

FAREHAM

BOROUGH COUNCIL

Report to Planning Committee

Date **12 September 2018**

Report of: **Director of Planning and Regulation**

Subject: **FIVE YEAR HOUSING LAND SUPPLY POSITION**

SUMMARY

At their meeting on the 9th October 2017, the Executive resolved that Officers present a report to the Planning Committee on the Council's current 5-Year Housing Supply (5YHLS) position on a regular basis.

The following report provides the latest update, and supersedes the update previously provided to the Planning Committee on 20th June 2018.

RECOMMENDATION

That the Committee note: -

- (i) the content of the report and the current 5-Year Housing Land Supply position; and
- (ii) that the 5-Year Housing Land Supply Position set out in the attached report (which will be updated regularly as appropriate) is a material consideration in the determination of planning applications for residential development; and
- (iii) that the Government will be considering adjustments to the new standard method used to calculate Local Housing Need, following publication of the new household growth projections in September 2018.

INTRODUCTION

1. The following 5YHLS position updates and supersedes those previously provided to Planning Committee. It will continue to be regularly updated as appropriate and will represent a material consideration in the determination of planning applications. It should be noted that the Council's housing land supply position can go down as well as up depending on the circumstances relevant at any given time.

NATIONAL PLANNING CHANGES

2. Since publication of the last 5YHLS position at the June Planning Committee meeting, the Government has published the revised National Planning Policy Framework (NPPF) and updated Planning Practice Guidance (PPG).
3. The revised requirements set out in the NPPF and PPG change how Local Planning Authorities must calculate their housing need figure. Previously, housing need was calculated through a process called Objectively Assessed Need (OAN). The requirement of the revised NPPF is for housing need to now be calculated by the new standard method which is set out in the PPG.
4. The standard method uses household growth projections and house-price to earnings affordability data (produced by the Office for National Statistics) to calculate the Local Housing Need figure for a Local Planning Authority.
5. Use of the standard method applies from the date of publication of the new Framework and Guidance (24 July 2018), and as such the Council must now determine its 5YHLS position using the Local housing need figure calculated using the new standard method. In short, this increases annual housing need from 420 dwellings to 544 dwellings. The detailed calculations as to how the new Local Housing Need figure is calculated are set out in the accompanying 5YHLS report.
6. The Ministry of Housing, Communities and Local Government (MHCLG) has indicated that it will consider adjusting the standard method calculation following the publication of new household growth projections in September 2018. Any proposed adjustment to the method would be subject to consultation by MHCLG.

RISK ASSESSMENT

7. There are no significant risk considerations in relation to this report.

CONCLUSION

8. That the Committee note the content of the report and the updated 5YHLS position.
9. That the 5YHLS position set out in the attached report (which will continue to be updated regularly as appropriate) is a material consideration in the determination of planning application for residential development.

Enquiries:

For further information on this report please contact Lee Smith. (Ext 4427)

Fareham Borough Council

Five-Year Housing Land Supply Position

September 2018

1.0 INTRODUCTION

- 1.1 The National Planning Policy Framework (NPPF) requires Local Planning Authorities to identify and update annually a supply of specific deliverable sites to provide five years supply of housing against their housing requirements. The NPPF also requires an additional buffer of 5% (or 20% in the case of persistent under-delivery) to ensure choice and competition in the market for land.
- 1.2 This document has been prepared to provide the latest position on the 5 Year Housing Land Supply (5YHLS) in Fareham Borough. It will be updated at regular intervals to ensure the most accurate and up-to-date position is available. Updates will be provided to the Planning Committee when relevant and will also be advised on the Council's website.
- 1.3 This document is iterative/live and will only provide the most accurate position of 5YHLS at the time of publication. It is possible that sites will be omitted from the 5YHLS and then subsequently when circumstances change may feature again in a future iteration of the 5YHLS position (and vice versa). Likewise, delivery rates for included sites are not fixed and are subject to revision following correspondence with site promoters/ developers.

