

**Single Issue Review of Core Strategy Policy CS7
Examination**

Tuesday 26 September 2017, 9.00am

Matter 3 – The Supply for land for housing

Forest Heath District Council's Hearing Statement

Matter 3 – The supply of land for housing

3.1 From the table in Policy CS7, it appears that the overall supply of land for housing comprises 2,437 homes from existing completions and commitments, and 4,440 from allocations proposed through the Site Allocations Local Plan (including a windfall allowance). In total, this amounts to 6,877 dwellings.

a) Is that correct?

Response

3.1.1 Yes it is correct.

3.1.2 The housing data has since been updated to the base date 31st March 2017, as set out in the table below. The Council proposes this table be inserted into policy CS7 in substitute for the submission table which used an earlier base date of 31st March 2016, see main modification (MM2) (CD:D18). The update to the overall supply of housing land comprises 3178 homes from completions and existing commitments, 3858 homes from additional provision (including a windfall allowance). In total this amounts to 7036 dwellings. This total provision is 159 dwellings higher than the submission SIR plan (reg 19) due to windfall and other unexpected additional planning permissions arising in the monitoring year.

Settlement	Completions and existing commitments (1st April 2011 – 31st March 2017)	Additional Provision (updated at base date 31st March 2017)	Totals
Brandon	103	33	136
Mildenhall	193	1406	1599
Newmarket	386	254	640
Lakenheath	105	828	933
Red Lodge	1081	755	1836
Primary Villages	1129	357	1486
Other	181	-	181
Windfall	-	225	225
Total	3178	3858	7036

b) Are these figures up to date? If not, we ask the Council to provide up to date figures.

Response

3.1.3 The figures provided in the table in policy CS7 of the Submission SIR (reg 19) were up to date at the time of consultation in Jan/March 2017 and at the time of submission in March 2017. Housing monitoring data has since been updated showing the position at the base date 31st March 2017. This update is proposed to be inserted into policy CS7 accordingly, see main modification (MM2) (CD:D18).

c) Do these figures include any allowance for under-delivery or non-implementation? If so, what allowance has been made and what is the reason for the level used? If no such allowance has been made, should one be?

Response

3.1.4 The figures do not include a specific allowance for under-delivery or non-implementation. Justification for the approach taken is set out below.

3.1.5 The large site (10 or more dwellings) and small site planning commitments (below 10 dwellings) are included in full. This approach accords with the NPPF (CD: A14, footnote 11, page 12) which gives clear guidance that 'Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years'.

3.1.6 Further there is no evidence to suggest any of the sites within the 5 year supply will not be implemented. Each year as monitoring data is updated, any lapsed planning permissions are removed and new permissions arising are added to the housing supply. Sites where development has stalled are investigated, if there is uncertainty with delivery these sites are not included.

3.1.7 Sites proposed in the submission Site Allocation Local Plan (Reg 19) (SALP) are all considered to be deliverable, so no allowance of under delivery has been necessary. A number of these sites already have planning permission or a resolution to approve, others have been subject to pre-application discussion. Most of the sites have been identified in the SHLAA (2016) (CD:C24). The Council is satisfied the sites identified in the SALP are all deliverable.

3.1.8 It should also be noted that the Council has not included any allowance for windfall sites in its 5 year supply, whereas in reality some windfalls and other unexpected supply will arise. Unexpected supply includes those sites which gain planning permission which can't be counted as windfall as they are over 10 dwellings such as Kentford Lodge, Herringswell Road, Kentford (planning application reference: DC/15/2577/FUL) a scheme for 21 units (net gain 17 units). By not including windfall allowance and additional unexpected units in the first 5 years of the housing supply provides additional comfort that the supply will be achieved.

3.1.9 Overall the Council is satisfied the sites identified in the housing trajectory, including sites with planning permission, sites identified in the

SALP and the windfall allowance are all deliverable so no allowance is needed for under-delivery or non-implementation.

d) A windfall allowance of 25 dwellings a year is made from 2022/23. What is the justification for this?

Response

3.1.10 Justification for the windfall allowance is set out in (CD: D11). It updates evidence presented in a 'technical paper to support the overall housing requirement and distribution for the district' dated August 2015 (CD: B47).

**3.2 The total supply amounts to only 77 dwellings more than the OAN.
a) Is there a risk that the need for housing will not be met?**

Response

3.2.1 The OAN (2016) is 6,770 which has been rounded up to 6,800 dwellings (CD: C26 paragraphs 147-157). Although the oversupply was 77, based on the submission SIR, this over-supply has increased to 236 since updating the figures to the position at 31st March 2017. Taking the overall supply of 7036 units and deducting the completions to 31st March 2017 of 1655, this leaves 5381 left to be built. The oversupply of 236 represents a surplus of 4% over the residual need (5381), or 6% surplus on the additional provision this plan proposes (3858). This provides an additional buffer to ensure the OAN is met in full.

3.2.2 Part of the overall housing supply will come from windfall. Evidence is presented at CD: D11 setting out compelling justification for the windfall allowance as a reliable source of housing supply.

