



# Hartlepool Local Planning Framework Emerging Local Plan

## Matter 7

### Housing Land Supply



September 2017



This matter will deal with Policy HSG1 and the Housing Trajectory to 2031, together with the sum capacity of sites at Policies HSG3, 4, 5, 5a, 6, 7 and 8 and other sources of supply. Please note that the detail of strategic sites and other proposed housing sites will be discussed under Matters 8, 9 and 10.

**Issue 1 – How does the Plan meet the full OAN for market and affordable housing in the housing market area, including identifying a supply of specific, deliverable sites sufficient to provide 5 years' worth of housing and a supply of specific, developable sites for housing for years 6-10 and where possible years 11-15 ? (NPPF, paragraph 47)**

**Q1. What is the up to date situation regarding completions to date in the plan period and what is the residual amount of housing that needs to be delivered?**

The most recent housing monitoring exercise used a base date of 1.4.2017. The requirement for the period 2016/17 was 492 dwellings. 244 dwellings were delivered during this period which represents under-delivery of 248 dwellings. The residual requirement is 5906 dwellings (6150 dwellings (the plan requirement) – 244 dwellings (2016/17 delivery)).

**Q2. Does the Plan, as submitted, set out a realistic range of land allocations for housing that would provide for:**

**a) A supply of specific deliverable sites to meet the housing requirement for the five years from point of plan adoption?**

The most recent housing supply monitoring exercise, which used a base date of 1.4.2017, showed a five year supply of deliverable housing sites for the period 2017/18 to 2021/22. The plan, as submitted, shows a supply of 5.04 years to meet the housing requirement for the five years from point of plan adoption. (See Table 7 of the Submission Local Plan).

**b) A supply of specific, developable sites or broad locations for years 6-10 from the point of plan adoption?**

The plan, as submitted, shows a supply of specific, developable sites for years 6-10 from the point of plan adoption of 5.56 years. (See Table 7 of the Submission Local Plan)

**c) For (a) and (b) what are the sources of supply and what assumptions have informed the scale and timing of supply and rates of delivery from these sources? [Are they realistic and supported by the evidence?]**

Please see the response to Q4.

**Q3. What is the estimated total supply in the plan period from:**

- i. existing planning permissions
- ii. other commitments e.g. sites subject to S106
- iii. allocated sites
- iv. any other sites specifically identified
- v. windfalls

The recent housing monitoring exercise, which used a base date of 12.4.2017, showed the following estimated total supply from these sources:

- existing planning permissions – 1893 dwellings

- other commitments e.g. sites subject to S106 – 1482 dwellings
- allocated sites – 2274 dwellings
- any other sites specifically identified – 179 dwellings
- windfalls – The Council has not included a windfall allowance

**Q4. What are the assumptions about the scale and timing of supply and rates of delivery from these various sources? Are these realistic? (Does the SHLAA establish realistic assumptions about the availability, suitability and deliverability and likely economic viability of housing sites? (NPPF paragraph 159)).**

The NPPF states that *'To be considered deliverable, sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within 5 years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within 5 years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans'* (Footnote 11 to NPPF paragraph 47).

The involvement of the development industry is an integral part of undertaking a credible and robust five year supply of deliverable housing sites assessment. The most recent housing supply assessment used a base date of 1.4.2017. All agents and/or developers for sites with planning permission for sites of 5 dwellings or more whom e-mail contact details were available were sent a pro-forma spreadsheet together with a covering e-mail requesting that the spreadsheet be completed with the projected delivery of the housing site(s) provided on a yearly basis. The pro-forma spreadsheet also provided an option for respondents to provide supplementary information should the respondent wish to do so, asking:

- *If there are any factors limiting the rate of development on the site, or that have prevented development taking place so far, then it would assist the Council if you could state what these are. This will then enable the Council to consider if there are any ways in which we, or other public bodies, could assist in helping to bring forward the site.*
- *If you have any other comments about the development of this site then please provide them.*

Where information was not obtained by e-mail correspondence, it was requested via telephone contact. The HBC Estates Team was contacted regarding each potential housing site owned by the Council and information requested regarding whether there is an intention to market the site, the timeframe for doing so and the likely developer interest. Development Control officers have also contributed to the process, for example in relation to sites that the Council has resolved to grant planning permission subject to the signing of a s.106 agreement, commenting the likely timeframe for the s.106 agreement being signed.

