

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO PLANNING & DEVELOPMENT COMMITTEE

Agenda Item No.

meeting date: THURSDAY, 17 JULY 2018
title: HOUSING LAND AVAILABILITY
submitted by: CHIEF EXECUTIVE
principal author: RACHEL HORTON, SENIOR PLANNING OFFICER

1 PURPOSE

- 1.1 To provide Members with key information that has informed the calculation of the most recent Housing Land Availability Survey, which has a base date of 31 March 2018.
- 1.2 To inform Members of the current housing land supply position with a 5% and 20% buffer
- 1.3 To provide Members with key information to illustrate the reasons why the Council needs to consider the allocation of additional sites as a main modification to the Housing and Economic DPD.
- 1.4 Relevance to the Council's ambitions and priorities
 - Community Objectives – The information in this report relates to the delivery of housing which is a key theme of the adopted Core Strategy.
 - Corporate Priorities - This information is relevant to the adopted Core Strategy which is a spatial expression of corporate priorities.
 - Other Considerations – Councils have a duty to update housing supply annually.

2 BACKGROUND

- 2.1 The Council has a duty to ensure a 5 year supply of deliverable housing land (NPPF paragraph 47). Local Government expects that Local Planning Authorities should have an identified five-year housing supply at all points during the plan period. The issue of five year supply continues to be a key matter in the determination of planning applications and appeals.
- 2.2 Housing land surveys are conducted on a six monthly basis. The latest survey has a base date of 31 March 2018 and updates the previous October 2017 position. It provides an assessment of housing land supply against the requirements in the Ribble Valley Core Strategy (adopted December 2014) and also assesses the 5-year housing land supply position. The resulting full Housing Land Availability Schedule (HLAS) can be viewed on the Councils website and a copy has been placed in the Members' Room for reference. Interim updates may be produced to inform major appeals.
- 2.3 The HLAS provides information on: dwelling completions, and sites with planning permission and their development status. It enables the Council to create a picture of local construction trends and activity rates together with base line evidence on the

amount of land that is available to be brought forward from which the latest housing land supply position in relation to the current strategic requirement is calculated.

2.4 Practice guidance considers that Local Planning Authorities should aim to deal with any under-supply within the first five years of the plan period where possible. The 'Sedgefield' approach is to front load provision of this backlog within the first five years of the plan. This method is currently endorsed by the Council on the basis of it being agreed as the most appropriate by the Inspector in the Examination of the Core Strategy.

2.5 The supply position is made up of the following net additions:

- Sites approved but subject to Section 106 Agreements
- Units with full planning permission – not started
- Units with outline planning permission – not started
- Conversions – not started
- Conversions – under construction
- Affordable Units
- Sites whereby development has commenced, but part of the site has not started
- Sites whereby development has commenced and dwellings are under construction
- Sites allocated in Reg. 19 HED DPD
- Windfall Allowance

The following is then taken out of the supply:

- Less number of dwellings deliverable **beyond** the 5 year period on large sites which have not started
- Less 10% slippage
- Less sites not currently active and unlikely to complete in the next 5 years
- Less number of dwellings deliverable **beyond** 5 year period on large sites which have started

2.6 The relevant strategic housing requirement is set out in H1 of the adopted Core Strategy. This requires a minimum of 5600 dwellings for the plan period 2008 to 2028, equivalent to an annual average completion target of at least 280 per year. The figure of 280 is used for monitoring purposes.

2.7 Outputs from the HLAS survey show that 2170 dwellings have been constructed since April 2008 (i.e. a 10 year period). In the monitoring year 1 April 2017 – 31 March 2018 400 dwellings were built (refer to pg. 9 of the HLAS)

3 10% Slippage Calculation

3.1 As outlined above the supply position includes a 10% slippage calculation to take into account possible changes to current applications that are within the housing supply. For example some applications may lapse in the course of the next assessment, and at Reserved Matters stage the number of dwellings may drop from that which was submitted at Outline.

3.2 For previous Housing Land Availability Schedules the 10% was taken off the subtotal of the number of dwellings (on small and large sites) on sites not started, and the number

of dwellings considered only deliverable beyond the 5 year period. This was applied as the Council did not undertake detailed sense testing to large sites. As the Council's methodology has refined to reflect up to date practice, detailed reviews of deliverability on large sites is undertaken and the methodology for discounting needs to be revised to reflect this.

