

**COMMITTEE:** **PLANNING**

**DATE:** **21 November 2017**

**SUBJECT:** **Update on Housing Delivery**

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

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**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.

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## **Executive Summary**

- Housing delivery in Q2 2017/18 was 17 net additional dwellings towards the annual target of 245 units
- A total of 36 units were given permission in Q2 2017/18
- There are 621 net additional dwellings with permission that have yet to commence across 82 sites
- There are 308 units under construction across 46 development sites
- The Housing Land Supply currently stands at 3.36 years.

### **1.0 Introduction**

- 1.1 This report provides an update on housing delivery in the second 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: 3-033-20150327<sup>1</sup>).
- 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 from November 2017. It is understood that the introduction of the housing delivery test has been delayed, but it will be implemented 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 second quarter of the 2017/18 year, a total of 17 net additional dwellings were completed. This is added to the five net additional units that were completed in the first quarter, to make a total of 22 units delivered in

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

the first half of 2017/18. This equates to just 9% of the annual target.

- 3.2 The delivery of 17 units in the second quarter came from 9 sites, with the large individual development being 6 units. The delivery of 17 units is the second lowest delivery of any quarter within the plan period (the lowest being Q1 2017/18).
- 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 second quarter of 2016/17, a total of 2,598 units had been delivered since the start of the plan period. This leaves 2,424 units to be delivered until the end of the plan period at an annual average of 255.2 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 second quarter of the 2017/18 financial year, a total of 36 net additional units were granted permission across 14 sites. This can be added to the 113 units that were granted permission in the first quarter to make a total of 149 units granted permission in the first half of the year.
- 4.2 Of the 36 units granted permission in the second quarter, only two provide a net increase of 5 or more units. The largest of these is the change of use of Veritek House, Edgeland Terrace from offices to residential use under permitted development rights. 8 of the 14 development sites will provide an additional one unit only.
- 4.3 It has been identified that a total of **10** net additional units across 6 development sites were refused planning permission in the second 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 second quarter of 2017/18, there were **621** net additional dwellings with permission that have yet to commence across 82 sites. This includes:

- 102 units at Bedfordwell Road Depot
- 73 at 20 Upperton Road
- 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 2017/18, there were **308** units under construction across 46 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
- 13 units at land at Sumach Close

## **6.0 Housing Delivery Test**

6.1 There is a proposal in the Housing White Paper to introduce a new Housing Delivery Test on local authorities. 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 second quarter 2017/18, there are 2,424 units to deliver over the remaining 9.5 years of the plan period. This equates to 255.2 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 **1,531** 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 in the 2016/2017 monitoring year; 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 second quarter 2017/18, Eastbourne has a supply of housing land equivalent to **1,023** units.
- 7.6 The Assessment shows that Eastbourne currently has a **3.36 year** supply of housing land (or **66.8%** of the Five Year Housing Land Supply requirement). Eastbourne Borough Council is 508 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 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 just 17 net additional units in the second quarter 2017/18 is a significantly low level of delivery. Combined with the very low delivery in the first quarter 2017/18 of just 5 units, it looks very unlikely that the annual target for the year will be met once again.
- 8.3 Eastbourne currently has a housing land supply equivalent to 1,023 units, which represents **3.34 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 development.

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### **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 – Second Quarter 2017/18

Ward	Net Completions in Quarter	Net Newly Committed in Quarter	Total Commitments (not commenced)	Total Under Construction
Devonshire	9	2	91	44
Hampden Park	0	11	11	15
Langney	0	1	4	2
Meads	4	9	48	36
Old Town	1	0	2	7
Ratton	0	0	4	1
Sovereign	0	1	1	156
St Anthonys	2	9	50	22
Upperton	1	3	410	25
<b>TOTAL</b>	<b>17</b>	<b>36</b>	<b>621</b>	<b>308</b>

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