The production of the strategic housing land availability assessment (SHLAA) (2015) was guided by a steering group which included the following development industry representation:

- Taylor Wimpey
- Persimmon Homes
- Bellway
- Gus Robinson Development
- Thirteen Group (a North East social housing organisation)

The main elements of the assessment methodology were:

- Agreeing categories for deliverable and developable sites:
  - 0 to 5 years – developable sites, available now, in a suitable location and reasonable prospect of development within 5 years
  - 6 to 10 years – developable sites where there is a reasonable prospect that the site is available and could be viable

- 11 to 15 years – developable sites available over a longer term period
- 15+ years – sites that may be developed sometime in the future
- Establishing a list of sites through a ‘call for sites’ to various landowners, agents and consultants (including a public notice) and through sites identified by the SHLAA study team
- Sieving out the showstoppers – sites subject to significant constraints such as nationally or internationally important nature conservation sites, flood risk areas or Health & Safety Executive inner zones
- Surveying the sites to record information such as size, land use, character and physical constraints
- Initial assessment circulation – to consultees and stakeholders
- Developer and agent workshop where each site was considered in detail and agreement sought on timescales for development and dwelling output

The SHLAA provided the Council with an important tool for assessing the suitability, availability and achievability of housing sites including those that have been allocated in the emerging Local Plan. The SHLAA project was fully consistent with the requirements of NPPF paragraph 159 and the report was endorsed by the steering group. To supplement this and obtain the most up-to-date evidence regarding the deliverability of these sites agents and/or developers were also contacted using the same process by e-mail or telephone using the same process as with sites with planning permission.

The response to requests for information from the development industry has been very positive. The schedule set out at Appendix A includes a column stating whether the delivery of the site has been informed by information from the agent and/or developer. Where the agent and/or developer has not responded then HBC officers have made an assessment of delivery based on officer experience and the advice from the SHLAA steering group regarding both local housing market, the development phasing of sites and rates of delivery on sites.

The development phasing of sites has taken into account the ‘lead-in’ time between the granting of planning permission and a site delivering completed dwelling units. For instance if a site was granted planning permission in outline, it may take 12 months to submit and approved Reserved matters, a further 12 months to assemble the site and start building units. Regarding delivery rates, the key factor is the projected rate of sales. This is influenced by how strong the particular segment of the housing market is, for example market demand in the Wynyard area is particularly strong but less so in some urban areas of the borough and also the number of sales outlets.

Where key issues have been identified relating to the deliverability of a housing site they have not been included in the 1<sup>st</sup> 5 years as they have specific delivery problems. Where sites have not be included in the 1<sup>st</sup> 5 years they have been identified for development in the 2<sup>nd</sup> and 3<sup>rd</sup> 5 year periods, when it is more likely that development could occur or they have been discounted (i.e. beyond the 15 year plan period). The schedule of sites includes a ‘*Commentary*’ column which provides comments explaining the assessment of a number of sites.

**Q5. What are the potential sources of windfalls? Is there compelling evidence to justify the approach to making an allowance for future windfall sites? (NPPF paragraph 48)**

The National Planning Practice Guidance states that a windfall allowance may be justified in the five year supply if a local planning authority can provide compelling evidence such as sites having become consistently available and will continue to provide a reliable source of supply. In Hartlepool windfall sites do arise but in view of the number and scale of potential housing sites the SHLAA steering group agreed that there was no need to include a windfall assessment in the SHLAA. This approach has been carried forward with subsequent housing supply exercises.

