

COMMITTEE: **PLANNING**

DATE: **27 February 2018**

SUBJECT: **Update on Housing Delivery**

REPORT OF: **Director of Strategy, Planning & Regeneration**

Ward(s): All

Purpose: To provide Members with an update on housing delivery and the current position in relation to the Five Year Housing Land Supply

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Recommendations: That Members note the contents of this report.

Executive Summary

- Housing delivery in Q3 2017/18 was 49 net additional dwellings towards the annual target of 245 units
- A total of 114 units were given permission in Q3 2017/18
- There are 591 net additional dwellings with permission that have yet to commence across 91 sites
- There are 290 units under construction across 43 development sites
- The Housing Land Supply currently stands at 3.16 years.

1.0 Introduction

- 1.1 This report provides an update on housing delivery in the third quarter of the 2017/2018 financial year. It is part of the quarterly feedback to Planning Committee on housing delivery rates.
- 1.2 This report identifies the number of units granted permission in the year, the number of units with permission that have yet to start construction, the total number of units completed, and updates Members on the latest position in relation to the Five Year Housing Land Supply.

2.0 Background

- 2.1 National planning policy places considerable weight on the delivery of new

housing. Delivery of housing is assessed in two ways: the number of residential units built; and the number of residential units due to be built in the next five years (known as the Five Year Housing Land Supply). The two are linked to the extent that a reduction in the number of units built will increase the number needed to be built in the next five years to make up for the shortfall.

- 2.2 The identification of a Five Year Housing Land Supply is a requirement of the National Planning Policy Framework (NPPF). A Five Year Housing Land Supply means identifying sufficient housing land in order to meet the cumulative annual housing delivery target for the next five years (i.e. annual target multiplied by five), plus a buffer. This buffer should be 5% unless there is a record of persistent under-delivery of housing, in which case the buffer increases to 20%.
- 2.3 The NPPF states that Local Plan 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. It also states that where relevant policies are out-of-date, permission should be granted *unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the NPPF taken as a whole (NPPF, para 14)*.
- 2.4 This means that if a five year housing land supply cannot be demonstrated, there is a significant risk that refusals of planning permission for residential development could be overturned on appeal with associated cost implications, even if the application is contrary to Local Plan policy.
- 2.5 National policy and case law has shown that the *'demonstration of a 5 year supply is a key material consideration when determining housing applications and appeals'* (Planning Practice Guidance, Paragraph: 033 Reference ID: 3-033-20150327¹).
- 2.6 The Government's White Paper *'Fixing Our Broken Housing Market'*, published in February 2017, includes a proposal to introduce a new housing delivery test to assess the number of residential units delivered against the local plan target. It is understood that the housing delivery test will be introduced in 2018. Depending on the percentage of the target delivered, different responses will be required with the intention of boosting the supply of housing.

3.0 Housing Completions

- 3.1 In the third quarter of the 2017/18 year, a total of 49 net additional dwellings were completed. This is added to the 22 net additional units that were completed in the first two quarters, to make a total of 71 units delivered in so

¹ <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

far in 2017/18. This equates to just 29% of the annual target.

- 3.2 The delivery of 49 units in the third quarter came from 11 sites, with the large individual development being 13 units at Sumach Close. Four of the development sites delivered five or more net additional units.
- 3.3 The Core Strategy (adopted 2013) plans for the delivery of 5,022 net additional dwellings between 2006 and 2027. As of the end of the third of 2016/17, a total of 2,647 units had been delivered since the start of the plan period. This leaves 2,375 units to be delivered until the end of the plan period at an annual average of 256.8 units per year.
- 3.4 Falling housing delivery rates over recent years has meant that the total number of units that have been delivered is now less than the cumulative target. At this point in the plan period, 2,760 units should have been delivered, so actual delivery is 162 units short of the number of houses that should have been delivered at this point in the plan.

4.0 New Commitments

- 4.1 During the third quarter of the 2017/18 financial year, a total of 114 net additional units were granted permission across 20 sites. However this does include permission for 58 units on the scheme at 7 Upperton Road, which supersedes a previous permission for a higher number of units. Over the first three quarters of 2017/18, a total of 263 units have been granted permission.
- 4.2 Of the 20 residential development schemes granted permission in the third quarter, six provide a net increase of 5 or more units (including the 7 Upperton Road permission). Six of the permission would result in just one net additional dwelling.
- 4.3 It has been identified that a total of **49** net additional units across 6 development sites were refused planning permission in the third quarter of 2017/18.
- 4.4 It is important to recognise that not all of the units granted permission will be built. Evidence over the Core Strategy plan period (since 2006) suggests that 76% of units granted permission were completed. At a 76% delivery rate, meeting the target of 245 units per year would require 322 units to be granted permission each year.