3.2.3 Since 31st March 2017 there have been a number of dwellings granted planning permission which do not feature in the figures above and would not be counted as windfall, these are listed below. This illustrates that additional unidentified sources of supply have and will continue to come forward boosting the overall supply.

DC/15/2577/FUL Herringswell Road, Kentford Lodge for 21 units,
net gain of 17 (as 4 already permitted under original scheme)

3.2.4 In addition no allowance has been made for housing units at Queensbury Lodge, Newmarket (SALP allocation SA6(b)), due to site viability issues related to restoring the listed building on site and the need to maintain an HRI use, however it is acknowledged in the SALP that this site may contribute some housing provision.

3.2.5 The additional site referred to in para 3.2.3 (and the potential at para 3.2.4) will increase the supply over and above that set out in MM2 (CD: D18), thus further increasing the buffer. Policy CS7 does not set an upper limit to the amount of housing to be provided, it states 'at least 6800 new dwellings' will be provided, thereby enabling a higher number to come

forward. The table in CS7 shows the broad distribution of housing provision, so again allowing scope for a degree of flexibility. The Council is confident it has identified sufficient supply in the SIR to meet the OAN without the risk this will not be met.

b) Should the supply be increased to improve certainty in this regard?

Response

- 3.2.6 The Council has identified sufficient housing supply to meet the OAN. The NPPF requires Local Planning Authorities to meet their full, OAN as far as is consistent with the policies set out in the Framework (para 47). The housing trajectory (CD:D8 Appendix A) demonstrates there are more than enough sites identified to meet the OAN, giving a surplus of 236 units over the OAN.
- 3.2.7 The Council is aware for some other authorities it has been necessary for them to increase their supply over the OAN to provide greater certainty to meeting the overall OAN. However this is where there are specific circumstances that indicate such an approach is necessary, for example where there is uncertainty over delivery of certain sites, where there has been a lack of a 5 year supply or a need to address shortfall in the HMA. There are no special circumstances in Forest Heath to justify the need to identify a buffer over the OAN.
- 3.2.8 The Council is confident it can meet its OAN based on the supporting evidence.

3.3 Is there sufficient land available in the right places to deliver the level and spatial distribution of new homes planned for?

Response

- 3.3.1 Yes there is sufficient land available to meet the overall level of growth planned for. Achieving an appropriate distribution has been determined by the opportunities and constraints in Forest Heath. The key issues taken into account in identifying a suitable distribution strategy are set out in para 3.13 of the SIR.
- 3.3.2 The Council is confident there is sufficient land available to come forward in locations in accordance with the spatial strategy.
- 3.3.3 In response to the inspectors' letter of 2nd June 2017, the Council provided tables showing the distribution of new homes planned for. This data has been updated to reflect housing completions and commitments as at 31st March 2017, as illustrated in tables below.

Table 1: Percentage distribution of completions and commitments

Settlement	Completions and existing commitments (1 st April 2011 – 31 st March 2017)	Percentage distribution of completions and commitments
Brandon	103	Towns 21%
Mildenhall	193	
Newmarket	386	
Lakenheath	105	Key Service Centres 37%
Red Lodge	1081	
Primary Villages	1129	Primary Villages 36%
Other	181	6%
Windfall	-	
Total	3178	100%

Table 2: Percentage distribution of additional provision

Settlement	Additional Provision (updated at base date 31 st March 2017)	Percentage distribution of additional provision
Brandon	33	Towns 44%
Mildenhall	1406	
Newmarket	254	
Lakenheath	828	Key Service Centres 41%
Red Lodge	755	
Primary Villages	357	Primary Villages 9%
Other	-	
Windfall	225	6%
Total	3858	100%

Table 3: Percentage distribution of total numbers (completions, commitments and additional provision)

Settlement	Completions and existing commitments, and additional provision	Percentage distribution of total numbers
Brandon	136	Towns 34%
Mildenhall	1599	
Newmarket	640	
Lakenheath	933	Key Service Centres 39%
Red Lodge	1836	
Primary Villages	1486	Primary Villages 21%
Other	181	3%
Windfall	225	3%
Total	7036	100%

- 3.3.4 In light of the above, the Council is satisfied that the housing distribution is consistent with the Core Strategy's vision for the district, its settlement specific visions, spatial objectives and settlement hierarchy.

The five year housing land supply

3.4 The Council's paper 'Assessment of a five year supply of housing land taking a baseline date of 31 March 2016' [B11] calculates the five year requirement excluding the shortfall since 2011.

- a) It appears that within the various calculations presented, the 5% buffer is added before the shortfall figure, and thus excludes the shortfall. Should the shortfall figure be added before the 5% buffer is applied?**

Response

- 3.4.1 A 5% buffer was not added to the shortfall in the 5 year supply report dated Dec 2016 (CD: B11). The NPPF and PPG offers no guidance on how the buffer should be applied. However in a recent Forest Heath appeal decision the planning inspector took the approach that a buffer should be applied to the shortfall.

- 3.4.2 In the latest report dated 24 July 2017 (CD: D8) the calculations of the 5 year supply adds a buffer to the shortfall, to demonstrate it can still achieve a 5 year supply when taking this approach.

