

# **ITEM 10 – APPENDIX E**

## **WAVERLEY BOROUGH COUNCIL**

**EXECUTIVE – 3<sup>RD</sup> DECEMBER 2013**

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### **Title:**

#### **PROPOSED INTERIM HOUSING TARGET**

**[Portfolio Holder: Cllr Robert Knowles]**

**[Wards Affected: All]**

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### **Summary and purpose:**

A requirement of the National Planning Policy Framework (NPPF) is that local authorities have five years worth of housing supply set against their housing requirements. The most recent adopted housing target for Waverley was the 250 homes a year set out in the South East Plan. The Government abolished the South East Plan earlier this year. The purpose of this report, therefore, is for the Council to agree an interim housing target to be used in assessing whether the Council has a five year housing supply, pending setting a target in the new Waverley Local Plan.

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### **How this report relates to the Council's Corporate Priorities:**

The delivery of new homes should meet the housing needs of our residents. As the provision of affordable homes will be required on all new housing sites then it will also help people who need them.

### **Financial and Legal Implications:**

The assessment of whether or not the Council has a five year housing supply will be an important consideration in determining planning applications and appeals for residential development.

If the Council does not have an up-to-date Local Plan or a demonstrable five year housing land supply, planning applications will have to be considered against the principles outlined in the NPPF that gives a "presumption in favour of sustainable development".

The lack of a five year land supply is being given greater weight by Planning Inspectors where planning applications are being determined at appeal. Previously, it was far harder to secure large scale permissions through appeal.

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## **1.0 Introduction**

1.1 Paragraph 47 of the National Planning Policy Framework (NPPF) requires Councils to use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the

housing market area, as far as is consistent with the policies set out in the NPPF.

- 1.2 Paragraph 47 goes on to say that Councils should identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of housing against their “*housing requirements*” with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition. Where there is a record of persistent under delivery, the NPPF advises that a 20% additional buffer should be provided.
- 1.3 To be considered deliverable, sites 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 and in particular that development of the site is viable.
- 1.4 Paragraph 49 of the NPPF advises Councils to consider housing applications in the context of sustainable development. It warns Councils that if they can not demonstrate five years worth of housing, then any relevant policy for the supply of housing should not be considered up to date. If a plan is out of date, paragraph 14 of the NPPF says planning permission should be granted unless adverse impacts of doing so would outweigh the benefits when assessed against the policies in the NPPF, or that specific policies in the NPPF indicate that development should be restricted.

## **2.0 The Housing Requirement**

- 2.1 In the past, the housing requirement for Waverley was the figure set out in the Surrey Structure Plan. More recently, the housing requirement for the Borough was set out in the South East Plan. The South East Plan, which was revoked earlier this year, set a housing requirement for 5000 dwellings to be provided within Waverley between 2006 and 2026 (i.e. 250 homes a year).
- 2.2 The Council needs a target on which to base its assessment of five year housing supply, pending setting a target in the new Local Plan. It is considered that the Council should continue to use the South East Plan figure of 250 homes a year as the basis for assessing the five year supply. Although the recently published draft NPPG says that it should be borne in mind that adopted plans based on revoked regional strategies may not adequately reflect current needs, it is considered that, pending completion of the new Local Plan, the South East Plan figure of 250 homes a year should continue to be used as the basis for assessing five year housing supply for the following reasons:-
  - It is the most recently adopted housing target that was tested and examined through the process of preparing the South East Plan;
  - In developing the Waverley Core Strategy there were further assessments of a South East Plan based housing target. In particular, the Habitats Regulations Assessment (HRA) that accompanied the Core Strategy specifically assessed the potential impact of European sites arising from the amount of housing planned in the South East Plan. A further HRA will

be required to consider the potential impact of a higher level of housing growth on these important sites.

- No other higher housing target has yet to be thoroughly tested in this way.

