

STRATEGIC PLANNING, SUSTAINABILITY AND TRANSPORT COMMITTEE

ADJOURNED MEETING 23 JULY 2015

URGENT UPDATE REPORT

Item 10: Reconsideration of previously rejected Maidstone Borough Local Plan Regulation 18 Draft and 2014 SHLAA Housing Sites

The council should be aiming to meet its objectively assessed housing need (OAN) in full (NPPF para 47). This urgent update report informs the Committee of the council's latest housing land supply position against 20-year and 5-year OAN, in order to help councillors make up-to-date and informed decisions on meeting its OAN of 18,560 dwellings. The appended tables show the calculations in detail.

20-year housing land supply

Against the OAN figure of 18,560 dwellings the key components of supply are:

- The total number of dwellings built and committed through permissions (including those awaiting S106) is **7,849 units**.
- The local plan allocations pending an application, together with broad locations and a windfall allowance, add a further **8,812 units** to supply.
- This results in an unmet housing need of **1,899 units**.
- This shortfall could be met should the Committee resolve to allocate recommended site allocations totalling **1,877 units**.

Windfall sites

The council must produce up-to-date evidence to support its housing land supply projections. The Committee's attention is drawn to the fact that any windfall allowance must be realistic and based on analysis of relevant evidence such as past delivery rates (NPPF, para 48). A windfall site is normally a brownfield site that has not been identified through the local plan process. The windfall allowance has been reviewed to take account of the latest completions data for 2014/15.

- Over the past 7 years there has been a steady supply of completions on brownfield sites of less than 5 dwellings (known as small sites), achieving an average of 45 dwellings p.a. Supply from such sites has been fairly consistent and, since small sites are not specifically allocated in the local plan, it is realistic to expect this rate to continue.
- For large sites (5+ dwellings) an analysis of past completion rates has been undertaken. Sites previously identified through the local plan process have been removed, for example, sites identified in the adopted local plan 2000, urban capacity studies and strategic housing land availability assessments. There are a number of factors affecting the setting of a realistic future rate for large windfall sites:

Sites will be allocated in the local plan, so fewer sites will be “unidentified” in future.

A meticulous search for brownfield sites in the urban area has been completed, and sites allocated through the local plan process. Indeed a third of the currently agreed sites (19 out of 57) are brownfield sites which are exactly the type of sites which would have counted as windfall sites previously. These sites will deliver some 1,370 dwellings.

The emerging local plan allocates two broad locations for additional dwellings on brownfield sites (Town Centre 600 units and Invicta Barracks 1300 units).

The methodology used to project windfall rates will be subject to scrutiny and challenge by external bodies at examination and appeals. To be realistic, it cannot be assumed that future windfall rates on large sites will match historic rates, but it is reasonable to expect windfalls to come forward at about half previous rates, at 69 dwellings p.a.

- The windfall allowance is thus calculated at 114 dwellings p.a., which results in a contribution towards housing land supply of 1,026 dwellings for the latter 9 years of the plan period.

The exclusion of a windfall allowance from the 5-year housing land supply calculation was agreed by the former Scrutiny and Cabinet Committees in 2013. This is because:

- All planning permissions are monitored annually (down to 1 dwelling) and all allocations are monitored annually (5+ dwellings). Consequently, there is a high degree of accuracy and certainty.
- If a windfall allowance was included in 5-year supply, the council would also have to introduce a “non-implementation” rate due to the uncertainty of the sites coming forward. This could be higher than a windfall allowance (as it was in 2013).
- The inclusion of a windfall allowance and non-implementation rate present risk, and can potentially impact on the deliverability of the five year housing land supply.

However, it is important to understand that windfall sites are included in the five year supply as they are picked up as planning permissions when the calculation is rolled forward annually. Such sites are not “lost”.

5-year housing land supply

The NPPF (paragraph 47) is clear that local planning authorities must identify and annually update five years’ worth of housing land supply against their housing requirements with an additional buffer to ensure choice and competition in the market for land. Sites must be deliverable and have a realistic prospect of being delivered within 5 years. This is important because the NPPF is clear that relevant policies for the supply of housing should not be considered up-to-date if the local planning authority cannot demonstrate a five-year supply of deliverable housing sites (NPPF, paragraph 49).

