

PLANNING POLICY AND LOCAL PLAN COMMITTEE

19 OCTOBER 2021

REPORT OF THE ACTING DIRECTOR (PLANNING)

A.1 – UPDATED HOUSING SUPPLY POSITION AND HOUSING TRAJECTORY

(Report prepared by Gary Guiver and Paul Woods)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To report to the Planning Policy and Local Plan Committee:-

- The number of new homes built in Tendring during the 2020/21 financial year and the up-dated year-by-year ‘trajectory’ for future housebuilding; and
- The current housing land supply position (the ‘five-year’ supply).

EXECUTIVE SUMMARY

Key Points

- The adoption of Section 1 of the Local Plan confirms the District’s housing requirement as 550 dwellings per annum, and there is now no need to use the higher figure (calculated using the Government’s ‘standard methodology’) when determining our five-year housing land supply.
- 646 new homes were built in the 2020/21 financial year, meaning that the housing requirement has been achieved for the fourth year running – however, the COVID-19 coronavirus outbreak (and the temporary closure of many building sites in the spring of 2020) means that delivery has seen a slight downturn compared with recent years. However, more homes were completed in 2020/21 than we predicted in last year’s SHLAA – which demonstrates that the impact of the pandemic on housing delivery was not as severe as it could have been.
- There is sufficient land allocated for housing development in the emerging Local Plan, or with planning permission, to comfortably achieve the district’s housing requirement up to 2033 without the need for any additional sites.
- The Council can demonstrate a 6.66 year supply of deliverable housing sites against the government requirement to demonstrate a 5 year supply. This puts the Council in a strong position to resist speculative and unplanned for development.

Housing Requirement

Following successful examination, Section 1 of the Local Plan was adopted by full Council on 26 January 2021. Section 1 sets out the 'objectively assessed housing need' (OAN) for Tendring of 550 homes a year, and the housing requirement for the period of the Local Plan 2013-2033 is therefore 11,000 homes. With approximately 4,300 homes already built between 2013 and 2021, the remaining requirement between now and 2033 stands at approximately 6,700.

Housing Completions and Future Trajectory

In the period 1 April 2020 to 31 March 2021, a net total of 646 new homes were completed in Tendring. This means that the housebuilding target of 550 homes a year has now been achieved for a fifth year in succession. However, COVID-19 and the associated lockdowns (particularly at the start of the pandemic) had an impact on housing delivery as many building sites were forced to close. The impact was not as severe as expected however, and delivery last year was stronger than our estimates in the 2020 SHLAA. In fact, many developers are expecting to see strong delivery this year and build out rates on some of the larger sites in the District appears strong.

Officers have updated the Council's 'Strategic Housing Land Availability Assessment' (SHLAA) which contains a trajectory for future housing building, and information from developers as well as Officers' own monitoring of building sites have informed our predictions for the coming years.

Five Year Housing Supply and Decision Making

The Government requires Councils to demonstrate an ongoing 'five year supply' of deliverable housing sites to ensure that they are well placed to meet their future housing needs. Following the adoption of Section 1 of the Local Plan in January 2021, the Council's local housing need has been confirmed as 550 homes per year.

Taking into account the future trajectory set out in the SHLAA, the Council can demonstrate a 6.66 year supply of deliverable housing sites. Around 4,000 homes are expected to be built within the five years 2021/22 – 2025/26, against a five year requirement of about 3,000 homes.

RECOMMENDATION

That the Planning Policy & Local Plan Committee endorses the content of this report and the new Strategic Housing Land Availability Assessment (SHLAA) (linked as a background document) to demonstrate an up-to-date housing land supply position for the purposes of determining planning applications and contesting planning appeals.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Maintaining and demonstrating an ongoing five-year supply of deliverable housing sites is key to the Council's ability to control the pattern of housing growth across the District and to determining planning applications in line with the policies of the Local Plan.

RESOURCES AND RISK

The annual housing survey, the five-year housing land supply calculation and the updated housing trajectory have all been undertaken by the Council's Strategic Planning and Place Team within the agreed 'LDF Budget'.

The main risk to the housing supply calculations is a challenge to the figures by third-party developers promoting their sites through the planning appeal process. To minimise this risk, Officers have generally taken a cautious/conservative approach to the expected delivery of housing on sites to make it difficult for developers to successfully challenge the figures on the basis of them being too optimistic.

The main risk to housing delivery and achieving and maintaining an ongoing five-year supply of housing land is the housing market in the District. If the market is not buoyant, insufficient completions will be achieved, adding to the shortfall that has to be recovered. In addition, the trajectory of future housing delivery would have to be adjusted to reflect longer lead-in times and/or slower build-out rates.

