

COMMITTEE: **PLANNING**

DATE: **15 November 2016**

SUBJECT: **Update on Housing Delivery**

REPORT OF: **Director of Regeneration and Planning**

Ward(s): All

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

Contact: Matt Hitchen, Senior Strategy & Commissioning Officer
(Planning Policy)
Tel no: (01323) 415253
E-mail: matt.hitchen@eastbourne.gov.uk

Recommendations: That Members note the contents of this report.

1.0 Introduction

1.1 This report provides an update on housing delivery in the second quarter of the 2016/2017 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 previous quarter
- the financial year as a whole,
- 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:

1. the number of residential units built; and
2. 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 that a reduction in the number of units

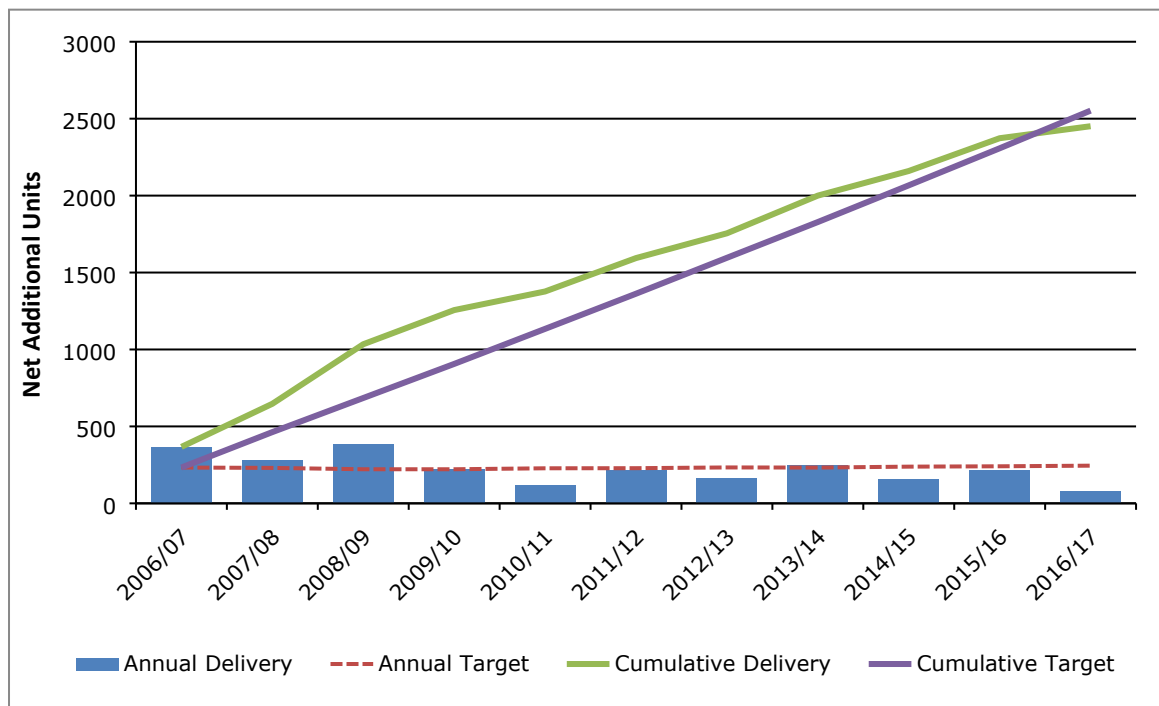
built will increase the number needed to be built in the next five years to make up for the shortfall.

- 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 5% buffer. This buffer is increased to 20% where there has been persistent under delivery of housing.
- 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 It also states that where relevant policies are out-of-date, permission should be granted *unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the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*.
- 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.