2.0 HOUSING NEED

- 2.1 Since publication of the last 5YHLS position at the June Planning Committee meeting, the Government has published the revised National Planning Policy Framework (NPPF) and updated Planning Practice Guidance (PPG).
- 2.2 The revised requirements set out in the NPPF and PPG change how Local Planning Authorities must calculate their housing need figure. Previously, housing need was calculated through a process called Objectively Assessed Need (OAN), which set the Council's figure at 420 dwellings per annum - 2100 dwellings over the 5-year period. Following the Planning Committee meeting in July, this Council had approximately a 5YHLS against its objectively assessed need.
- 2.3 The new requirement introduced through the revised NPPF and PPG applies from the date of publication of the new Framework and Guidance (24 July 2018) and requires housing need to be calculated through the Government's new standard method (as set out in the PPG). The standard method is based on household growth projection and house-price to earnings affordability data produced by the Office for National Statistics.
- 2.4 Calculation of the Council's local housing need figure, using the standard method set out in Planning Practice Guidance, is 544 dwellings per annum, equating to 2720 dwellings over the 5-year period.
- 2.5 There remains a requirement in the revised NPPF to include at least a 5% buffer on top of the 5-year housing requirement, "to ensure choice and competition in the market for land". The 5% buffer increases the dwellings per annum requirement to 571. However, the level of the buffer (5% or 20%) will now be determined through the Housing Delivery Test, which has been introduced as part of the revised NPPF. Each Council's Housing Delivery Test result will be calculated and published by MHCLG in November of each year, with the first result due in November 2018.
- 2.6 In the case of this authority, draft Planning Practice Guidance indicates that past shortfalls in housing delivery need only be calculated against the Local Housing Need figure from the introduction of the standard method. Since the standard method has only been introduced in the current monitoring year (i.e. 2018/19), the Council does not therefore have a shortfall

to make-up. This approach will need to be reviewed and revised accordingly following publication of the final Planning Practice Guidance.

2.7 Planning Practice Guidance states that calculation of the Local Housing Need figure through the standard method must be based on the most up to date household projection and affordability data from the ONS. Therefore, the data used to calculate the Local Housing Need figure used in the 5YHLS calculation will need to be reviewed in subsequent updates to ensure that it reflects the most up-to-date information available from the ONS. For information, household projections are revised by the ONS every two-years, with the next data due for publication in September 2018, whilst affordability information is reviewed annually by the ONS, with the next data due for publication due in March 2019.

2.8 Notwithstanding the release of further household projection data in September, the Ministry of Housing, Communities and Local Government (MHCLG) has also indicated that it will be considering adjusting the standard method calculation following the publication of this data and as such, the local housing need figure will need to be regularly reviewed to ensure that subsequent updates to the Planning Committee remain accurate and robust.

3.0 HOUSING SUPPLY

3.1 The revised National Planning Policy Framework requires Local Planning Authorities to identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against their local housing need. As such, this section sets out the different sources which make-up the Council's projected five-year housing supply.

Planning Permissions

3.2 A comprehensive list of all sites with outstanding planning permission at the start of each monitoring year (1 April 2018) is provided annually to the Council by Hampshire County Council. However, to ensure that this 5YHLS position provides the most accurate and up-to-date position, all new planning permissions up until 26th August 2018 are also taken account of. Sites with planning permission are only included within the projected supply where there is clear evidence that the site is being delivered, or will be delivered within the 5-year period. As such, where there is some indication that a planning permission will not be implemented then the site has been omitted from the 5YHLS on a precautionary basis. However, this may change if subsequent information comes to light to suggest the development will take place in the five-year period.

3.3 The monitoring of new permissions and the delivery projections of existing sites with planning permission will continue to be kept regularly up-to-date by Fareham Borough Council Officers, through regular correspondence with site developers.

Resolutions to Grant Planning Permission

3.4 Housing delivery from sites with a resolution to grant planning permission form a significant component of the projected supply. These consist of sites which have been approved by the Council's Planning Committee, but the formal grant of planning permission remains subject to the agreement of a legal agreement (i.e. Section 106).