The COVID-19 coronavirus outbreak in particular was expected to have a significant impact on housebuilding in future year, although the conservative estimates made in the previous year's SHLAA have been exceeded in reality. Wherever possible, Officers' assumptions about housing delivery on certain sites have been reached in consultation with relevant landowners or developers and through the application of reasonable judgement.

LEGAL

The new National Planning Policy Framework (NPPF) published in July 2018 requires Councils to boost, significantly, the supply of housing by identifying sufficient land with their Local Plans to meet their housing requirements. They are also required to identify and update, annually, a supply of specific 'deliverable' sites sufficient to provide five years' worth of housing against their housing requirements, plus an appropriate buffer. Updates to the NPPF in February 2019 have clarified that housing supply has to be measured against a 'local housing need' figure derived using the government's 'standard method' unless adopted Local Plan housing policies are less than five years old.

From November 2018, housing delivery has also had to be measured against a new 'Housing Delivery Test' which looks at the number of homes constructed, against housing requirements, over the previous three years.

In the event that a Council is unable to demonstrate a five-year supply of deliverable housing land, its policies for the supply of housing cannot be considered up to date. Councils are then expected to grant planning permission for housing developments (even if they are contrary to the Local Plan) unless the adverse impacts of doing so would significantly and demonstrably outweigh the benefits when assessed against the NPPF as a whole, or specific paragraphs in the NPPF indicate that development should be restricted.

OTHER IMPLICATIONS

Area or Ward affected: All wards.

Consultation/Public Engagement: None – although the assumptions about housing delivery set out in the SHLAA have been informed through consultation with a number of landowners and developers. Officers will keep the assumptions under continual review and will produce updated versions of the SHLAA on an annual basis, or more frequently if required.

PART 3 – SUPPORTING INFORMATION

Housing requirement

For a number of years, there has been much debate and argument about how many new homes are required in Tendring to meet the needs of a growing population and therefore how much land is required for housing development. The issue of housing numbers and housing development has undoubtedly been the most challenging issue the Council has had to address through the Local Plan process – particularly given the high level of public objection to major housing developments and the very unusual problem that Tendring has in interpreting projections for future population and household growth.

The ‘objectively assessed housing need’ (OAN) for Tendring, as set out in the adopted Section 1 of the Local Plan, is 550 homes a year – or 11,000 homes over the period 2013 to 2033. This figure makes an adjustment for ‘Unattributable Population Change’ (UPC) which arose from errors in either the 2001 or the 2011 Census and/or the government’s population projections (particularly in their assumptions about migration). UPC has a significant effect on housing projections for Tendring compared to vast majority of local authorities across the country and Tendring is therefore considered to be an exceptional case where a bespoke approach has been required.

The Planning Inspector for the Section 1 Local Plan examination agreed with the Council, and following his report of 10 December 2020 (which found that Section 1 of the plan was sound with his recommended main modifications) Section 1 was adopted by full Council in January 2021 – confirming that the District’s housing need is 550 dwellings per annum.

Housing completions

Earlier this year, Officers undertook the annual survey of housing completions for the period 1 April 2020 to 31 March 2021. This involved updating records of sites with planning permission for housing and recording the number of dwellings that had been created on each of those sites over that 12

month period. This was achieved through a combination of site visits, information requested from and provided by developers and use of building control completion data.

The 'net dwelling stock increase' (or housing completions minus losses) for the 2020/21 financial year is recorded as **646**. This 'net' figure takes into account demolitions and other losses of existing homes. This exceeds the housing requirement for Tendring of 550 homes a year.

In each of the first three years of the plan period (2013/14, 2014/15 and 2015/16), actual completions fell short of this requirement with just 204, 267 and 245 completions respectively – amassing a total shortfall of 934. However, the achievement of 658 completions in 2016/17, 565 completions in 2017/18, 915 completions in 2018/19, 784 completions in 2019/20 and 646 completions in 2020/21 has helped to reduce the shortfall to just 116.

The significant improvement in house building in the last four years reflects improvements in housing market conditions (up until very recently) since the 2008 economic downturn, the increase in the number of housing sites gaining planning permission and continued strong progress on some of the District's larger housing developments including Finches Park in Kirby Cross, Hamford Park in Walton, Lawford Park in Lawford, River Reach in Mistley, Colne Gardens in Brightlingsea, Avellana Place in Ardleigh, Staunton Gate in Alresford, Fusiliers Green in Great Bentley, Henderson Park in Thorpe le Soken and Milers Green in Weeley Heath.

Of the 784 completions recorded for 2019/20, 500 took place on larger development sites of 10 or more dwellings with 156 on smaller developments of 9 or fewer.

Strategic Housing Land Availability Assessment (SHLAA) and Housing Trajectory

A Strategic Housing Land Availability Assessment (hereafter referred to as a 'SHLAA') is an essential part of the 'evidence base' that is needed to inform and underpin decisions on allocating sites for housing in Local Plans. The primary purpose of the SHLAA is to:

- identify sites and broad locations with potential for housing development;
- assess their housing potential; and
- assess their suitability for development and the likelihood of development coming forward.