3.0 Housing Completions

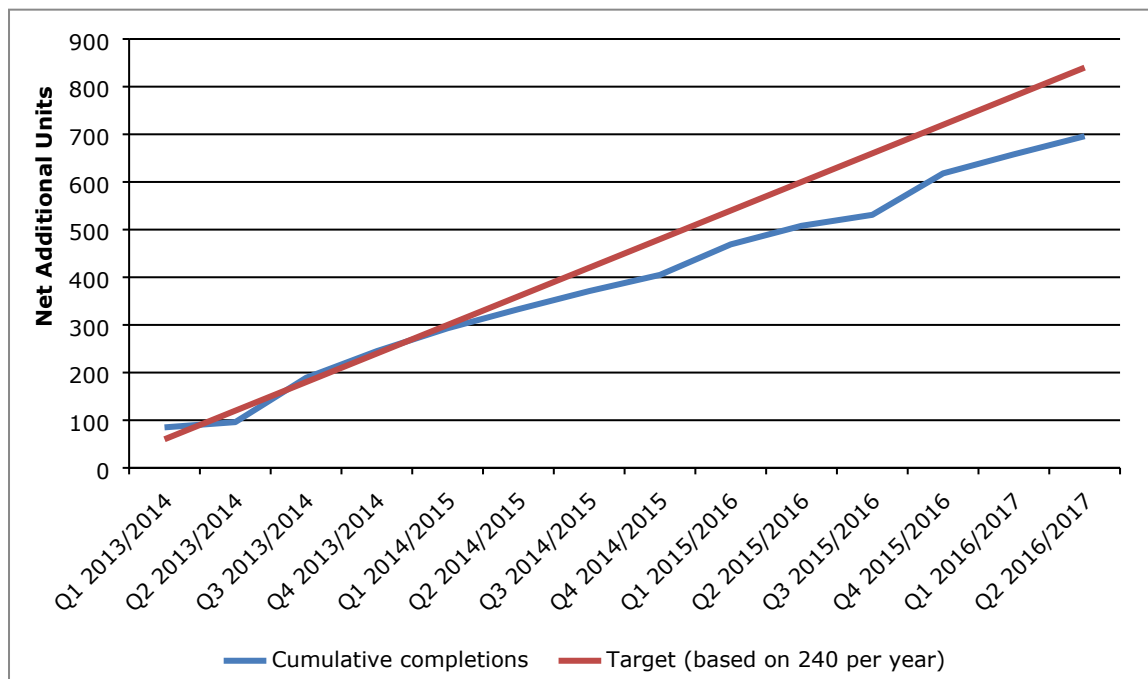
- 3.1 The Core Strategy (adopted 2013) plans for the delivery of 5,022 net additional dwellings between 2006 and 2027. As of the end of the second quarter of 2016/17 (30 September 2016), a total of 2,451 units had been delivered since the start of the plan period. This leaves 2,571 units to be delivered until the end of the plan period at an annual average of 245 units per year.
- 3.2 There was an over-delivery in the early part of the plan period. This has meant that up until recently the total amount of housing delivered in the plan period (cumulative delivery) has been higher than the number that should have been delivered (cumulative target). This is illustrated in Figure 1.

Figure 1 - Housing Delivery Rates over the Plan Period



- 3.3 However, falling housing delivery rates over recent years has meant that the cumulative delivery has now fallen below the cumulative target. In simple terms, Eastbourne has now delivered less housing than it should have at this point in the plan period.
- 3.4 Monitoring of planning permissions has shown that the housing delivery rate in Eastbourne continues to fall. It is considered that this is mainly due to a slow rate of commencement on sites that have been granted permission, but also a lack of sites coming forward and being granted permission is also a significant factor.
- 3.5 In the second quarter of 2016/17, a total of **38** new dwellings were completed. Of these 38 completed units, 27 units were at the Meadows View development on Kings Drive. The remaining 11 new dwellings were provided across five other development sites.
- 3.6 Housing completions over the quarter have been low. The 38 units completed in Quarter 2 are added to the 40 units completed in Quarter 1 to total just **78** units completed in the first half of 2016/17. This is compared to an annual target of 245 units over the whole of the year.
- 3.7 Figure 2 compares the number of units completed since the adoption of the Core Strategy (2013/14) against the Core Strategy target of 240 units per year. It identifies a trend of under-delivery of housing against the target over the last two years.