3.5 Since the previous 5YHLS position was advised at the June Planning Committee there have been three further planning applications (5+ dwellings) that have been approved by the Planning Committee and received a resolution to permit. These are listed below:

- East & West of 79 Greenaway Lane, Warsash (P/18/0107/OA) – 30 dwellings
- Land North of Funtley Road, Funtley (P/17/1135/OA) – 27 dwellings

- Land South of Funtley Road, Funtley (P/18/0067/OA) – 55 dwellings

3.6 Based on information provided by the owners/developers giving the projected timetable for the delivery of these new sites, they are both expected to contribute fully to the Council's 5YHLS position, however projections from these sites will be kept under review by the Council. It has been assessed that the 'up to' figures in the resolutions to grant permission are reasonable and achievable, however, should the subsequent reserved matters applications revise the development quantum then this may need to be reflected in future updates on the 5YHLS position, should those quantum be acceptable.

Adopted Local Plan Housing Allocations and Emerging Brownfield Sites

3.7 Officers have undertaken a review of the residual allocations and policy compliant sites from the adopted Local Plan to inform the 5YHLS position. This has been based on correspondence with the site promoter and Planning Officer judgement.

3.8 In instances where Officers have gathered information on the timing and delivery rates from site landowners or developers, the Council have in some instances taken a more precautionary approach to delivery than may have been proposed by the site developer. This could be, for example, if they failed to allow sufficient time for planning permissions to be secured, or if the delivery rates were considered too optimistic. It is important that the Council has a robust basis for its 5YHLS calculations, as adopting a set of unrealistic assumptions may result in a 5YHLS figure that may not be accepted by an appeal Inspector.

3.9 This process of liaison with site promoters and developers will remain ongoing to ensure a robust and evidenced position on 5YHLS can be demonstrated.

Windfall Allowance

3.10 Paragraph 70 of the revised NPPF allows for an allowance to be made for housing delivery from windfall sites, providing that there is compelling evidence that they will provide a reliable source of supply....having regard to historic windfall delivery rates and expected future trends. An allowance for windfall housing from small sites (1-4 units) has been included within the projected 5-year supply, but avoids any small-site windfall development in years 1-3 of that projection and any large-site windfall from the entire 5-year projection.

3.11 The windfall rates used in the 5YHLS projection are set out in the Council's Housing Windfall Projections Background Paper (2017)¹.

Calculating the 5YHLS

3.12 In summary, the 5YHLS position in this paper is based on the following: -

- Local Housing Need figure of 544 dwellings per annum.
- Application of a 5% buffer on the Local Housing Need figure.
- Outstanding planning permission data provided by Hampshire County Council up until 31st March 2018 and Fareham Borough Council records from 1st April 2018 until 26th August 2018.
- Sites with a resolution to grant planning permission, allocated within the adopted Local Plan and emerging brownfield sites which are expected to deliver housing over the 5-year period 1st April 2018 to 31st March 2023.

¹ Available at: http://www.fareham.gov.uk/PDF/planning/local_plan/DraftLocalPlanEvidenceBase/EV24-BackgroundPaperHousingWindfallProjections.pdf

- Expected windfall development from small sites (1-4 units) in years 4 and 5 (i.e. 1st April 2021 – 31st March 2023).
- Delivery projections and rates which are derived from detailed liaison with site developers (particularly for larger development sites).

4.0 FIVE-YEAR HOUSING LAND SUPPLY POSITION

4.1 The following table provides a summary of the Council's current 5YHLS position as per the date of this paper.

	HOUSING REQUIREMENT	
A	Local Housing Need: Dwellings per annum 2018-36	544
B	Local Housing Need: Total requirement for 1 st April 2018 to 31 st March 2023 (A x 5)	2720
C	5% buffer to ensure choice and competition in the market for land (B x 5%)	136
D	Total housing requirement for period from 1st April 2018 to 31st March 2023 (B+C)	2856
E	Annual requirement for period from 1 st April 2018 to 31 st March 2023 (d/5)	571
	HOUSING SUPPLY	
F	Net outstanding planning permissions for small sites (1-4 units) expected to be built by 31 st March 2023 (discounted by 10% for lapses)	135
G	Net outstanding planning permissions for large sites (5 or more units) expected to be built by 31 st March 2023	767
H	Dwellings with a Resolution to Grant Planning Permission that are expected to be built by 31 st March 2023	672
I	Dwellings allocated in Adopted Local Plan (LP2 & LP3) that are expected to be built by 31 st March 2023	657
J	Dwellings from emerging brownfield sites (Adopted Local Plan - LP1 & LP2) that are expected to be built by 31 st March 2023	145
K	Small site windfall allowance (years 4 – 5) (37 dwellings x 2 years)	74
L	Expected housing supply for the period from 1st April 2018 to 31st March 2023 (F+G+H+I+J+K)	2420
M	Housing Land Supply Position over period from 1st April 2018 to 31st March 2023 (L – D)	- 406
N	Housing Supply in Years (L / E)	4.29 years