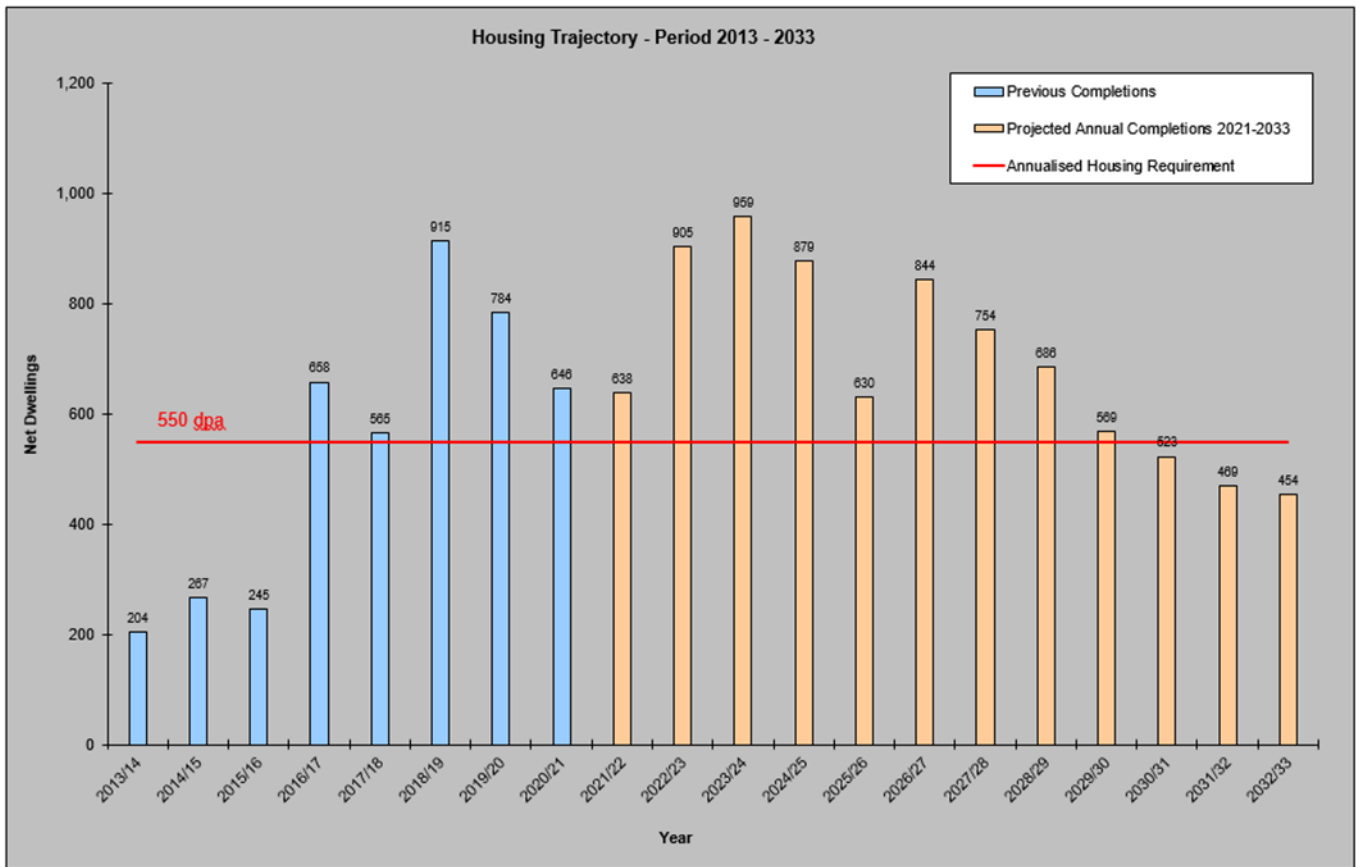
The assessment (linked as a background document) has been updated to a 1st April 2021 base date in order to reflect the latest available information on housing developments in the District, including planning decisions and appeal decisions which have a significant bearing on the assumptions on housing delivery currently set out in the Local Plan.

This assessment identifies that through a combination of dwellings completed since 2013, large sites with planning permission for housing development, small sites and windfall sites and sites specifically allocated in the emerging Local Plan, the objectively assessed requirement to deliver 11,000 homes between 2013 and 2033 can still be met and comfortably exceeded, by around 1,600 homes.