Again, the methodology used to calculate 5-year housing land supply will be subject to scrutiny at examination and appeals, so it is important that the methodology is robust enough to stand up to challenge. The approach used in the calculation is the same as that which is increasingly being adopted by Planning Inspectors at appeals.

In calculating the requirement, any undersupply against OAN for housing in the early years of the plan period must be delivered in the next 5 years. For the past 4 years the council has been unable to deliver 1,371 units against its annual OAN figure. Consequently, the 5-year requirement is 6,312 units, but only 4,154 dwellings have a reasonable prospect of being delivered within the 5-year period. Housing land supply comprises dwellings on sites with planning permission that are not started or under construction, together with a proportion of dwellings on allocated sites in the emerging local plan that have been permitted subject to S106 (taking account of lead-in times for development).

Against a need to demonstrate delivery of 5 years housing land supply at 1 April 2015, the council has **3.3 years**. This compares to 2.1 years at 1 April 2014, which is a significant increase primarily due to the granting of planning permissions (some subject to S106) on sites identified for allocation through the emerging local plan. In the past year the emerging local plan has given a high level of certainty to developers, which has led to an increase in planning applications and thus a greater number of dwellings from allocated sites which can now be counted. The position will improve further once the local plan is submitted for examination when the projected rate of dwelling completions on a proportion of allocated sites pending an application can also be included in calculations.

Unlike the cumulative 20-year calculation of housing land supply, the council's 5-year supply is always a snapshot at 1 April each year. Supply cannot be accurately updated during the year unless the relevant additional number of months' target is added to calculations, surveys are undertaken and the database is updated, which is a resource intensive exercise.

20-year Housing Land Supply as at 7 July 2015 (All elements of supply are net of dwelling losses)	Dwellings – supply sub totals	Dwellings – supply totals	Totals – no. of dwellings
Objectively Assessed Need 2011 to 2031			18,560
Total number of dwellings built			
Dwellings built 01.04.11 to 31.03.15	2,341		
Total number of dwellings built		2,341	
Permitted dwellings/S106 not built			
At 01.04.15			
- On allocated sites	1,406		
- On non-allocated sites	2,268		
Permissions 01.04.15 to 07.07.15			
- On allocated sites	53		
- On non-allocated sites	97		
Permitted subject to S106			
- On allocated sites	1,410		
- On non-allocated sites	274		
Permitted dwellings not yet built		5,508	
LP Allocations pending application			
Approved allocations pending application	4,386		
Broad Locations (MBLP 2014 – Reg 18)	3,400		
LP Allocations pending application		7,786	
Windfall contribution			
9 years at 114 dwellings p.a.	1,026		
Windfall contribution		1,026	
TOTAL HOUSING LAND SUPPLY		16,661	(16,661)
Unmet housing need (gross)			1,899
Yield from further allocations proposed in the report			(1,877)
Unmet housing need (net)			22

5-year Housing Land Supply as at 1 April 2015 – Sedgefield Method (All elements of supply are net of dwelling losses)	Dwellings	Dwellings
Objectively Assessed Need (OAN) 2011 to 2031	18,560	
Annual need $18,560 \div 20$ years	928	
Delivery target 01.04.11 to 31.03.15 928×4 years	3,712	
Less completed dwellings 01.04.11 to 31.03.15	(2,341)	
Shortfall against OAN 01.04.11 to 31.03.15	1,371	
Basic 5-year target against OAN 928×5	4,640	
Plus shortfall against OAN 01.04.11 to 31.03.15	1,371	
Plus 5% buffer $(4,640 + 1,371) \times 5\%$	301	
5-year housing land target at 01.04.15		6,312
Extant planning permissions to be built in 5 years	2,743	
Allocations subject to S106 to be built in 5 years	1,411	
5-year housing land supply		(4,154)
5-year housing land shortfall		(2,158)
Annual housing land target $6,312 \div 5$		1,262
No. years housing land supply $(4,154 \div 1,212)$		3.3 years