

EAST LINDSEY LOCAL PLAN CORE STRATEGY EXAMINATION
MATTER 8 – HOUSING SUPPLY INCLUDING 5 YEAR SUPPLY OF
DELIVERABLE SITES

Inspector's issues and questions in bold type.

This Hearing Statement is made for and on behalf of the HBF which should be read in conjunction with our representations to the draft and pre submission Local Plan Core Strategy consultations dated 8th August 2016 and 25th January 2017 respectively. This representation answers specific questions as set out in the Inspector's Matters, Issues & Questions document published on 26th May 2017.

Main issues: Will the plans help deliver the requirement/target of 7768 homes? Is this target realistic and achievable? What should be the 5 year supply requirement?

Overall supply questions

1. Is the total predicted supply intended to be 8336 plus 1935 (if windfalls are included) = 10721? (CS Table A)

The HBF understand that this is the Council's stated position on housing land supply.

2. Will the policies in the plan ensure that the housing requirement of 7768 can be met? Is the supply from the following sources justified (CS Table A as summarised below)? Are these sites all deliverable or developable? Have any of the planning permissions for these commitments now expired or been approved for less dwellings? Are the commitment sites listed anywhere? Should any 'lapse rate' be applied? Are numbers for the housing allocations based on appropriate density assumptions?

The predicted supply of 8,336 dwellings assumes 100% of all sites are deliverable or developable and will come forward within the plan period which is unlikely. The non-application of a lapse rate is only appropriate if there is sufficient contingency within the overall HLS (see answer to Q8) and the Council's assumptions on the housing delivery rates of individual sites included in the trajectory together with windfall allowances are fully justified and realistic. Otherwise as set out in the Local Plans Expert Group (LPEG) Report (Appendix 13) a 10% lapse rate should be applied.

4. Is the supply from windfalls in CS Table A (as set out below) justified and where is this justification set out? How do these forecasts compare with past performance? Is past performance a reasonable forecast of what will happen (given the current Local Plan dates back to 1995/1999 -

see para 30, page 28 of the CS which sees the number of windfalls reducing)?

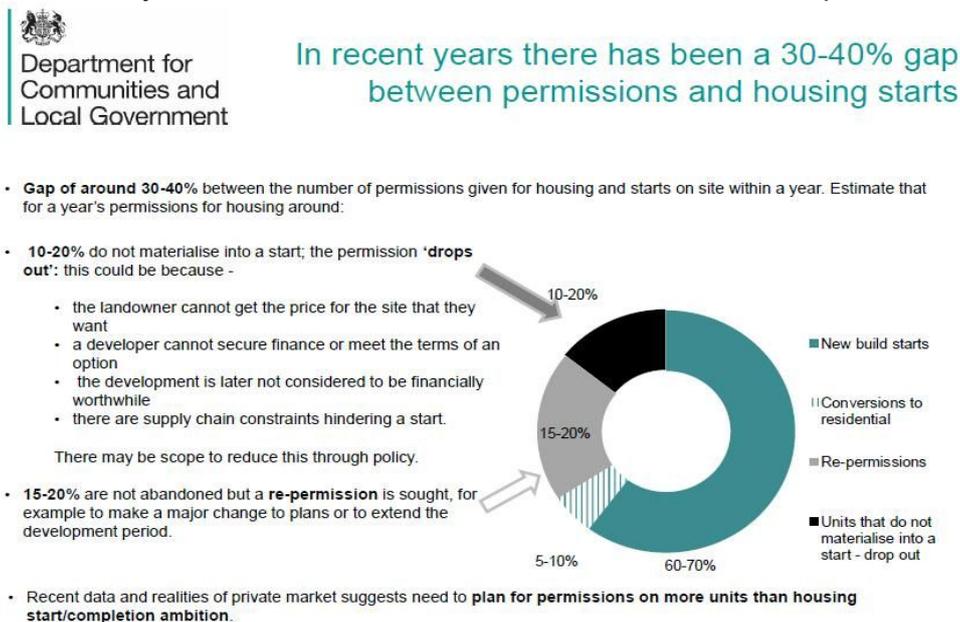
It is reasonable to expect the number of windfalls sites to reduce in the future as such sites are a finite resource. In a plan-led system most sites will have been identified and allocated therefore to avoid any double counting windfall site allowances should be excluded from HLS in the earlier years.

