009);
  - Leicester and Leicestershire Waste Core Strategy and Development Control Policies Development Plan Document (October 2009); and
  - The remaining saved minerals and waste local plan policies prepared by Leicestershire County Council.
- 2.4 The revocation of the Regional Plan paves the way for locally derived housing targets through a process of collaborative democracy in line with the Coalition Government manifesto commitments of May 2010. Guidance which accompanies the Direction explains how local planning authorities may wish to proceed in the absence of regional housing targets. Until such time as the Cabinet is able to consider its preferred response to the revocation, the evidence base underpinning the Regional Plan remains a material consideration that the local planning authority will have regard to when determining applications for residential planning permission.

### **3. THE HOUSING TARGET FOR CHARNWOOD**

- 3.1 This report does not seek to establish the housing targets for Charnwood; rather, it provides an assessment of the five year supply of housing against reasonable and known options available as of August 2010. The assessment made in this report is therefore without prejudice and should not be taken as inference of any decision having been made about Charnwood's strategic housing target, which is a decision that should properly be made by the Cabinet.
- 3.2 The revocation Guidance issued by the Secretary of State says local authorities may continue with the existing Regional Plan housing targets or revert to the targets submitted to the Regional Plan Examination in May 2007, if this is considered to be the right thing to do. Alternatively, housing targets may be reviewed to take account of local aspirations.
- 3.3 As there are currently no plans to review local housing targets, this five year supply assessment is made against the revoked regional plan and the targets submitted to the Regional Plan examination.

- 3.4 The revoked Regional Plan sets an overall target of 15,800 homes in Charnwood over the period 2006-2026 with an annual requirement of 790 dwellings. 330 of these dwellings (42%) should be provided each year within or adjoining the Leicester Principle Urban Area.
- 3.5 The submitted Regional Plan housing target is 19,000 dwellings or 760 dwellings per year over the period 2001-2026. 8,930 (47%) of these dwellings should be located within or adjoining the Leicester Principal Urban Area, reflecting the proportional split in the total housing provision across the Housing Market Area. Development in the remainder of the District will be focused primarily on Loughborough.

#### 4. DELIVERABLE HOUSING LAND

4.1 Planning Policy Statement 3 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.

4.2 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.

4.3 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/newdwellingsincharnwoodsralcommunities>,
  - 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.

4.4 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.

4.5 Appendix 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 31st March 2010 and the 5 year period 2011-2016.

4.6 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.

## 5. MONITORING AND REVIEW

- 5.1 The authority will keep the five year supply situation under constant review and an annual report will continue to be prepared based on the position at year end.
- 5.2 The authority maintains a real time database of new permissions and completions and may prepare ad hoc update reports indicating how the supply of permissions has changed since the last published Five Year Supply report. This information will be used for Development Management purposes as required.

## 6. THE FIVE YEAR SUPPLY OF DELIVERABLE HOUSING LAND

- 6.1 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 deliverable stock of small site permissions has been included in the calculation in order to obtain a more accurate assessment of supply.
- 6.2 Figure 1 demonstrates that the Council does not have a Five Year Supply of deliverable sites measured against the revoked Regional Plan housing target and that the situation has worsened since the last assessment in January 2010.

		<b>Charnwood Total</b>	<b>PUA</b>	<b>Non-PUA</b>
a	Revoked Regional Plan Housing Requirement (2006-2026)	15,800 790 per annum	6,660 333 per annum	9,140 457 per annum
b	Completions (2006-2010)	3,248	544	2,704
c	Expected Completions (2010-11)	495	155	340
d	Completions 06-10 and Expected Completions 10-11(b + c)	3,743	699	3,044
e	Residual Requirement 2011-2026 (a – d)	12,057 804 per annum	5,961 397 per annum	6,096 406 per annum
f	Requirement for 5 years 2011-2016,	4,020	1,987	2,032
g	Expected supply of deliverable sites	2,166	532	1,634
h	Surplus over requirement (g - f)	-1854	-1,455	-398
i	Number of years supply (g divided by 804 or 397 or 406).	<b>2.7 years</b>	<b>1.3 years</b>	<b>4 years</b>

**Figure 1: Five Year Supply calculation against the Revoked Regional Plan Housing Target**

NB: PUA = Principal Urban Area

- 6.3 The main reason for the lower supply is the number of lapsed dwellings and, with only 644 housing completions in 2009/10, the actual stock of dwellings with planning permission has reduced. An increased number of planning permissions on large sites granted since 1<sup>st</sup> April 2009 has improved the situation but there is still a shortfall in the number of years supply overall.
- 6.4 The assessment in Figure 2 below shows the position in relation to the submitted Regional Plan housing target of 760 dwellings per year.

		<b>Charnwood Total</b>	<b>PUA</b>	<b>Non-PUA</b>
a	Submitted Regional Plan Housing target (2006-2026)	15,200 760 per annum	6,384 319 per annum	8,816 441 per annum
b	Completions (2006-2010)	3,248	544	2,704
c	Expected Completions (2010-11)	495	155	340
d	Completions 06-10 and Expected Completions 10-11(b + c)	3,743	699	3,044
e	Residual Requirement 2011-2026 (a – d)	11,457 764 per annum	5,685 379 per annum	5,772 385 per annum
f	Requirement for 5 years 2011-2016,	3,820 (764 x 5)	1,895 (379 x 5)	1,924 (385 x 5)
g	Expected supply of deliverable sites	2,166	532	1,634
h	Surplus over requirement (g - f)	-1,654	-1,363	-290
i	Number of years supply (g divided by 764 or 379 or 385).	<b>2.8 years</b>	<b>1.4 years</b>	<b>4.2 years</b>

**Figure 2: Five Year Supply calculation against the submitted Regional Plan Housing Target**

*NB: PUA = Principal Urban Area*

- 6.5 Figure 2 shows that at 31<sup>st</sup> March 2010 there was a shortfall of 1,654 dwellings for the period 2011-2016 giving a 2.8 year supply. This is a marginal improvement on the five year supply position against the revoked Regional Plan requirement of 790 dwellings per annum.
- 6.6 The supply situation will need to be revised in light of any decision taken by Cabinet on the housing target for Charnwood and then addressed through the Core Strategy Development Plan Document and the Site Allocation Development Plan Document in due course.