4.2 The above table shows the Council to currently have 4.29 years of housing supply against the 5YHLS requirement. In numerical terms, the housing supply shortfall is 406 dwellings.

4.3 The full detail behind the projected five-year supply of 2,450 dwellings is provided in Section 5.

5.0 DETAILS OF PROJECTED HOUSING SUPPLY FOR THE 5-YEAR PERIOD (1ST APRIL 2018 – 31ST MARCH 2023)

PROJECTED SUPPLY	2018/ 19	2019/ 20	2020/ 21	2021/ 22	2022/ 23	Totals	Notes for 5Y Position
OUTSTANDING PLANNING PERMISSIONS - SMALL (1-4 dwellings) (10% discount)	50	50	35			135	10% reduction rate applied to account for likely lapses in permission. Final permission figures provided by HCC - August 2018.
OUTSTANDING PLANNING PERMISSIONS - LARGE (5 dwellings+)						767	
Cold East Hospital, Cold East Way, Sarisbury Green (03/1867/RM)	2					2	Site under construction and almost complete (HCC 2017/18 completions data).
16 Botley Road, Park Gate (03/1439/FP)	12	8				18	Development of 11 units commenced in 2017/18 (HCC 2017/18 completions data).
122 Leydene Nursery, Segensworth Road (06/0907/RM)		3				3	Nothing to indicate that the site will not be developed in the 5-year period at this stage.
70 Trinity Street, Fareham (07/0848/FP)	19	4				23	Development of 19 units commenced in 2017/18 (HCC 2017/18 completions data).
3-33 West Street, Portchester (07/0042/FP)		16				16	Planning permission has been commenced. Staircases to serve flats in place, but no flats built (May 18). Nothing however to indicate that the site will not be developed in the 5-year period at this stage.
New Park Garage, Station Road, Park Gate (09/0672/FP)		14				14	Development of all 14 units commenced in 2017/18 (HCC 2017/18 completions data).
Land off Cartwright Drive, Titchfield (14/0741/FP)	39	47				86	Site is under construction and development of all units commenced in 2017/18 (HCC 2017/18 completions data).
100 Wickham Road, Fareham (14/1252/FP)	13					13	Details Pursuant to conditions now in P/14/1252/DP/A. Nothing to indicate that the site won't be developed in the 5-year period at this stage (May 18)
Land at Windmill Grove, Portchester (14/0033/FP)	24					24	Site is under construction and understood to almost be complete (HCC 2017/18 completions data).
Swanwick Marina, Bridge Road (15/0424/VC)		25	25			50	There is an outstanding permission for 50 dwellings at this site. The site is still considered to be developed in the 5-year period at this stage.
Fareham College, Bishopsfield Road (15/0690/RM)	48					48	Site under construction. Development of outstanding units commenced in 2017/18 (HCC 2017/18 completions data).