- 3.3 The deliverability of large sites not started is outlined within Appendix A of the HLAS. This includes the expected delivery within the 5 year period and the number of dwellings only considered deliverable beyond the 5 year period.
- 3.4 As the large sites have already been assessed, and consider expected delivery beyond the 5 year period, the Authority consider it prudent to only apply the 10% buffer to all those sites not started which are not listed within Appendix A to the HLAS.
- 3.5 The resultant calculation results in a 10% slippage of -78 (compared to -135 units under the original methodology) and the full method of calculation can be found on pages 3 and 4 of the HLAS.

4 Windfall Calculation

- 4.1 The Authority has monitored a ten year period (2008 – 2018) which confirms that a total of 259 dwellings were built or under construction which met criteria as outlined within the NPPF para. 48 definition of windfall and those outlined on page 7 of the HLAS. This amounts to an average of 26 per year. A five year requirement would be 130.
- 4.2 A windfall allowance is included in line with the NPPF to reflect that contribution that windfall approvals will be expected to bring forward. Windfalls are sites that are expected to come forward as a matter of trend and provide a reliable source of planning permissions for dwellings. The 31 March base date HLAS includes an uplift of 15 dwellings per year to the windfall allowance.
- 4.3 A windfall allowance of 130 dwellings per annum is included to reflect the likely future supply of housing land. Previously the windfall allowance was calculated as 115 based upon a six year period of monitoring.
- 4.4 The windfall calculation will continue to be monitored, to show if it needs to be modified in the light of up to date trends.

5 Application of a Buffer

- 5.1 In accordance with the NPPF each local planning authority should identify and update annually a supply of specific deliverable sites sufficient to provide five years' worth of housing against their objectively assessed needs, with an additional buffer of 5% or 20% (moved forward from later in the plan period) where there has been a record of persistent under-delivery of housing to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land.
- 5.2 During the course of assessing the HLAS an application on Land at Higher Road, Longridge for the residential development of up to 123 houses has been allowed at Appeal (Appeal Ref: APP/T2350/W/17/3186969).

- 5.3 The Inspectors report details his position on the Housing Land Supply with a base date of October 2017. The report includes analysis of delivery on individual sites, the current windfall allowance and sites allocated in Reg. 19 HED DPD.
- 5.4 The Inspector accepted that the Core Strategy has had an influence upon the recent increase in housing delivery rates/completion rates per year. However he considers that there remains a considerable shortfall (page 9 of the April HLAS provides a full list of completions per year since the adoption of the Core Strategy);
- 5.5 Furthermore, the Inspector analysed the delivery of a number of large key sites within the Borough. When taking into account both the Councils and appellants case for each site he finalised what he considered to be deliverable within the 5 year period at that time.
- 5.6 When having regard to all the Inspectors key findings with respect to the large key sites and the backlog he found;
- 'on the basis of the evidence before me the deliverable housing land supply demonstrated is approximately 4.5 years, including the application of a 20% buffer' (para. 30 of the Appeal Decision)'.
- 5.7 This decision is considered to be a material consideration when calculating the current HLAS and when making any subsequent planning decision. On this basis, the Authority has taken into account the Inspectors findings in respect to the large key sites, whilst also bearing in mind just short of nine months has elapsed since the base date of the Inspectors decision which was October 2017.
- 5.8 With this in mind, the current HLAS has provided a calculation based on both a 5% and 20% buffer in order to make explicit the 5 year supply for each circumstance. The annualised requirement when applying a 5% buffer is 426 dwellings and with a 20% buffer is 487 dwellings (refer to Appendix A of this report). With a 5% buffer the Council can demonstrate a 5.3 Year Supply. With a 20% buffer the Council can demonstrate a 4.6 Year Supply (refer to Appendix B of this report).

6 IMPLICATIONS OF SUPPLY OUTTURN

- 6.1 As Members will note the 5 year land supply position is critically influenced by the relevant NPPF derived buffer (5% or 20%). This is important because at the point the Council is unable to demonstrate a 5 year supply position what is referred to as "tilted balance" is triggered. This introduces the presumption in favour of sustainable development and the need to determine residential planning applications in the positive. The key to this in terms of residential development is the provisions of NPPF paragraph 49 wherein relevant policies of the development plan fall to be considered out of date (if the Council is unable to demonstrate a 5 year supply) and there is the established presumption then in favour of residential development through the provisions of paragraph 14 of NPPF. For decision making this means that where the relevant policies are out of date (as per paragraph 49) granting permission unless material considerations indicates otherwise is the approach that must be taken.
- 6.2 As Members are aware, the recent Inspector's decision in relation to the appeal at Higher Road, Longridge, found that the Council was premature in relying upon policy

provisions that were still subject to consultation. The Inspector took the view that the Council had a record of persistent under delivery which therefore triggered the application in his view of a 20% buffer and on his analysis there was not a 5 year supply of land. The analysis in the latest housing land supply document sets out that with the application of a 20% buffer the Council is unable to demonstrate a 5 year supply. In his decision letter the Inspector has made reference that the Council's reliance on the housing delivery test and the direction of travel set out in the Government's supporting documents, however there are a number of other factors that contribute to the assessment of housing delivery overall and the view is maintained that these are still relevant.

