

FAREHAM

BOROUGH COUNCIL

Report to Planning Committee

Date **19 JANUARY 2022**

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 17th February 2021.

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.

1.0 INTRODUCTION

- 1.1. 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.
- 1.2. 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 541 dwellings per annum.
- 1.3. The latest Housing Delivery Test results were published by the Ministry of Housing, Communities and Local Government (MHCLG) in January 2021. These results require this Council to apply a buffer of 20% to its annual requirement.
- 1.4. 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 been tested through the Courts.
- 1.5. Calculation of the Council's 5-Year Housing Land Supply Position based on an annual dwelling requirement of 541 and a 20% buffer gives a projected position of 4.31 years.

2.0 RISK ASSESSMENT

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

3.0 CONCLUSION

- 3.1 That the Committee note the content of the report and the updated 5YHLS position.
- 3.2 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 applications for residential development.

4.0 **Enquiries:**

For further information on this report please contact Lee Smith, Head of Development Management. (Ext 4427)

Fareham Borough Council
Five-Year Housing Land Supply Position
JANUARY 2022

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. Use of the 2014-based household growth projections along with the updated house-price to earnings affordability data (published by the ONS in 2020) within the standard method results in the Council having a Local Housing Need figure of 541 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 was introduced through the NPPF. The NPPF advises that each Council's Housing Delivery Test result will be calculated and published by MHCLG each year.
8. The results for the 2020 Housing Delivery Test (HDT) were published by the MHCLG in January 2021 and at the present time still represent the most up to date HDT results. The results for Fareham showed that the Council achieved 79% in terms of the number of homes delivered. Fareham's HDT results mean that the Council must apply a 20% buffer to its five-year housing land supply position.

9. One of the major contributing factors to this Council achieving 79% in the HDT, has been the Council's inability to issue many residential permissions since February 2019. This has been due to concerns identified in respect the impact of development-related nitrates on the protected habitats in The Solent. This issue, along with others pertinent to housing delivery, have been set out in the Council's Housing Delivery Test Action Plan (June 2021).

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 31st December 2021 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 up to the end of December 2021 have been removed from the 'Details of Projected Housing Supply for the 5-Year Period (1st January 2022 – 31st December 2026)' set out at the end of this report.
16. Members will be aware that on 10th January 2022 an appeal decision was received relating to Land east of Crofton Cemetery and west of Peak Lane, Stubbington (appeal reference APP/A1720/W/21/3275237). The appeal development comprises 206 dwellings for which full planning permission was granted. For the purposes of this housing supply assessment only permissions granted before or on the 31st December 2021 can be included. Because the appeal decision was received after the base date these additional 206 dwellings have not been included. If these 206 dwellings were included and had all other inputs into the assessment remained the same, the Council would have been able to demonstrate a housing land supply of 4.63 years.

Resolutions to Grant Planning Permission

17. Housing supply based on sites with a resolution to grant planning permission forms 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).
18. 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.
19. For a period of time many Planning Inspectors were regarding 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.
20. Then in the case of East Northamptonshire Council, the Secretary of State for Housing, Communities and Local Government (SOS) and Lourett Developments Ltd, the SOS conceded that he erred in his interpretation of the definition of deliverable within the glossary of the National Planning Policy Framework ("NPPF") as a 'closed list'. The proper interpretation of the definition is that any site which can be shown to 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' will meet the definition; and that the examples given in categories (a) and (b) are not exhaustive of all the categories of sites which are capable of meeting that definition.

21. Whether a site does or does not meet the definition is a matter of planning judgement on the evidence available. Officers have exercised that judgement, and on the basis of the evidence available consider that the planning applications with a resolution to grant planning permission should be included within the Council's 5-year housing land supply.
22. In light of the current market conditions, Officers have applied a precautionary approach to the commencement of development in respect of those sites with a resolution to grant.

Adopted Local Plan Housing Allocations and Emerging Brownfield Sites

23. 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.
24. 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.
25. Late last year this Council updated and published its Brownfield Land Register. Appropriate sites identified within that Register are included within the Council's five-year housing land supply.
26. The 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

27. Paragraph 71 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.
28. The windfall rates used in the 5YHLS projection are set out in the Council's Housing Windfall Projections Background Paper (June 2020). The contribution from windfall provision within the 5 year period is modest, being 102 dwellings.

Calculating the 5YHLS

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

- Local Housing Need figure of 541 dwellings per annum.
- Application of a 20% buffer on the Local Housing Need figure.
- Outstanding planning permission data as of 31st December 2021.
- Sites allocated within the adopted Local Plan and emerging brownfield sites which are expected to deliver housing over the 5-year period 1st January 2022 to 31st December 2026.
- Expected windfall development from small sites (1-4 units) in years 4 and 5 (i.e. 1st January 2025 – 31st December 2026).
- Delivery projections and rates which are derived from detailed liaison with site developers (particularly for larger development sites).