7. Is the inland supply of 6678 (2777 inland commitments + 3901 inland allocations – Table A) sufficient to meet the inland minimum target of 6460 in Policy SP3?

A surplus of only +218 dwellings (3.2%) is too tight to meet the inland minimum housing target.

8. The CS (para 31, page 28) states that the supply of 8336 homes (Table A) includes a buffer of approximately 7.3% (568) on top of the housing target of 7768. Is this buffer sufficient to help ensure delivery of the overall housing target?

A 7.3% contingency is insufficient to deliver the overall housing requirement. The HBF always recommend as large a contingency as possible preferably at least 20%. Whilst the Council’s proposed windfall allowance provides some additionality the application of a lapse rate (as suggested in answer to Q2) would provide further flexibility. In the HBF representation to the Draft Local Plan the Council was referred to the DCLG presentation slide from the HBF Planning Conference September 2015 (see below) which illustrates 10 – 20% non-implementation gap together with 15 – 20% lapse rate. The slide also suggests “the need to plan for permissions on more units than the housing start / completions ambition”. It is acknowledged that this presentation slide shows generic percentages across England but it provides an indication of the level of flexibility within the overall HLS that the Council should provide.



Extract from slide presentation “DCLG Planning Update” by Ruth Stanier Director of Planning - HBF Planning Conference Sept 2015

The HBF also advocates reserve sites as recommended in the LPEG Report “... that local plans should be required not only to demonstrate a five year land supply but also focus on ensuring a more effective supply of developable land for the medium to long term (over the whole plan period) ... the release of developable Reserve Sites equivalent to 20% of their housing requirement” (para 11.4).

What is the 5 year requirement?

Note – the 5 year requirement will be considered at the Stage 1 hearings. Issues relating to whether the plans will be likely to help ensure that there is a reasonable prospect of a 5 year supply of housing being achieved, on adoption and through-out the lifetime of the plan, will be considered at the Stage 2 hearings. The Council will need to frame its response at the Stage 2 MIQs having regard to the questions asked below. In doing so, the Council should set out the supply evidence clearly indicating the sites that will make up the 5 year supply.

Note: The Council should prepare a succinct note that answers the following questions and sets out the evidence that justifies the answers.

Relevant annual requirement?

2. What annual requirement should be used as the baseline to calculate the 5 year requirement? Should it be based on the phased delivery set out in Policy SP3 (ie 591/year for 2016-21, 481/year 2021-25 and 482/year 2025-31?). If so, would the baseline 5 year requirement be as follows:

■ 2017 to 2022 = 2845 (591 x 4 plus 481 x 1)

■ 2018-2023 = 2735 (591 x 3 plus 481 x2) and so on?

Alternatively should the baseline figure be the plan target of 7768 divided by 15 years = 518/year (or 2590 for 5 years)?

Or the OAN of 7215 divided by 15 = 481/year x 5 = 2405 (for example, if the additional 553 was intended to help provide a 5 year supply rather than to meet an under-supply)?

As set out in the phasing of Policy SP3 of the submission version of the Core Strategy the 5 YHLS is calculated as above. If the phasing was deleted from Policy SP3 then the annualised baseline figure would be 2,590 dwellings (517 dwellings per annum). No other alternative should be considered.

3. What is the base date for calculating the housing requirement in the plan and why? Is it 2011? (Box 1 refers to a target of 481/year from 2011-2015) Or the start of the plan period – 2016?

As set out by the Council the HBF understands that the base date for the OAHN is 2011 whilst the base date for the housing requirement is 2016.

Shortfall in delivery?

4. Has there been any shortfall in delivery against the annual requirement since the start of the plan period in 2016 or the base date for the plan in terms of the housing requirement if earlier – eg 2011?, whichever is appropriate? (see possible calculations below provided for

illustrative purposes). The possible calculations below are based in information provided in the Housing Topic Paper and are illustrative. Box 1, Page 22 of the Housing Paper refers to a target for 2011-2015 of 481/year and for 2016-2021 of 591/year. Page 9 of the Housing Topic Paper refers to total new build from 2011-2016 of 246, 240, 276, 278 and 405 = 1445. Page 36 refers to 323 completions in 2016. If a base date of 2011 is justified and the phasing targets in Box 1 are applied:

- the requirement between 2011 and 2017 would be 2996 (481 x 5 plus 591)?
- delivery between 2011 and 2017 was 1768 (1445 + 323)
- leaving a shortfall of 1228 to be recovered (2996 minus 1768)?