Figure 2 - Housing Completions since 2013/14



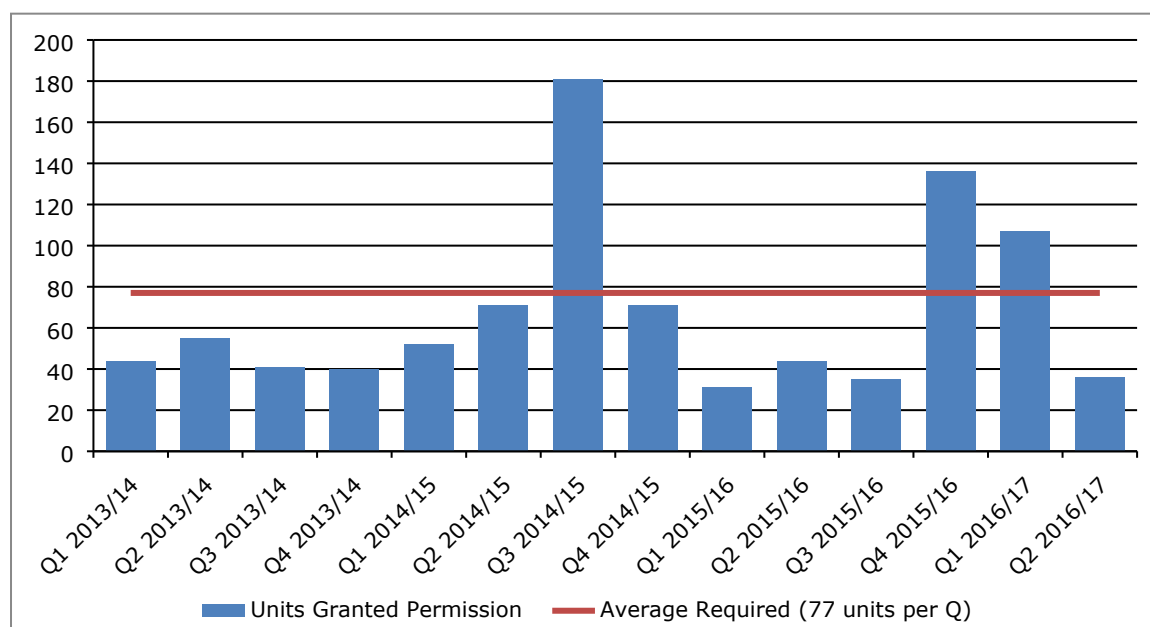
- 3.8 This trend is expected to continue in the short term. This is illustrated by the fact that 57 of the 78 of the units completed over the 2016/17 monitoring year (73%) have been at the Meadows View development on Kings Drive. This development now only has 30 outstanding units to be delivered. Once this development is completed, housing delivery rates are expected to fall even further.

4.0 New Commitments

- 4.1 A total of **36** units were granted permission during the second quarter of 2016/17. This represents a low rate of new commitments. By way of comparison, the first quarter of 2016/17 saw 107 units granted permission.
- 4.2 The 36 newly committed units are spread across 16 sites, including a development of 6 units that was allowed on appeal.
- 4.3 For comparison purposes, it is identified that a total of 35 net additional units across 15 development sites have been refused planning permission in the first half of the 2016/17 year (20 in Q1 and 15 in Q2).
- 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 only 78% of units granted permission are completed.
- 4.5 At a 78% delivery rate, meeting the Core Strategy target of 240 units per year would require 308 units to be granted permission per year, which equates to an average of 77 units per quarter. Figure 3 shows the number of units granted permission per quarter since the adoption of the Core Strategy (2013/14). An average of 270 units have been granted permission per year (67 units per quarter). The quarterly average required to meet the annual

delivery target was exceeded three times out of 14 quarters, and the annual average required to meet the delivery target has only been exceeded once since 2013/14.