Five Year Housing Land Supply Position (as at 1st January 2022)

HOUSING REQUIREMENT

A	Local Housing Need: Dwellings per annum	541
B	Local Housing Need: Total requirement for 1 st January 2022 to 31st December 2026 (A x 5)	2,705
C	20% buffer - delivery of housing over the previous 3 years, has fallen below 85% of the requirement, as set out in the 2020 Housing Delivery Test results (B x 20%)	541
D	Total housing requirement for period from 1st January 2022 to 31st December 2026 (B+C)	3,246
E	Annual requirement for period from 1st January 2022 to 31st December 2026 (D/5)	649

HOUSING SUPPLY

F	Net outstanding planning permissions for small sites (1-4 units) expected to be built by 31st December 2026 (discounted by 10% for lapses)	54
G	Net outstanding full planning permissions for large sites (5 or more units) expected to be built by 31st December 2026	599
H	Net outstanding outline planning permissions for large sites (5 or more units) expected to be built by 31st December 2026	1373
I	Dwellings with a Resolution to Grant Planning Permission that are expected to be built by 31st December 2026	445
J	Dwellings allocated in Adopted Local Plan that are expected to be built by 31st December 2026	35
K	Dwellings from brownfield register sites that are expected to be built by 31st December 2026	192
L	Small site windfall allowance (years 4 – 5) (51 dwellings x 2 years)	102
M	Expected housing supply for the period from 1st January 2022 to 31st December 2026 (F+G+H+I+J+K+L)	2,800
N	Housing Land Supply Position over period from 1st January 2022 to 31st December 2026 (M – D)	-446
O	Housing Supply in Years (M / E)	4.31

Site Address	1 st Jan 2022-31 st Mar 2023	2023/24	2024/25	2025/26	1 st Apr 2026- 31 st Dec 2026	Totals
Outstanding Planning Permissions - Small (1-4 dwellings) (10% discount)						
Total across borough	18	18	18			
Sub-total						54
Outstanding Full Planning Permissions - Large (5+ dwellings)						
Avon Park Rest Home P/19/1348/FP				5		
Swanwick Marina, Bridge Road (15/0424/VC)			25	25		
Wykeham House School (P/17/0147/FP)	6					
18-23 Wykeham Place (Former School Sports Hall), East Street, Fareham (P/18/0589/FP)	6					
94 Botley Road, Park Gate (P/19/0321/PC)	8					
24 West Street, Fareham (P/19/0654/PC)		7				
Stubbington Lane, Hill Head (LP2 H12) P/19/0915/FP	11					
Land to East of Bye Road (self/custom build) (P/17/1317/OA & P/19/0061/DP/A)			7			
Corner of Station Road, Portchester (LP2 H20)	16					
399-403 Hunts Pond Road (1072) (HA19) (LP2 H9) (P/19/0183/FP)	16					
Former Scout Hut Coldeast Way Sarisbury Green (P/20/0702/FP)		9				
Funtley Court, Funtley Hill (P/20/1326/PC)		24				
Beacon Bottom East, Park Gate (P/19/1061/FP)	9					
68 Titchfield Park Road (P/20/1137/FP)	9					
88a West Street, Fareham (P/20/0737/FP)	6					
12 West Street, Portchester (P/20/1282/FP & P/20/1373/PC)		8				
HA12 Moraunt Drive, Portchester (P/18/0654/FP)		24	24			
22-27a Stubbington Green (P/18/1410/FP)			9			
Phase 1 69 Botley Road (P/19/0643/FP)	11					
Land at Addison Road, Sarisbury Green (P/20/0204/FP)	6					

Land South West of Sovereign Crescent, Locks Heath (P/18/0484/FP)	19	19				
Beacon Bottom West, Park Gate (P/18/1258/FP)	19	10				
Land at Northfield Park (P/18/1437/FP)	11	11				
Eagle Point, Little Park Farm Road (P/21/1235/PC)			46			
Land East of Southampton Road (P/20/1584/RM)	40	40	15			
201 West Street (P/21/0744/FP)				9		
195-205 Segensworth Road (P/21/1257/FP)			8			
The Grange (P/21/1576/RM)	16					
Hammond Ind Est (P/20/1597/FP)	36				29	
Wates House, Wallington Hill (P/20/1483/PC & P/21/0350/FP)				29		
Sub-total						599
Outstanding Outline Planning Permissions - Large (5+ dwellings)						
Land South of Funtley Road, Funtley (P/18/0067/OA)		40	15			
Land to the East of Brook Lane & South of Brookside Drive, Warsash (P/16/1049/OA)	15	50	20			
Egmont Nurseries, Brook Avenue (P/18/0592/OA)				8		
Burrige Lodge, 246 Botley Road (P/18/1413/OA)				7		
Land East of Brook Lane, Warsash (P/17/0752/OA)	20	40	40	18	16	
Land adjacent to 125 Greenaway Lane (P/19/0402/OA)	40	40				
East & West of 79 Greenaway Lane, Warsash (P/18/0107/OA)			24	6		
3-33 West Street, Portchester (P/19/1040/OA)				26		
Land east of Newgate Lane East (P/19/1260/OA)			45	54		
Land at 18 Titchfield Park Road (P/20/0235/OA)	6					
Downend Road East, Portchester (P/20/0912/OA)		38	50	50	38	
Welborne (P/17/0266/OA)		30	180	240	180	
Fareham Magistrates Court (P/18/1261/OA)				37		
Sub-total						1,373
Resolution to Grant Planning Permission - Large (5+ dwellings)						
Land at Brook Lane, Warsash - (P/17/0845/OA)	24	50	50	50	5	

Land to the East of Brook Lane and West of Lockswood Road, Warsash (P/17/0998/OA)		50	50	57		
Heath Road, Locks Heath – Hampshire County Council (LP2 H11) (P/17/1366/OA)		35	35			
Robann Park, Southampton Road (P/19/1322/OA)		19	20			
Sub-total						445
Brownfield Register Sites						
Warsash Maritime Academy		50	50			
Locks Heath District Centre			35			
Former Filling Station, Locks Heath Centre			30			
Assheton Court					27	
Sub-total						192
Local Plan Adopted Housing Allocations						
Wynton Way, Fareham (LP2 H3)			13			
335-357 Gosport Road, Fareham (LP2 H4)		8				
Land East of Church Road	7	7				
Sub-total						35
Windfall						
Small (1-4 dwellings)				51	51	
Sub-total						102
Total						2,800