- 6.3 The relevant factors are that the Council can demonstrate that it has been achieving increasing delivery since the adoption of its plan. The Council in adopting the plan has made positive steps, within its control, to drive delivery up and this has been demonstrated through completions on the ground. The analysis indicates an increase in delivery beyond its planned requirements over the proceeding 4 years. It is anticipated that this trend will continue and that the mid-term monitoring in October 2018 is expected to show the continued achievement of housing delivery. This supports the position that the Council is doing all it can within its power to help deliver housing.
- 6.4 It is also relevant that the requirement against which planned requirements are being measured was only known in 2014 as the Core Strategy was adopted. The critical point here is that it would have been somewhat difficult for the Council to have achieved that requirement without knowing what it actually was. It has to be acknowledged however that even when measured against preceding lower requirements, during the period of moratorium and strategic policy change, the Council was not attaining the identified requirement but was not having to accommodate such a significant backlog.
- 6.5 These factors contribute to forming the Council's position that it has taken relevant and applicable steps to boost the supply of housing and the situation is that against these conditions the Council has continued to deliver planning permissions which is essentially what the Council is able to do. Nevertheless there is a risk of the Housing and Economic DPD being found unsound at Examination as the Council at 20% cannot identify a 5 year supply. If the presumption that a 20% buffer is applicable and is upheld, then on current information the Council would not be able to identify a 5 year supply.
- 6.6 Planning on the basis of the 5% buffer assumption, not only brings with it the risk of unsounding the plan, but also a potential risk of costs against appealed planning decisions should it be shown that the Council should have adopted the 20% buffer on the evidence available. To protect the Council from this position, it is sensible to consider a buffer of additional identified sites to safeguard against this risk. Whilst the Council can continue to approve planning applications (and therefore the stock of supply will grow through that part of the process) the means by which it can demonstrate that it is ensuring that a 5 year supply can be maintained, on whatever buffer is applied is to make modest additional allocations thereby providing a safety net to guard against the inevitable fluctuations that have occurred in the supply figure going forward.
- 6.7 As our analysis shows, with the most recent survey data, even applying a 5% buffer leaves the Council vulnerable to fluctuations in supply. Whilst the Council can demonstrate a 5.3 year supply on the 5% model, this is considered to be marginal and vulnerable to fluctuations, which may not iron out in the course of a year. Again the key

matter would be that on a 5% model any assessment placing the Council unable to demonstrate a 5 year supply, would lead to the application of the tilted balance and the Council having much less control over the location of development going forward. In making future decisions the Core Strategy policies in terms of its Development Strategy and the ability to move to adoption with the allocations document to establish up to date settlement boundaries would provide the Council with much stronger controls which don't exist at present. To protect from this the Council should ideally have a 5 year supply that falls into the range of 5.5 to 6 years. This will ensure greater stability mitigating the risk of challenge and support the Council's position EIP.

- 6.8 To protect the integrity of the plan and the Council's ability to direct development it is suggested that the impact of a 20% buffer is adjusted to deliver at least the same year's supply as at 5% that is 5.3 years. This way the Council's ability to demonstrate a 5 year supply against either assumption is strengthened and risks are mitigated. There is a need therefor to look at how the buffer can be made up. As Members are aware whilst the survey date provides a baseline, development applications continue to be approved. For the purposes of preparing this report we have examined planning applications between 1 April and the end of June a 3 month period which mirrors the quarterly monitoring periods reflected in the Core Strategy. In this period there has been identified a further 136 units (including the outcome of the appeal at High Road) granted planning permission. In terms of the gap this is a significant contribution.
- 6.9 Given that the buffer to close the gap identified is some 300 dwellings and that 136 are identified in the April to June quarter, the residual buffer to identify to provide a robust supply for strategic purposes is in the order of 165 dwellings.
- 6.10 In addition to the units already approved a number of applications remain to be determined and once approved will contribute to supply. At present however the outcome of the determination process cannot be pre-determined and any approvals will need to be collated at the next survey date. As Members will be aware the housing requirements set out in the plan are not a ceiling and development will continue to be determined with the presumption in favour of sustainable development and the provisions of policies set out in the adopted Core Strategy. It is inevitable therefore that additional sites will come forward. It must also be stressed that the ability to demonstrate a 5 year supply in itself cannot be used a result to refuse planning applications where otherwise they accord with policy provisions.
- 6.11 The identified buffer residual should be met by way of additional allocations which will be put forward as part of the Examination process as proposed Main Modifications for considerations by the Inspector. By identifying additional allocations the Council will be able to demonstrate to the Inspector that the Council can identify a deliverable supply of sites, that is robust and addresses the requirements of the NPPF. This will place the Council in a far stronger position to apply controls to development going forward.
- 6.12 The proposed allocations will, if agreed, be submitted to the Inspector as Main Modifications. They will be subject to a statutory 6 week period of consultation, the outcome of which will be presented to the Inspector to help inform his deliberations. A separate report on this Committee's agenda deals with the proposals for specific additional allocations considered suitable to put forward to provide the deliverability buffer.

