

FAREHAM

BOROUGH COUNCIL

Report to Planning Committee

Date **24 June 2020**

Report of: **Director of Planning and Regeneration**

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

SUMMARY

The following report provides the latest update on the Council's Five Year Housing Land Supply position, and supersedes the update previously provided to the Planning Committee on 24th April 2019.

RECOMMENDATION

That the Committee note: -

- (i) the content of the report and the current 5-Year Housing Land Supply position;
- (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.

INTRODUCTION

1. The following 5YHLS position updates and supersedes those previously provided to the 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.
2. The requirement of the National Planning Policy Framework is for housing need to be calculated by a standard method, as set out in the Planning Practice Guidance. 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. The housing need figure for Fareham, using the standard method, is 514 dwellings per annum.
3. The Housing Delivery Test results were published by the Ministry of Housing, Communities and Local Government (MHCLG) in February 2020. These results require this Council to apply a buffer of 5% to its annual requirement.
4. The 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. What constitutes a 'deliverable site' is defined within the National Planning Policy Framework and is an area which has now been tested at many planning appeals around the country, including Fareham.
5. In summary, Planning Inspectors have concluded that 'resolutions to grant planning permission' should not be included within the category of 'deliverable sites'. Members will be aware that there are a large number of dwellings which have a 'resolution to grant planning permission' which are dependent upon nutrient neutrality solutions coming forward. At the present time, in the light of the definition within the National Planning Policy Framework and Planning Inspectors' application of it, the large majority of 'resolutions to grant planning permission' have been removed from the Council's 5 Year Housing Land Supply.
6. Calculation of the Council's 5-Year Housing Land Supply Position based on an annual dwelling requirement of 514 and a 5% buffer gives a projected position of 2.72 years.

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
JUNE 2020

Introduction

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.
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.
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.

Housing Need

4. The requirement through the NPPF is for housing need to be calculated through a standard method. The standard method is based on household growth projections and house-price to earnings affordability data published by the Office for National Statistics (ONS).
5. Since the last 5YHLS report was presented to the Planning Committee in April 2019, updated house-price to earnings affordability data has been published by the ONS. Use of the 2014-based household growth projections along with the updated house-price to earnings affordability data within the standard method results in the Council having a Local Housing Need figure of 514 dwellings per annum.
6. There remains a requirement in the 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".
7. The level of the buffer (5% or 20%) is determined through the Housing Delivery Test, which has been introduced as part of the NPPF. The NPPF advised that each Council's Housing Delivery Test result will be calculated and published by MHCLG in November of each year.
8. The results for the 2019 Housing Delivery Test (HDT) were published by the MHCLG on 13th February 2020. The results for Fareham showed that the Council achieved 99% in terms of the number of homes delivered.
9. Fareham's HDT results mean that the Council can apply a 5% buffer to its five-year housing land supply position.

Housing Supply

10. The 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

11. A comprehensive list of all sites with outstanding planning permission at the start of each monitoring year 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 as of 1st April 2020 are also taken account of. Sites with planning permission are only included within the projected supply where they meet the definition of 'deliverable'. What constitutes 'deliverable' is set out within Annex 2 of the National Planning Policy Framework:

12. **"Deliverable:** To be considered deliverable, sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. In particular:

a) sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (for example because they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans).

b) where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years."

13. 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.

14. 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.

15. Dwellings completed between 1st April 2019 and the 31st March 2020 have been removed from the 'Details of Projected Housing Supply for the 5-Year Period (1ST APRIL 2020 – 31ST MARCH 2025)' set out at the end of this report.

Resolutions to Grant Planning Permission

16. Housing supply based on sites with a resolution to grant planning permission has previously formed a significant component of this Council's 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 matters such as the completion of a legal agreement (i.e. Section 106).