- b) Both the Sedgfield and Liverpool methods of calculating the five year requirement are contemplated in the Council's paper [B11]. Should the shortfall be addressed in the first five years (as in the Sedgfield method)? If not, why not?**

Response

- 3.4.3 The Liverpool and Sedgfield method are both cited in the 5 year supply report dated Dec 2016 (CD: B11). The NPPF states council's should aim to deal with any under supply within the first five years of the plan period where possible. In the latest report dated July 2017 (CD: D8) the Council accepts it is appropriate to apply the Sedgfield method and has used this to calculate it has a 6.7 year housing land supply.

- c) In the light of answers to the above questions, what is the five year requirement including the shortfall?**

Response

- 3.4.4 The 5 year requirement including the shortfall is 2189 homes, based on the 5 year supply report July 2017 (CD: D8). An extract of the table set out on page 4 of this report (CD: D8, page 4) is included below for ease of reference.

Forest Heath Five Year Housing Requirement

a. SHMA (published 2016) 2011-2031 6,800 (340pa)	6,800
b. Actual net dwelling completions 2011 – 2017	1,655
c. Residual requirement 2017 – 2031 (a-b)	5,145
d. Annual requirement (a/20)	340
e. 5 year requirement (d x 5)	1,700
f. Under delivery since 2011, against requirement of 340 dw pa	385
5 year requirement and shortfall including 5% buffer ((e + f) + 5%)	2,189

3.5 Has there been a record of persistent under delivery of housing, such that the buffer should be increased to 20% (for consistency with paragraph 47 of the Framework)?

Response

- 3.5.1 No, there hasn't been a record of persistent under delivery of housing for reasons stated below.
- 3.5.2 A 5% buffer has been applied to the 5 year supply calculation in accordance with the NPPF. A 20% buffer was not considered appropriate as this should only be applied where there has been persistent under delivery. The PPG is unclear about what exactly constitutes persistent under delivery, stating only that it requires judgment and that the factors behind persistent under delivery vary from place to place.
- 3.5.3 The Local Plans Experts Group in reporting on the approach to calculating five year housing land supply referenced the High Court decision in Cotswold District Council Vs SoSCLG (27 November 2013) and provides guidance on this point (appendix 1). The High Court indicated that this required consideration of a LPAs delivery record to cover the longer term and was a matter for planning judgment. The Local Plans Expert Group suggested that it would be reasonable to assume that under delivery in circa 65% (two thirds) of monitoring years constitutes persistent under delivery. The Local Plans Expert Group suggests a period of no less than 10 years to assess under delivery. The table in appendix 2, sets out the previous record of housing completions measured against the requirement for each year. If a 10 year period was taken from 2007 to 2017, this shows 50% exceeding the requirement and 50% falling short of the requirement. This does not constitute persistent under delivery when measured against the circa 65% used in the LPEG recommendation.
- 3.5.4 In the previous monitoring year 2016/17, the housing provision (344) met the target of 340 dwellings. The housing trajectory (CD: D8 appendix A and D10) shows moving forward housing delivery is anticipated to continue to meet the annual target. This further reinforces that there is not a record of persistent under delivery.

3.5.5 When the completions for the 10 year period are counted (2007-2017), they show there has overall been an over provision in this period. Further reinforcing the point the evidence does not suggest a 20% buffer is appropriate.

3.6 Overall, is there a supply of specific deliverable sites sufficient to provide five years worth of housing, with an appropriate buffer (moved forward from later in the plan period) to ensure choice and competition in the market for land?

Response

3.6.1 Yes, the Council in their latest supply report has demonstrated there are specific deliverable sites sufficient to provide 6.7 years' worth of housing, with the appropriate buffer (CD: D8).

3.6.2 The Council's response to Matter 5.1 sets out the evidence gathered in preparation of the 5 year supply report to ensure sites included have a reasonable and realistic prospect of delivery.

Appendix 1

Insert LPEG

Appendix 2

Monitoring year	Units delivered	Structure Plan (1996-2016)	RSS and Core Strategy (adopted 2010)	OAN (2016)	Surplus/shortage
2001-2002	147	260			-113
2002-2003	62	260			-198
2003-2004	67	260			-193
2004-2005	201	260			-59
2005-2006	334	260			+74
2006-2007	265	260			+5
2007-2008	549	260			+289
2008-2009	310		320		-10
2009-2010	454		320		+134
2010-2011	368		320		+48
2011-2012	332			340	-8
2012-2013	363			340	+23
2013-2014	246			340	-94
2014-2015	182			340	-158
2015-2016	188			340	-152
2016-2017	344			340	+4
Total <i>(in brackets shows totals for 2007 to 2017)</i>	4412 <i>(3,336 for 2007-2017)</i>	1820 <i>(260 for 2007-2017)</i>	960 <i>(960 for 2007-2017)</i>	2040 <i>(2040 for 2007-2017)</i>	- 408 <i>(+76 for 2007-2017)</i>

This shows 9/16 years with a shortfall i.e. less than 2/3. This suggests a 5% buffer is required if measured against the last 15 years.

If performance is measured against the last 10 years this shows 5/10 years with a shortfall. This suggests a 5% buffer is required.