PROJECTED SUPPLY	2018/ 19	2019/ 20	2020/ 21	2021/ 22	2022/ 23	Totals	Notes for 5Y Position
The Meadows, Hamilton Road, Sarisbury Green (15/0626/FP)	20	51				71	Site is under construction and development of all units commenced in 2017/18 (HCC 2017/18 completions data)
123 Bridge Road, Sarisbury Green (15/0391/FP)		5				5	Site owned by FBC. Detailed planning in place and start with minor works on site. Ecology translocation underway (summer 2018) and development expected to start in 2019.
Land adj. The Navigator, Swanwick (16/0398/RM)	3					3	Site under construction and almost complete (HCC 2017/18 completions data).
10-20 Land to rear of Tewkesbury Avenue (16/1333/FP)	6					6	The development is currently under construction (May 18)
4-14 Botley Road, Park Gate (16/0295/FP)	46					46	Site commenced construction in 2017/18 (HCC 2017/18 completions data)
Former Catholic Church of our Lady of Walsingham, Portchester (16/0905/FP)	8					8	Site is under construction and almost complete (HCC 2017/18 completions data).
Land to rear of 94.96,98,100 and 102 Southampton Road (16/1147/FP)	6					6	Site is under construction and understood to almost be complete (May 18).
Land to rear of 405 & 409 Hunts Pond Road (P/16/1251/FP)		10				10	Development is under way (May 18).
Hope Lodge, 84 Fareham Park Road (P/16/1178/FP and/or P/17/1385/FP)		6				6	Site is understood to be under new ownership. Development is under way (May 18).
189-199 West Street, Fareham (P17/0293/PC)	7					7	Commencement of development considered imminent. Nothing to indicate that the site won't be developed in the 5-year period at this stage. (May 18)
Auto & Marine, 132 Highlands Road, Fareham (P/17/0366/FP)		5				5	One discharge of condition application has been submitted, but there remain further outstanding ones. Expected to be developed in 5-year period. (May 18)
Fareham Ambulance Station, Highlands Road (P/17/0213/FP)	10					10	Development commenced in 2017/18 (HCC 2017/18 completions data).
Land to rear of 184 Bridge Road (P/17/0697/FP)	8					8	It is understood that adjacent land has been secured to provide material storage during construction. Development commenced in 2017/18 (HCC 2017/18 completions data).
1 Station Industrial Park, Duncan Road, Park Gate (P/17/1219/PC)			15			15	No construction on site - remains offices. Expected to deliver in the 5-year period. (May 18)

PROJECTED SUPPLY	2018/ 19	2019/ 20	2020/ 21	2021/ 22	2022/ 23	Totals	Notes for 5Y Position
10 East Street, Fareham (P/17/1060/FP)				5		5	No construction on site at present but this is a recent permission that is expected to deliver in the 5-year period. (May 18)
Willows End, 312 Old Swanwick Lane (P17/1390/FP)				6		6	Demolition of existing dwelling appears imminent. Details pursuant application recently approved to enable development to commence - expected to deliver in the 5-year period (May 18).
Cranleigh Road, Portchester (Appeal allowed, Reserved Matters Application P/17/1170/RM)	55	65				120	Construction on-site has commenced. Delivery projections as informed by the site promoter (2017).
Wykeham House School (P/17/0147/FP)		15				15	Development of site has commenced (May 18).
Land east of Brook Lane, Warsash - Taylor Wimpey (P/16/1049/OA)		10	45	30		85	Permission granted by Planning Inspector following planning appeal (APP/A1720/W/17/3177435). Projections pushed back one year compared with site promoter's submission.
Hampshire Rose, Highlands Road, Fareham (P/17/0956/FP)			18			18	Site owned by FBC. Detailed planning in place. Ecology translocation underway (summer 2018) and development expected to start in 2019. May deliver slightly earlier than projected.
Former Scout Hut Coldeast Way Sarisbury Green (P/17/1420/OA)			7			7	Outline planning approved in May 2018. Land expected to be transferred from HCA to FBC in Autumn 2018.
18-23 Wykeham Place (Former School Sports Hall), East Street, Fareham (P/18/0589/FP)		6				6	Full planning approved in August 2018. Anticipated start on site in 2019.
RESOLUTION TO GRANT PLANNING PERMISSION – LARGE (5 dwellings+)						672	
Land at Brook Lane, Warsash - Foreman Homes (P/17/0845/OA)		40	70	70		180	Resolution to grant outline planning permission at January 2018 Planning Committee for up to 180 dwellings, subject to agreement of a Section 106 agreement. Projections pushed back one year compared with site promoter's submission.
Land East of Brook Lane, Warsash – Bargate Homes (P/17/0752/OA)		20	40	40	40	140	Resolution to grant outline planning permission at January 2018 Planning Committee for up to 140 dwellings, subject to agreement of a Section 106 agreement. Projections pushed back one year compared with site promoter's submission.