Figure 3 - Number of units granted permission by quarter since 2013/14



Year	Q1	Q2	Q3	Q4	Annual Total
2013/14	44	55	41	40	180
2014/15	52	71	181 *	71	375
2015/16	31	44	35	136 **	246
2016/17	107 ***	36	-	-	143

* Includes 150 units committed via the Sovereign Harbour outline permission

** Includes 61 units committed via the Former Caffyns Building on Upperton Road

*** Includes 16 units committed via the Heatherleigh Hotel and 35 units committed via St Anne's House, St Anne's Road

- 4.6 For illustrative purposes, it has been calculated that if the units that have been refused permission over the first half of 2016/17 had been approved, it would amount to 178 units committed, which at a delivery rate of 78% would be 139 units. This is the rate required over the whole year to achieve the target.
- 4.7 However it is recognised that there is an issue with the number of sites coming forward for housing as Members cannot grant approval for development where there has been no application. Currently, housing delivery is reliant on windfall sites (sites which have not been specifically identified as available in the Local Plan process), which are by their nature cannot be predicted. Housing delivery could be boosted through the identification of potential sites, as it may encourage landowners to submit an application and provides an opportunity to identify and address wider issues that may be preventing sites from coming forward.

5.0 Total Commitments

5.1 As at the end of the Quarter 2, there were **689** net additional dwellings with permission that have yet to commence across **93** sites. This includes:

- 142 units at Sovereign Harbour
- 102 units at Bedfordwell Road Depot
- 61 units at the former Caffyns site on 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 second quarter of 2016/17, there were **160** units under construction across **35** development sites. This includes:

- 30 remaining units at Meadows View, Kings Drive
- 16 units at 27 St Leonards Road
- 9 units at Koala on King Edwards Parade

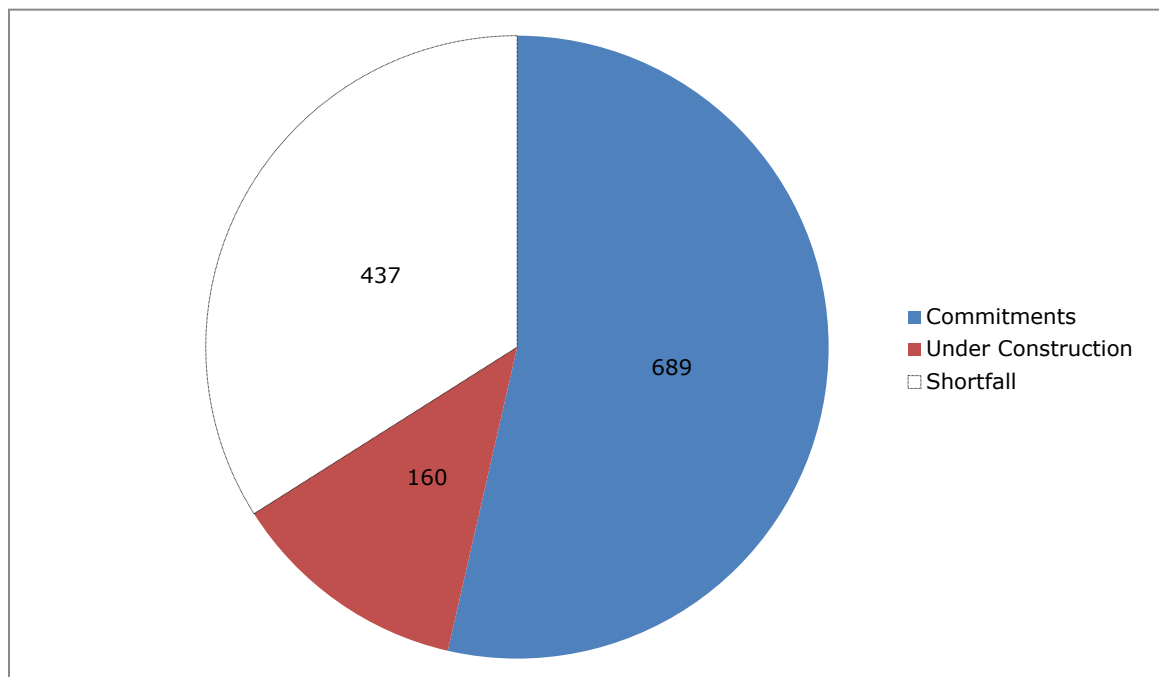
6.0 Five Year Housing Land Supply Assessment

6.1 The annual requirement over the remaining plan period is 245 units per year, and therefore the five year requirement is 1,225 units. The additional 5% buffer equates to an additional 61 units, making the Five Year Housing Land Supply requirement for Eastbourne **1,286** units. Eastbourne Borough Council is required to identify sufficient land to meet this requirement.