If an annual target of 481 is applied since 2011 for 2011-17 – 481 x 6 = 2886 minus 1768 delivered = 1118 shortfall?

If a base date of 2016 is justified:

- the requirement for 2016-17 would be 591? (based on Box 1)
- delivery in 2016-17 was 323?
- leaving a shortfall of 268 to be recovered (591 minus 323)?

These shortfall would be different if any of these figures or dates are varied.

There has been a shortfall in delivery both from the base date of 2011 for the calculation of OAHN and the start of the plan period in 2016 as illustrated by the Inspector's calculations.

5. If there has been a shortfall since the relevant base date, should this be recovered over the next 5 years ('Sedgefield') or over the lifetime of the plan ('Liverpool') and why? What would the resulting 5 year requirement be for 2017-22 and 2018-23 and thereafter?

The shortfall should be recovered using the Government's preference for the Sedgefield approach (NPPG ID 03-035). This is not just a mathematical exercise but represents households in need of housing and to delay meeting housing needs until later in the plan period (the Liverpool approach) has adverse impacts on these households who are already in housing need.

5 or 20% buffer?

6. Should a buffer of 5 or 20% be added? Has there been a record of persistent under delivery of housing? Over what time period should this be considered (for example, in any of the years preceding 2011)? What were the relevant annual housing requirement targets for each of these past years [for example, based on the relevant and appropriate Regional Strategy or Local Plan target at that time], how many houses were delivered in each of those years, and what was the amount of under or over delivery against the requirement in each year and overall for the selected period?

There is a record of persistent delivery therefore a 20% buffer should be applied. The recently published Housing White Paper proposes a housing delivery test which if applied the Council would also fail. Under the Housing White Paper if the housing delivery test is not passed then a 20% buffer is

sought.

7. The Housing Topic Paper (page 11) appears to indicate that a 5% buffer should be applied because the under delivery of housing has been caused by a lack of demand? Is this consistent with para 47 of the Framework which seeks a 20% buffer where there has been a persistent under delivery (to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land)?

The proposal of 5% buffer and the Council's reasoning is inconsistent with national policy.

Notes relating to questions 6 and 7

Box 1, page 22 in the Housing Topic Paper refers to a target of 600/year from 2006-2010 and 481/year from 2011-2021. Page 9 of the Housing Topic Paper refers to completions from 2011-2016 of 246, 240, 276, 278 and 405 = 1445 and Page 36 to 323 completions in 2016. Page 38 of the Housing Topic Paper has a graph which does not set out precise figures but appears to show an annual delivery range between 2001 and 2010 of around 500 to 700. And a 30 year average of 548/year. In this context the PPG states that: The assessment of a local delivery record is likely to be more robust if a longer term view is taken, since this is likely to take account of the peaks and troughs of the housing market cycle.

5 year requirement conclusions

8. What would be the 5 year requirement be for 2017-22 and for 2018-23, taking account of the recovery of any shortfall and if 5 and 20% buffers are applied – for example would it be as follows (this based on the figures in question 2 and noting that the actual figures will depend on the answers to the questions above – for example, if a different starting point for the 5 year requirement is arrived at – eg 2405 or 2590):

- 2017-22 - 2845 plus 5% = 2987?**
- 2017-22 - 2845 plus 20% = 3414?**
- 2018-23 – 2735 plus 5% = 2871?**
- 2018-23 – 2735 plus 20% = 3282?**

Note: the recovery of any shortfall since 2016 will need to be added to the figures above *before* the % buffer is added – see question 5 above.

The 5 YHLS should be based on Sedgefield and 20% buffer applied to both the annualised housing requirement and shortfalls. Using the illustrative examples above the most appropriate figures are 3,414 and 3,282.

9. For clarity, should the overall position on 5 year supply be set out in the plan (ie annual targets/requirement, completions since the start of the plan period/base date, the approach to catching up any shortfall and the 5 or 20% buffer)?

The 5 YHLS should be set out.

10. Should a Housing Trajectory graph be included in the Plan (showing

the average annual requirement as adjusted to recover past shortfall, completions to date, the amount of development forecast each year to the end of the plan period and an overall 'managed delivery' trajectory)?

A housing trajectory should be included in the Appendices of the Plan.

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