17. As highlighted earlier in this report, the National Planning Policy Framework requires Local Planning Authorities to identify and update annually a supply of specific deliverable sites.
18. What constitutes 'deliverable' has now been the subject of many planning appeals around the country including within Fareham. Many Planning Inspectors have regarded the definition within the National Planning Policy Framework as a 'closed list' i.e. if a site does fall within the definitions at a) or b), set out within the preceding section of this report, it should not be included within the Council's 5 Year Housing Land Supply.
19. Members will be aware that there are a large number of planning applications which have been previously considered by the Planning Committee and Members have resolved to grant planning permissions. These planning applications comprise somewhere in the order of 761 dwellings.
20. Following these resolutions to grant planning permission, Natural England changed its advice to Councils in the light of a decision made by the European Court of Justice (known as the 'Dutch case'). The 'Dutch Case' has implications for the approach which must be taken when assessing the impact of new development upon European Protected Sites. A number of European Protected sites which would be covered by the ruling, are located in and around The Solent.
21. The case reinforced the precautionary principle which must be adopted when assessing the impact upon protected sites. Furthermore, the case also clarified the requirement that where mitigation is needed, it should be identified at the time of carrying out an Appropriate Assessment and appropriately secured before permission is granted. This is in order for the competent authority to conclude with certainty that any mitigation proposed and secured would sufficiently mitigate any adverse effects arising from the development in question.
22. The primary concerns raised by Natural England in respect of development in this Borough, relate to the impacts of increased nitrates entering the European Sites and the impact of exhaust emissions from increased vehicles upon European Sites. Based on the existing condition of The Solent water bodies and taking into account the implications of the more recent Dutch case ruling, Natural England's advice to this Council has been that any new development which would result in an increase in 'overnight' stays, should achieve nitrate neutrality in order to not have any likely significant effects.
23. Work was undertaken by Ricardo on behalf of this Council in respect of the impact of exhaust emissions upon European Sites. This work was completed in December last year and the full report has been published on the Council's website. The report concluded that "Development in Fareham can take place over the period up to 2023 as set out in this report, with no threat due to emissions to air to the ability of any European site to achieve their conservation objectives or maintain their integrity (either alone or in combination)."
24. Since receipt of the Natural England advice considerable work has been undertaken between this authority and a number of statutory bodies including Natural England and the Environment Agency, work has been undertaken by the Partnership for South Hampshire and a number of third parties have brought forward nitrate mitigation schemes.

25. Based on the definition of 'deliverable' within Annex 2 of the National Planning Policy Framework and the manner in which Planning Inspectors have applied it in their decision making, it is considered appropriate to remove "the resolutions to grant" from the Council's 5 Year Housing Land Supply at this time, except those that relate to allocated housing sites within the Council's adopted local plan.
26. A number of third party nitrate mitigation schemes are now well advanced. There is clear evidence that many of the schemes with resolutions to grant may well use these mitigation schemes to ensure that they do not have a likely significant effect upon the European sites. Where an Appropriate Assessment is undertaken by this Authority which concludes that no likely significant effect would occur subject to the mitigation provided through these sites, it is likely that this Authority will be in a position to formally grant planning permissions for a number of schemes in the near future. When this occurs, it may well be appropriate for an updated 5 Year Housing Land Supply to be reported to Members later this year.

Adopted Local Plan Housing Allocations and Emerging Brownfield Sites

27. 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 site promoters and Planning Officer judgement.
28. In October 2019, this Council resolved to grant planning permission for the development at Welborne subject to the completion of a legal agreement pursuant to Section 106 of the Town and Country Planning Act 1990. Considerable progress has been made on the Section 106 legal agreement and it is hoped that it will be signed, enabling the formal planning permission to be issued, in the near future.
29. Officers have recently approached the site promoter Buckland Development Limited and sought clarification from them as to what housing completions they anticipate at Welborne and when. In light of the current market conditions, the site promoter has advised the Council that it now anticipates commencements/completions at Welborne to occur approximately two years later than that set out within the information supporting the planning application. The site promoter has advised that they anticipate 30 dwellings would be delivered in 2022-23, 180 in 2023-24, and 240 in 2024-25. This would total some 450 dwellings in the five-year period.
30. In other 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.
31. 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

32. Paragraph 70 of the revised NPPF enables 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.
33. The windfall rates used in the 5YHLS projection are set out in the Council's Housing Windfall Projections Background Paper (2017). The contribution from windfall provision within the 5 year period is modest, being 74 dwellings.

Calculating the 5YHLS

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

- Local Housing Need figure of 514 dwellings per annum.
- Application of a 5% buffer on the Local Housing Need figure.
- Outstanding planning permission data provided by Hampshire County Council as of 1 April 2020
- Sites allocated within the adopted Local Plan and emerging brownfield sites which are expected to deliver housing over the 5-year period 1st April 2020 to 31st March 2025.
- Expected windfall development from small sites (1-4 units) in years 4 and 5 (i.e. 1st April 2023 – 31st March 2025).
- Delivery projections and rates which are derived from detailed liaison with site developers (particularly for larger development sites).