This 'headroom' was useful in demonstrating to the Local Plan Inspector examining Section 2 of the Local Plan that even if certain sites do not come forward for development in the timescales envisaged, there is still a reasonable prospect that the district's housing requirements up to 2033 will be achieved. For example, the largest and most complex residential and mixed-use developments in the emerging Local Plan are the Tendring Colchester Borders Garden Community and the Hartley Gardens development in north west Clacton. If either one of these developments were delayed, or failed to come forward at all during the remainder of the plan period to 2033, there is still sufficient headroom in the overall supply to meet the housing requirement. Because of this additional flexibility and headroom, the Inspector has not required the Council to include additional sites in the Local Plan.

The National Planning Policy Framework requires Councils to ensure their Local Plans meet the full objectively assessed needs for market and affordable housing. As well as identifying and updating a supply of specific deliverable sites to provide five years' worth of housing (plus the appropriate buffer), Councils need to identify a supply of specific, developable sites or broad locations for growth for years 6-10 and, where possible, for years 11-15. The expected rate of housing delivery has to be illustrated through a 'housing trajectory' for the plan period.

The updated information contained within the new SHLAA has been fed into an overall trajectory for housing growth over the plan period which is set out below:



The trajectory shows the low level of housing completions in the years 2013/14 to 2015/16 followed by significant improvement in performance recorded for 2016/17 to 2019/20. Delivery fell in 2020/21 due to the pandemic and the closure of building sites for several months, and the current financial year is also expected to see lower delivery. However stronger delivery is anticipated from 2022/23 as several large sites with outline permission are expected to obtain detailed permission and commence development.

Stronger performance is expected to continue through the next four years, dropping slightly in year five, and then a further increase in delivery is expected in the later part of the plan period once sites allocated in the Local Plan have obtained planning permission and commence building.

The Five Year Supply and implications for determining planning applications

Requirements under the updated NPPF

A new version of the National Planning Policy Framework (NPPF) was published in July 2018. It requires Councils to boost, significantly, the supply of housing. Councils still have to identify and update, annually, a supply of specific 'deliverable' sites sufficient to provide five years' worth of housing against their housing requirements. It also requires Councils to include an additional 'buffer' of either:

- a) *"5% to ensure choice and competition in the market for land; or*
- b) *10% where the local planning authority wishes to demonstrate a five year supply of deliverable sites through an annual position statement or recently adopted plan, to account for any fluctuations in the market during that year; or*
- c) *20% where there has been significant under delivery of housing over the previous three years, to improve the prospect of achieving the planned supply."*

From November 2018, as well as having to demonstrate a five-year supply of deliverable housing sites, Councils have also needed to demonstrate that they are meeting the new 'housing delivery test' (HDT) in the NPPF. It requires housing delivery over the previous three financial years to be measured against the housing requirement and where delivery is 'substantially below the housing requirement', the 'tilted balance' is engaged.

The Council's performance in housing delivery over the last three years has been very strong when measured against the requirement of 550 homes a year in the Local Plan and has also been fairly strong against the government's higher figure of 865. The Council is therefore currently allowed to apply the lower 5% buffer in its housing supply calculation – although this may have to be reviewed again in November 2021 when the next round of HDT figures are published.

In determining whether a five year supply of deliverable housing sites can be demonstrated, the NPPF in Annex 2 includes clear guidance on what can and cannot be considered a 'deliverable site'. It states: *"To be considered deliverable, sites for housing 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 five years. Sites that are not major development, and sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (e.g. they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans). Sites with outline planning permission, permission in principle, allocated in the development plan or identified on a brownfield register should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years”.

Critically if a Council cannot identify a five-year supply of deliverable housing sites (plus the appropriate buffer), its policies for the supply of housing cannot be considered up to date and the ‘presumption in favour of sustainable development’ applies. This requires Councils to consider all housing development proposals on their merits, even if they are contrary to the Local Plan. There is an expectation that planning permission will be granted unless the adverse impacts significantly and demonstrably outweigh the benefits. This is now commonly referred to as the ‘tilted balance’.

Updating the figures

Officers have re-run the housing supply calculation to a 1st April 2021 base-date, measured against the requirement of 550 homes a year as set out in the adopted Section 1 of the Local Plan.

The updated calculations are based on the evidence and assumptions contained within the new SHLAA. The calculations within the SHLAA (chapter 6) give a housing supply position of **6.83** years. These calculations are set out in the following table:

Five Year Requirement and Supply	Local Plan OAN of 550 homes a year
Requirement 2021/22 – 2025/26	2,750 (550 x 5)
Shortfall 2013/14 – 2020/21	116
Sub-Total	2,866
5% buffer	144
Total Requirement	3,010
Supply from large site commitments	3,398
Supply from emerging allocations	0
Supply from small windfall sites	613
Total supply of Homes – Units	4,011

	Total five- year supply of Homes - %	133.3%	
	Total supply of Homes – Years	6.66	

APPENDICES

None.

Background Documents

[Strategic Housing Land Availability Assessment \(SHLAA\) \(October 2021\)](#)