- 6.13 It is also possible that other sites will be promoted through the consultation and indeed to date sites have been put forward to the Council for consideration where applicants are considering bringing these sites forward. It is suggested that in terms of the process to be pursued that these are considered in response to the consultation and may in themselves give rise to additional sources of supply. Members should also be aware that applicants may also have identified sites that they wish to promote through the public hearings for the Examination which will enable the Inspector to bear these in mind in forming his judgments.
- 7 Examination of the Housing and Economic Development, Development Plan Document (HEDDPD) and 5 Year Supply Position
- 7.1 As Members are aware the Examination will take place of the Housing and Economic Development, Development Plan Document (HEDDPD) in November of this year.
- 7.2 The allocations as set out in the above document (amounting to 50 in total) are already included within our housing land position, and an approach that was supported by the Inspector at the Higher Road appeal.
- 7.3 The table below outlines applications that have been approved since the 31 March and up to the 30 June. 136 dwellings will contribute to the next HLAS in October of this year.

IDENTIFIED SUPPLY THAT WILL CONTRIBUTE TO THE OCTOBER 2018 HLAS		
Address	Application No.	Impact Upon Supply
44-46 King Street, Clitheroe	3/2017/1002	+ 10
Clayton Hey, 141 Ribchester Road, Clayton-le-Dale	3/2018/0192	+1
3 King Street, Clitheroe	3/2018/0191	+3
Highmoor Farm, Clitheroe	3/2017/1221	+ 5
Stanley House, Clitheroe	3/2018/0147 & 0149 (LBC)	+1 (two previously approved and in figures only one addition)
68-70 Whalley Road	3/2018/0063	+ 3
1A New Market Street	3/2018/0093	+3
20 Abbey Fields, Whalley	3/2018/0119	+1
Land West of Preston Road, Longridge for 256 dwellings	3/2018/0105	-19 (Outline was for 275)
Land at Higher Road, Longridge	3/2016/1082	+122 (as one existing dwelling to be demolished to create access)
Outbuildings adj. Hammond Drive, Read	3/2018/0024	+1
Land rear of Rocklea and Standridge, Whalley Road, Billington	3/2018/0296	+3
Broach Laithe, Paa Lane, Paythorne	3/2018/0359 – Class Q A and B	+1
Slated Laithe, Paa Lane, Paythorne	3/2018/0357 – Class Q A and B	+1
NET GAIN		136
NB. No discounting has been applied to this figure		

- 7.5 The current supply is 2275 dwellings. An additional 300 dwellings to the supply would result in the Authority having just over a 5 year supply with a 20% buffer $(2575 \div 487) = 5.3$ Year Supply
- 7.6 The net addition of 136 dwellings would help to contribute to the Authorities housing supply. However there remains a 'shortfall' of 164 dwellings.
- 7.7 It must be stressed that the supply position is an ever moving situation and can increase as well as decrease at any point in time which has an impact upon the calculation of the subsequent 6 monthly HLAS. Whilst at any point an application with large housing numbers can be submitted to the Authority other impacts can result in a reduction to the supply at any point in time. For example lapsed permissions, reduction in housing numbers on a large site and slower than expected completion rates.
- 7.8 It is considered important to address these fluctuations to secure a more robust position at Examination as well as managing planning decisions. It is proposed to make a number of site allocations as part of a main modification to the HEDDPD. A separate agenda item is included on this Committee's agenda relating to this matter.

8 RISK ASSESSMENT

- 8.1 The approval of this report may have the following implications:
- Resources – No additional staff or resources will be required.
 - Technical, Environmental and Legal – None
 - Political – No direct political implications.
 - Reputation – That development plan documents be completed and adopted in a timely and efficient manner.
 - Equality & Diversity – No implications identified.