**Q6. Does the Council’s five year supply of specific deliverable housing sites incorporate a suitable buffer, in accordance with the NPPF and PPG?**

The baseline housing requirement over the plan period is 410 dwellings per year. The Council has decided to incorporate a 20% buffer as part of the overall housing requirement for the whole of the plan period to allow for stalled sites and also to aid in the delivery of some additional affordable housing. For clarity, this is not the same as the 20% frontloaded as required by paragraph 47 and is included irrespective of whether there has been previous under-delivery or not. The requirement for the period 2016 to 2021 is 492 dwellings. This represents 410 dwellings + 20% i.e. the housing requirement has been frontloaded as required by NPPF paragraph 47.

**Q7. Has there been a persistent under delivery of housing? In terms of a buffer for a five year supply, should this be 5% or 20% in relation to paragraph 47 of the NPPF?**

<b>Dwelling completions 2007/08 to 2016/17</b>				
Year	Completions	Demolitions	Total (Net)	Housing Target
2006/07	283	58	225	309
2007/08	329	575	-246	309
2008/09	540	74	466	309
2009/10	452	145	307	309
2010/11	365	56	309	309
2011/12	290	65	225	309
2012/13	269	147	122	309
2013/14	213	129	84	309
2014/15	376	0	376	309
2015/16	574	46	528	309
2016/17	244	59	185	492

The table above shows that there has been under delivery against the housing target in 7 of the previous 11 years. Persistent under-delivery is not defined in the NPPG. The view has been taken that this could be regarded as persistent under-delivery and therefore a 20% buffer has been applied. The Council is aware that the Communities Secretary recently determined that the 5% buffer is appropriate for an authority which has under-delivered in 7 of the past 11 years on the grounds "this has been in part due to the influence of the recession". The view could also be taken therefore that a 5% buffer is appropriate.

**Q8. Should an allowance be made for non-implementation of permissions and if so, what is the evidence? Should any additional allowance be made for uncertainty over the supply from allocations and windfall?**

The Council has decided to incorporate a 20% buffer as part of the overall housing requirement for the whole of the plan period to allow for stalled sites and also to aid in the delivery of some additional affordable housing. This responds positively to a representation from the Home Builders Federation requesting this buffer. In addition, the Council has made a non-implementation allowance of 10% for sites of 4 dwellings or less. Sites of 5 dwellings or more (both allocations and windfalls) have been the subject of the delivery assessment described in response to Q4 and as a result some planning permissions have been discounted from supply. It is not considered necessary to have a further non-implementation allowance.

**Q9. Is the Plan sufficiently clear on the basis on which the 5 year supply calculation should be made, including the Sedgefield' or 'Liverpool' approach?**

The latest housing supply assessment uses a base date of 1.4.2017. The approach used could be described as 'Liverpool +'. The Liverpool method for dealing with previous under-delivery is to spread the backlog over the plan period. This method has been used for the historic undersupply that was factored into the calculation of the objectively assessed housing need in the update to the Strategic Housing Market Assessment (the 2016 SHMA Addendum). However, under-delivery that has occurred during the plan period (ie in the first year of the plan period April 2016-end March 2017) has been included in the housing requirement for the period 2017/18 to 2021/22 when calculating the 5 year supply for that period. The Council has taken the view that this is a balance between aspiration and realism. However, it is acknowledged that given that the Liverpool approach is a recognised template, it would be clearer if this approach was applied without modification. The Council does not consider that it would be appropriate to use the Sedgefield method as this would be unlikely to be deliverable in the context of the Hartlepool housing market.

**Q10. Should the annual housing requirement figure be staggered to reflect the focus on large strategic sites? (i.e. a lower figures in the early years of the plan period, increasing later?) Are the lead-in times and delivery rates for High Tunstall and Wynyard realistic?**

This is the approach that has been taken. This is reflected in Graph 1 in the Publication Local Plan on page 84 which assumes a reliance on existing planning permissions in the first five year period with allocations beginning to increase from year 3 onwards.