6.2 The current assessment of the Five Year Housing Land Supply identifies that as of 30 September 2016, Eastbourne has a supply of housing land equivalent to **849** units. This currently consists of sites with permission, including those where construction has started and those where construction has not started. This is because it is currently not possible to identify any housing development sites that have the potential to come forward within the next five years.

6.3 The Assessment shows that Eastbourne currently has a **3.47 year** supply of housing land (or **66%** of the Five Year Housing Land Supply requirement including 5% buffer). As demonstrated in Figure 4, Eastbourne Borough Council is 437 units short of having a Five Year Housing Land Supply (including 5% buffer).

Figure 4 - Five Year Housing Land Supply



- 6.4 As a five year housing land supply cannot be demonstrated, current policies cannot 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.
- 6.5 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.

7.0 Conclusion

- 7.1 National planning policy places considerable weight on the delivery of new housing. Housing delivery rates in Eastbourne have been falling over recent years, and the annual delivery targets are not being achieved. This trend is expected to continue.
- 7.2 Eastbourne Borough Council is required to identify sufficient land to accommodate the next five years' worth of annual housing target. At present this would equate to land for 1,286 units. Currently, it is only possible to identify a 3.47 year supply of housing (equating to 849 units).
- 7.3 The rate of housing delivery impacts on the Five Year Housing Land Supply. In simple terms, the less units are delivered, the higher the Five Year Housing Supply requirement rises.
- 7.4 The lack of a Five Year Housing Land Supply is a material consideration and

means that Local Plan policies cannot be relied upon to refuse planning application. Therefore there is a significant risk that refusal for residential development will be overturned on appeal.

- 7.5 As sites are built out they are removed from the Five Year Housing Land Supply, which means additional sites need to be granted permission to replace them. Evidence suggests that that only 78% of units granted permission eventually get built. This means that in order to average the construction of 240 units per year, an average of 308 units need to be granted permission on an annual basis. Since 2013, an average of 270 units have been granted permission per year.
- 7.6 It is recognised that part of the issue is a lack of sites coming forward for development. Currently the majority of sites coming forward are windfall sites, which means that they haven't been identified as a potential development site prior to the application being submitted.
- 7.7 Housing delivery could be boosted through the identification of new sites with housing potential, as it may encourage landowners to submit an application and provides an opportunity to identify and address wider issues that may be preventing sites from coming forward. The identification of sites will also mean that the Five Year Housing Land Supply is increased.
- 7.8 The process for identifying additional sites is currently underway through the Strategic Housing & Employment Land Availability Assessment. This study is due to be completed in spring 2017. The more sites identified as developable through this process, the closer to the Five Year Housing Land Supply requirement will be. This will give Members better control over approvals and greater comfort that refusals won't be overturned on appeal.
- 7.9 Members will continue to be provided with an update on the latest position in relation to housing delivery and the Five Year Housing Land Supply on a quarterly basis.

Background Papers:

The Background Papers used in compiling this report were:

- Eastbourne Core Strategy Local Plan 2006-2027
- National Planning Policy Framework (2012)

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

Appendix 1 – Housing Delivery Statistics for Quarter 2 2016/17 by Ward

Ward	No. of Completions (in Q2)	Newly Committed (in Q2)	Total Commitments (all outstanding/extant permissions)	Under Construction (at time of survey in Q2)
Devonshire	7	11	101	32
Hampden Park	0	1	14	0
Langney	0	0	3	0
Meads	0	8	43	61
Old Town	0	1	9	0
Ratton	28	0	5	1
Sovereign	0	1	143	19
St Anthonys	0	0	61	0
Upperton	3	14	309	47
TOTAL	38	36	689	160

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