9 RECOMMENDED THAT COMMITTEE

- 9.1 Endorse the revised method of calculation used to apply the 10% slippage and the uplift of the windfall allowance of 115 to 130 dwellings as set out in sections 3 and 4 of this report
- 9.2 Note the implications of the survey in relation to five year supply.

RACHEL HORTON
SENIOR PLANNING OFFICER

MARSHAL SCOTT
CHIEF EXECUTIVE

BACKGROUND PAPERS

Housing Land Availability Schedule As at 31 March 2018
Appeal Decision – Land at Higher Road, Longridge (Appeal Ref: APP/T2350/W/17/3186969)

APPENDIX A

Annualised Requirement with a 5% buffer		
A	Planned Provision 2008-2028	5600
B	Annual Equivalent	280
C	Five year requirement (Bx5)	1400
D	Completions in the plan period 1 st April 2008 – 31 st March 2018	2170
E	Shortfall ($10 \text{ years} \times 280$) - 2170)	630
F	Plus 5% Buffer (5% of C + E)	102
G	Total 5 Year Requirement (C+E+F)	2132
H	Annualised Requirement (G ÷ 5)	426

Annualised Requirement with a 20% buffer		
A	Planned Provision 2008-2028	5600
B	Annual Equivalent	280
C	Five year requirement (Bx5)	1400
D	Completions in the plan period 1 st April 2008 – 31 st March 2018	2170
E	Shortfall ($10 \text{ years} \times 280$) - 2170)	630
F	Plus 20% Buffer (20% of C + E)	406
G	Total 5 Year Requirement (C+E+F)	2436
H	Annualised Requirement (G ÷ 5)	487

5 YEAR SUPPLY AS OF 31ST March 2018 WITH A 5% BUFFER:

ALL SITES NOT STARTED	No. of Units	
Sites approved but subject to Section 106 Agreements ¹	63	
Sites with Planning Permission:		
Full Permission (market units only)	536	
Outline Permission (market units only)	1240	
Conversions – Not Started (market units only)	65	
Affordable Units	696	
SUBTOTAL	2600²	
10% SLIPPAGE CALCULATION	No. of Units	
Less total number of dwellings (large sites not started) ³	-1824	
SUBTOTAL	776	
Less 10% slippage	-78	
Plus total number of dwellings deliverable in 5 years ³	+ 362	
TOTAL	1060	A

ALL SITES UNDER CONSTRUCTION	No. of Units	
Sites whereby development has commenced, but part of the site has not started	840	
Sites whereby development has commenced and dwellings are under construction	413	
Conversions – Development Commenced	92	
SUBTOTAL	1345²	
Less sites not currently active and unlikely to complete in the next 5 years ⁴	-11	
Less number of dwellings deliverable beyond 5 year period on large sites which have started ⁵	-299	
SUBTOTAL	1035	B

ADDITIONAL CONTRIBUTIONS		
Sites Allocated in Reg. 19 HED DPD	50	C
Windfall Allowance ⁶	130	D
TOTAL SUPPLY (A+B+C+D)	2275	

FIVE YEAR POSITION	
Total Supply ÷ Annualised Requirement⁷ (2275 ÷ 426)	5.3 Year Supply with a 5% Buffer

5 YEAR SUPPLY AS OF 31ST March 2018 WITH A 20% BUFFER:

ALL SITES NOT STARTED	No. of Units
Sites approved but subject to Section 106 Agreements ¹	63
Sites with Planning Permission:	
Full Permission (market units only)	536
Outline Permission (market units only)	1240
Conversions – Not Started (market units only)	65
Affordable Units	696
SUBTOTAL	2600²
10% SLIPPAGE CALCULATION	
Less total number of dwellings (large sites not started) ³	-1824
SUBTOTAL	776
Less 10% slippage	-78
Plus total number of dwellings deliverable in 5 years ³	+362
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SUBTOTAL	1345²
Less sites not currently active and unlikely to complete in the next 5 years ⁴	-11
Less number of dwellings deliverable beyond 5 year period on large sites which have started ⁵	-299
SUBTOTAL	1035 B

ADDITIONAL CONTRIBUTIONS	
Sites Allocated in Reg. 19 HED DPD	50 C
Windfall Allowance ⁶	130 D
TOTAL SUPPLY (A+B+C+D)	2275

FIVE YEAR POSITION	
Total Supply ÷ Annualised Requirement⁷ (2275 ÷ 487)	4.6 Year Supply with a 20% Buffer