The developers for the High Tunstall allocation are Story Homes and Wynyard Homes with 208 dwellings and 992 dwellings respectively. Both developers were contacted as part of the most recent housing supply monitoring exercise, which used a base date of 1.4.2017. Story Homes stated that the first completed dwellings are scheduled for 2018/19. Wynyard Homes stated that the first completed dwellings will be completed in 2021/21. The delivery that is projected for Rural Local Plan Sites in the Submission Local Plan over the period 2016/17 to 2020/21 is 406 dwellings. The level of completions for large strategic housing sites is projected to increase later in the plan period. The Council has no reason to doubt the realism of the projections provided by Story Homes and Wynyard Homes.

**Q11. Should the Plan contain an appropriate Policy mechanism and indicators that would trigger plan-led corrective measures to ensure a deliverable supply of housing land should monitoring indicate there is an insufficient level of supply?**

If monitoring indicates an insufficient level of supply then the Council would review the plan and allocate additional housing sites if required.

**Q12. In terms of monitoring Plan performance should the housing requirement to 2032 be presented in a table within the Plan in three five year phases (2016-21; 2021-26; 2026-31), with a clear numerical total of what is anticipated to be delivered in each of those phases and the annual average for each phase?**

The Council considers that Table 7 of the Submission Local Plan clearly sets out the housing requirements position over the plan period.

**Q13. Should the Plan include an additional buffer for supply? Is this justified in light of the requirement exceeding the full OAN? Based on past-delivery rates would it be delivered?**

The additional buffer for supply reflects the Council's economic growth aspirations and responds positively to a representation from the Home Builders Federation in response to the consultation on the Preferred Options Local Plan. The representation stated 'Given the previous levels of under delivery within Hartlepool it would appear prudent to provide a significantly greater buffer over the plan period. The HBF recommend 20%. ... A buffer of 20% should be sufficient to deal with any under-delivery which is likely to occur from some sites. Such an approach would be consistent with the NPPF requirements for the plan to be positively prepared and flexible.' This buffer also provides the Council with additional flexibility to deliver more affordable housing, as well as market housing.

The additional buffer, together with the replacement of demolitions allowance, results in a baseline housing target of 410 dwellings per annum. The average net annual housing delivery over the period 2006/07 to 2015/16 is 240 dwellings per annum. However, this period included a recession and also reflects the previous emphasis on the Victoria Harbour allocation (1450 dwellings) which subsequently proved to be unavailable as the Port Authority withdrew its support for residential-led redevelopment of the site. The situation moving forward is fundamentally different regarding the profile of housing supply as the Submission Local Plan allocates large strategic Greenfield housing sites that have a clear delivery commitment from developers. The Council is therefore confident that the housing requirement will be delivered.

## Supplementary Questions

**SQ2 Is the Council's five year supply assessment in EX/HBC/57 robust and in accordance with the national policy and guidance?**

The Council considers that the five year supply assessment (Inspector's Document ref - EX/HBC/57) is robust and in accordance with the national policy and guidance. However, the Council does acknowledge an error in the calculation. The number of completions that was reported for 2016/17 was 244 dwellings. However, this was a gross figure. The net figure is 185 dwellings. This results in a revised housing supply figure of 5.07 years.

**SQ3: Is the proposed front-loading of the housing requirement (492dpa 2017-2021) deliverable? (given past market performance). What evidence gives the Council confidence that this rate of delivery is realistic?**

The Council acknowledges that the proposed front-loading of the housing requirement is challenging, given past market performance. However, the Council would reiterate the points made in its response to Q13, namely that the profile of the housing supply will be fundamentally different moving forward and that it is therefore reasonable to assume (and the assumption is supported by the rigorous housing supply monitoring exercise which the Council has undertaken) that housing delivery in the future will be markedly higher than the average of 240 dwellings net experienced over the period 2006/07 to 2016/17.

**SQ4: Does the Plan need to be modified to ensure that the five year housing requirement (updated) is clearly expressed for future decision making purposes?**

The Council considers that this would be unduly prescriptive. The five year housing requirement will be clearly set out on an annual basis within the five year supply of deliverable housing sites report which will be produced annually.