FIVE-YEAR HOUSING LAND SUPPLY POSITION

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 2019-36	514
B	Local Housing Need: Total requirement for 1 st April 2020 to 30 th March 2025 (A x 5)	2,570
C	5% buffer to ensure choice and competition in the market for land (B x 5%)	129
D	Total housing requirement for period from 1st April 2020 to 30th March 2025 (B+C)	2,699
E	Annual requirement for period from 1st April 2020 to 30th March 2025 (D/5)	540
HOUSING SUPPLY		
F	Net outstanding planning permissions for small sites (1-4 units) expected to be built by 30th March 2025 (discounted by 10% for lapses)	155
G	Net outstanding full planning permissions for large sites (5 or more units) expected to be built by 30th March 2025	371
H	Net outstanding outline planning permissions for large sites (5 or more units) expected to be built by 30th March 2025	99
I	Dwellings with a Resolution to Grant Planning Permission that are expected to be built by 30th March 2025	0
J	Dwellings allocated in Adopted Local Plan (LP2) that are expected to be built by 30th March 2025	624
K	Dwellings from emerging brownfield sites (Adopted Local Plan - LP1 & LP2) that are expected to be built by 30th March 2025	145
L	Small site windfall allowance (years 4 – 5) (37 dwellings x 2 years)	74
M	Expected housing supply for the period from 1st April 2020 to 30th March 2025 (F+G+H+I+J+K+L)	1,468
N	Housing Land Supply Position over period from 1st April 2020 to 30th March 2025 (M – D)	-1,231
O	Housing Supply in Years (M / E)	2.72



DETAILS OF PROJECTED HOUSING SUPPLY FOR THE 5-YEAR PERIOD (1ST APRIL 2020 – 31ST MARCH 2025)

Site Address	2020/21	2021/22	2022/23	2023/24	2024/25	Totals
Outstanding Planning Permissions - Small (1-4 dwellings) (10% discount)						
Total across Borough	50	50	55			
						155
Outstanding Full Planning Permissions - Large (5+ dwellings)						
3-33 West Street, Portchester (07/0042/FP)		16				
New Park Garage, Station Road, Park Gate (09/0672/FP)	14					
100 Wickham Road, Fareham (14/1252/FP)			13			
Swanwick Marina, Bridge Road (15/0424/VC)			25	25		
4-14 Botley Road, Park Gate (16/0295/FP)	23					
Land to rear of 184 Bridge Road (P/17/0697/FP)	3					
1 Station Industrial Park, Duncan Road, Park Gate (P/17/1219/PC)			15			
Willows End, 312 Old Swanwick Lane (P17/1390/FP)		6				
Cranleigh Road, Portchester (Appeal allowed, reserved matters application P/17/1170/RM)		37				
Wykeham House School (P/17/0147/FP)	15					
Hampshire Rose, Highlands Road, Fareham (P/17/0956/FP)	17					
HA3 Southampton Road (Land at Segensworth Roundabout) (P/18/0897/FP)		41				
123 Barnes Lane, Sarisbury Green (P/18/0690/FP)				41		
Land to south of Rookery Avenue, Swanwick (P/18/0235/FP)			6			
94 Botley Road, Park Gate (19/0321/PC)			8			
24 West Street, Fareham (19/0654/PC)			7			
Land North of Funtley Road, Funtley (P/17/1135/OA) (P/19/0864/RM)	10	17				
42 Botley Road (P/19/1275/PC) Prior Approval Granted		5				
Stubbington Lane, Hill Head (LP2 H12)		11				
Corner of Station Road, Portchester (LP2 H20)		16				
Sub-total						371
Outstanding Outline Planning Permissions - Large (5+ dwellings)						
Land to the East of Brook Lane & South of Brookside Drive, Warsash - Taylor Wimpey (P/16/1049/OA)		50	35			
Former Scout Hut Coldeast Way Sarisbury Green (P/17/1420/OA)			7			
Land to East of Bye Road (self/custom build) (P/17/1317/OA)			4	3		
Sub-total						99

Local Plan Policy Compliant Brownfield Sites						
Warsash Maritime Academy				50	50	
Fareham Magistrates Court				45		
Sub-total						145
Local Plan Adopted Housing Allocations						
Wynton Way, Fareham (LP2 H3)			10			
335-337 Gosport Road, Fareham (LP2 H4)				8		
East of Raley Road, Locks Heath (north) (LP2 H6)				20	30	
33 Lodge Road, Locks Heath (LP2 H10)					10	
Land off Church Road				26		
Heath Road, Locks Heath – Hampshire County Council (LP2 H11) (P/17/1366/OA)				35	35	
Welborne (LP3)			30	180	240	
Sub-total						624
Windfall						
Small (1-4 dwellings)				37	37	
Sub-total						74
Total						1468