PROJECTED SUPPLY	2018/ 19	2019/ 20	2020/ 21	2021/ 22	2022/ 23	Totals	Notes for 5Y Position
Heath Road, Locks Heath – Hampshire County Council (LP2 H11) (P/17/1366/OA)		20	20	30		70	Resolution to grant outline planning permission at February 2018 Planning Committee for up to 70 dwellings, subject to agreement of a Section 106 agreement.
Land to East of Bye Road (self/custom build) (P/17/1317/OA)		4	3			7	Resolution to grant outline planning permission at March 2018 Planning Committee for up to 7 dwellings (self and custom build), subject to agreement of a Section 106 agreement.
Land South of Greenaway Lane, Warsash - Land & Partners (P/17/0998/OA)		25	60	60	12	157	Resolution to grant outline planning permission at May 2018 Planning Committee for up to 157 dwellings, subject to agreement of a Section 106 agreement. Projections pushed back one year compared with site promoter's submission.
Land to south of Rookery Avenue, Swanwick (P/18/0235/FP)		6				6	Resolution to grant full planning permission at May 2018 Planning Committee for up to 6 dwellings, subject to agreement of a Section 106 agreement.
East & West of 79 Greenaway Lane, Warsash (P/18/0107/OA)		20	10			30	Resolution to grant outline planning permission at June 2018 Planning Committee for 30 dwellings, subject to agreement of a Section 106 agreement.
Land North of Funtley Road, Funtley (P/17/1135/OA)		27				27	Resolution to grant outline planning permission at July 2018 Planning Committee for 27 dwellings, subject to agreement of a Section 106 agreement.
Land South of Funtley Road, Funtley (P/18/0067/OA)		15	30	10		55	Resolution to grant outline planning permission at July 2018 Planning Committee for 55 dwellings, subject to agreement of a Section 106 agreement.
ADOPTED LOCAL PLAN HOUSING ALLOCATIONS						657	
Wynton Way, Fareham (LP2 H3)				18		18	Site currently owned by HCC. Acquisition of site from HCC is agreed in principle but subject to negotiation. Pre-app has taken place and constraints plans complete to inform layout plan and yield. Expected to realistically delivery toward the latter part of 5-year period.
335-337 Gosport Road, Fareham (LP2 H4)					12	12	Site currently owned by HCC. Pre-app has taken place and constraints plans complete to inform layout plan and yield.

PROJECTED SUPPLY	2018/ 19	2019/ 20	2020/ 21	2021/ 22	2022/ 23	Totals	Notes for 5Y Position
Stubington Lane, Hill Head (LP2 H12)				12		12	Site owned by FBC. Expected to deliver affordable homes in the short term. Pre-app has taken place and a concept design has been agreed in principle. Site is expected to deliver in the 5-year period.
Sea Lane, Hill Head (LP2 H13)				8		8	Site owned by FBC. Expected to deliver affordable homes in the short term.
Corner of Station Road, Portchester (LP2 H20)				17		17	Site recently purchased by FBC. Has existing resolution for 17 aged-persons apartments (P/16/0142/FP) subject to s106. Expected to deliver in the short term.
Welborne (LP3)			140	200	250	590	Based on published evidence to support the Draft Local Plan (2017).
EMERGING BROWNFIELD SITES						145	
Fareham Magistrates Court			45			45	Outline application from site owner (Homes England) expected in autumn 2018. Site is in single ownership.
Warsash Maritime Academy				50	50	100	Southampton Solent University (site owner) is currently preparing a disposal strategy for the site. Projected delivery rates and timing remain subject to revision.
WINDFALL ALLOWANCE						74	
Small (1-4 units)				37	37	74	As per the rate set out in the Council's Windfall Background Paper (2017).
TOTAL PROJECTED HOUSING SUPPLY from 1st April 2018 – 31st March 2023	391	502	563	546	401	2450	