5.0 Total Commitments

- 5.1 As at the end of the third quarter of 2017/18, there were **591** net additional dwellings with permission that have yet to commence across 91 sites. This includes:
 - 102 units at Bedfordwell Road Depot

- 78 at 20 Upperton Road
- 58 units at the former Caffyns site at 7 Upperton Road
- 36 units at 2-4 Moy Avenue
- 35 units at St Anne's House, St Anne's Road

5.2 As at the end of the third quarter of 2017/18, there were **290** units under construction across 43 development sites. This includes:

- 72 units at Site 1, Sovereign Harbour
- 70 units at Site 7c, Sovereign Harbour
- 15 units at the Courtlands Hotel, Wilmington Gardens

6.0 Housing Delivery Test

6.1 A new Housing Delivery Test on local authorities will be introduced in 2018. The test will identify the number of houses built against the housing target over a rolling three year period. The first assessment period for the Housing Delivery Test will be for financial years April 2014 – March 2015 to April 2016 – March 2017.

6.2 If during the first assessment period the delivery of housing falls below 95% of the target, local authorities will be required to publish an action plan setting out an understanding of the key reasons for the situation and the actions that could be taken to get home-building back on track. Where local authorities are delivering less than 85% of their housing target will also be required to add a 20% buffer to their Five Year Housing Land Supply calculation.

6.3 An analysis of housing delivery over the first assessment period shows that 576 units were delivered against a target of 720, which equates to 80% delivery. This means that the Five Year Housing Land Supply buffer should be increased to 20%.

7.0 Five Year Housing Land Supply Assessment

7.1 Following the end of the third quarter 2017/18, there are 2,375 units to deliver over the remaining 9.25 years of the plan period. This equates to 256.8 units per year.

7.2 The delivery of only 80% of the housing target over the last five years, including just one year of exceeding the target, indicates a persistent under-delivery of housing in Eastbourne, this suggests that the 20% buffer should now be used.

7.3 The additional 20% buffer equates to an additional years' worth of the target, making the Five Year Housing Land Supply requirement for Eastbourne **1,541** units. Eastbourne Borough Council is required to identify sufficient land to

meet this requirement.

- 7.4 Eastbourne's 5 year housing supply takes account of: existing housing commitments; new commitments that were approved for planning permission for residential development; sites that are awaiting a Section 106 agreement; and sites that were assessed as deliverable in the Strategic Housing & Employment Land Availability Assessment (SHELAA) 2017.
- 7.5 The current assessment of the Five Year Housing Land Supply identifies that as of the end of the third quarter 2017/18, Eastbourne has a supply of housing land equivalent to **975** units.
- 7.6 The Assessment shows that Eastbourne currently has a **3.16 year** supply of housing land (or **63.3%** of the Five Year Housing Land Supply requirement). Eastbourne Borough Council is 556 units short of having a Five Year Housing Land Supply.
- 7.7 As a five year housing land supply cannot be demonstrated, current policies cannot necessarily be relied upon to justify a refusal of permission and therefore there is a significant risk of future planning refusals for residential development being overturned at appeal.
- 7.8 The under-delivery of housing continues to increase the Five Year Housing Land Supply requirement, as under delivery increases the annual target used to calculate the requirement. In addition, a low rate of sites being granted permission means that the number of units in the Five Year Housing Land Supply is falling. Both factors combined mean that it will be very difficult for a Five Year Housing Land Supply to be identified in the near future, unless additional housing development sites can be identified.

8.0 Conclusion

- 8.1 National planning policy places considerable weight on the delivery of new housing, and the five year housing land supply is a material consideration in the determination of planning application.
 - 8.2 The delivery of 49 net additional units in the third quarter 2017/18 is a below average level of delivery. Combined with the very low delivery in the first half of 2017/18 of just 22 units, it looks very unlikely that the annual target for the year will be met once again. It is estimated that the fourth quarter should see a further 43 completions, meaning that the total delivery for the year would be 114 units.
 - 8.3 Eastbourne currently has a housing land supply equivalent to 975 units, which represents **3.16 years** supply of land. Therefore a five year housing land supply cannot be demonstrated, which means local plan policies relevant to the supply of housing are out of date and cannot be relied upon to refuse
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development.

Background Papers:

The Background Papers used in compiling this report were:

- Eastbourne Core Strategy Local Plan 2006-2027
- National Planning Policy Framework (2012)
- Fixing Our Broken Housing Market – Government White Paper (2017)

To inspect or obtain copies of the background paper, please refer to the contact officer listed above.

Appendix 1 – Housing Delivery Statistics by Ward – Third Quarter 2017/18

Ward	Net Completions in Quarter	Net Newly Committed in Quarter	Total Commitments (not commenced)	Total Under Construction
Devonshire	15	19	104	31
Hampden Park	13	0	11	2
Langney	0	9	4	3
Meads	7	4	47	36
Old Town	3	0	2	7
Ratton	0	0	6	1
Sovereign	0	2	3	156
St Anthonys	11	4	53	12
Upperton	0	76	361	42
TOTAL	49	114	591	290

A full list of sites in each category is available on request