2.3 The draft Waverley and West Surrey Strategic Housing Market Assessment (SHMA) 2013 indicates a combined need of market and affordable housing of 470 dwellings a year. However, although this evidence of housing need in the Borough will be key to informing the preparation of the new Waverley Local Plan, the figure is not the adopted housing requirement. The Council has yet to test whether this amount of housing can be sustainably accommodated in Waverley in accordance with the NPPF. This testing will include sustainability appraisal, transport impact assessments as well as assessments of the impact on European and national designations such as the SPA, Green Belt and the Area of Outstanding Natural Beauty.

2.4 The NPPF acknowledges that specific policies in the Framework may impact on a council's ability to meet housing needs in full. Examples given include policies relating to sites protected under the Birds and Habitats Directives, sites of special scientific interest, land designated as Green Belt and Areas of Outstanding Natural Beauty (AONB). Large parts of Waverley are affected by one or more of these designations. It would be premature to assume that the SHMA represents the final target.

2.5 When the Inspector suspended the Examination into the soundness of the draft Waverley Core Strategy, he commented on the requirement to test the Council's ability to meet the housing identified in the SHMA. He said that failure to meet the full objectively assessed need as a result of constraints arising from the various designations in Waverley would have to be clearly and specially justified. However, he also said that he did not underestimate the significance of the Borough's environmental assets and designations.

### **3.0 Current evidence of housing supply in Waverley**

3.1 Officers have recently updated the five year housing supply information. Attached as Annex 1 is the most up-to-date five year housing supply statement. This is derived from the South East Plan target and shows that anticipated supply over the five years currently exceeds the five year supply requirement by 275. This includes allowing for the 5% buffer required by the NPPF.

### **4.0 Conclusion**

4.1 The NPPF requires the Council to provide enough housing on deliverable sites to meet five years worth of its housing requirement. It is considered that, pending completion of the new Local Plan for Waverley, an interim housing requirement for assessing five year supply should be based on the South East Plan requirement of delivering 5,000 homes in the period 2006 to 2026 (i.e. 250 homes a year). This is the most recent housing target to have been tested.

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## **Recommendation**

That the Executive:-

1. Recommends that the Council adopts an interim housing target of 250 homes a year until a target in the Local Plan is adopted; and
2. Notes the five year housing supply information contained in the statement attached as Annexe 1.

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## **Background Papers**

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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## **Waverley Borough Council Five Year Housing Supply 1<sup>st</sup> April 2013**

### **1.0 Introduction**

Paragraph 47 of the National Planning Policy Framework (NPPF) requires Councils to identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of housing against their housing requirements.

Footnote 11 of the NPPF says that in order to be considered deliverable, sites 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 and in particular that development of the site is viable.

### **2.0 The Housing requirement**

The housing requirement for Waverley is 250 homes a year derived from the South East Plan 2009. The South East Plan required that Waverley provide for at least 5,000 new homes between 2006 and 2026.

### **3.0 The additional buffer**

Paragraph 47 of the NPPF says that an additional buffer of 5% (moved forward from later in the plan period) should be provided to ensure choice and competition or where there is a record of persistent under delivery; a 20% additional buffer should be provided.

In the seven out of eleven years since 2002, housing supply has exceeded the adopted housing requirement. Therefore there is no record of persistent under delivery and an additional buffer of 5% is the right one to apply to Waverley.

### **4.0 Sites to be included in the five year housing supply**

The supply of deliverable new homes to meet the five years worth of the housing requirement comes from the following sources:

- Sites with planning permission as at 1<sup>st</sup> April 2013.
- Sites within settlements or on specific rural brownfield sites already identified in the Waverley SHLAA.
- Other deliverable sites identified for inclusion in the SHLAA when it is updated
- Small windfall sites (sites where less than five net new homes can be delivered).

#### **a) Sites with planning permission**

Footnote 11 of the NPPF says that sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans. The NPPG says that deliverable sites could also include those that are allocated in the local plan.

b) Sites identified in the SHLAA

The NPPG says that having permission or being allocated is not a prerequisite for being deliverable in the five year supply. Provided that there are no significant constraints to overcome then unallocated sites or those without permission can be included. The important point is that the Council is clear and open as to why they consider the sites are deliverable.

The SHLAA identifies sites that are available that have the potential for development for housing. Sites already in the Waverley 2012 SHLAA that have been assessed as being deliverable before 31<sup>st</sup> March 2018 but have not been granted planning permission by 1<sup>st</sup> April 2013 have been included in the five years supply. Sites to be included in an update of the SHLAA that meet the same criteria have also been included.

c) Small windfall sites

Windfall sites are those sites that have not been granted planning permission, allocated in the local plan or identified in the SHLAA but have unexpectedly become available for development. Paragraph 48 of the NPPF says that an allowance for windfall sites can be made in the five year housing supply if there is compelling evidence that they have consistently become available in the local area and will continue to provide a reliable source of supply. However, the allowance must be realistic having regard to the SHLAA, historic windfall delivery rates and expected future trends and should not include residential gardens. This advice is repeated in the NPPG.

The Council considers that a windfall allowance in the five year housing supply of sites of less than five dwellings (small windfall sites) is justified. This is because historically sites of less than five new homes have contributed significantly to new housing in the Borough. The SHLAA only identifies sites available for housing of five or more dwellings. Therefore, it would be unrealistic not to include new homes being delivered on sites below this threshold. The amount of housing from this source is based on past trends for the Borough for new houses on windfall sites of less than five new homes since 2003. In line with the NPPF advice, it excludes residential gardens. It also only includes new homes from small windfall sites for the last two years of the five years housing supply. This is because any windfall sites contributing in the first three years will have already received planning permission and to include them would be double counting.

There is no contribution to the five year housing supply from windfalls sites that deliver five or more net new homes (large windfalls). This is because the SHLAA tries to identify all new homes that can be delivered on sites of more than 5 dwellings. However, there will be other sites that will deliver five or more net new homes in the next five years that the Council is not currently aware of.

## 5.0 Calculating the Five Year Housing Supply

The tables below set out the housing requirement for the five years between 1<sup>st</sup> April 2013 and 31<sup>st</sup> March 2018 and the number of net new homes that can be delivered in the same period.

### 1) Housing Required between 1st April 2013 to 31<sup>st</sup> March 2018

		Number of Dwellings (net)	Average per annum
<b>a</b>	Housing requirement 2006-2026	5000	250
<b>b</b>	Housing requirement 2006 – 2013 (250 x 7)	1750	250
<b>c</b>	Number of dwellings completed 2006 - 2013	1676	239
<b>d</b>	Residual Plan requirement (b –c)	74	15
<b>e</b>	Housing Requirement 2013-2018 (250 x 5)	1250	250
<b>f</b>	Total Five year supply requirement 2013-2018 (d + e)	1324	265
<b>g</b>	<b>Total five years requirement 2013 – 2018 plus an additional 5% (f x 1.05)</b>	<b>1390</b>	<b>278</b>

### 2) Housing Supply 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2018

		Number of Dwellings (net)	Average per annum
<b>h</b>	Outstanding planning permissions on small sites (net dwellings on sites less than 5 net dwellings)	195	
<b>i</b>	Outstanding planning permissions on large sites (net dwellings on sites more than 5 net dwellings)	895	
<b>j</b>	Potential Sites identified in the SHLAA	502	
<b>k</b>	Small windfall contribution	73	
<b>l</b>	<b>Total Housing supply identified 2013-2018 (h+i+j+k)</b>	<b>1665</b>	<b>333</b>

### 3) Five Year Housing Supply

<b>n</b>	<b>Difference (+/-) (l-g)</b>	<b>275</b>	<b>55</b>
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## Breakdown of Figures

### c) Completions 01/04/06 – 31/03/13

Year	Total Completions
2006-07	458
2007-08	255
2008-09	286
2009-10	186
2010-11	141
2011-12	120
2012-13	230
<b>Total</b>	<b>1676</b>

### h and i) Outstanding planning permissions 01/04/13

	Permitted (Gross)	Permitted (Net)	Commenced (Net)	Completed (Net)	Outstanding (Net)
Small Sites	250	206	66	11	195
Large Sites	959	946	149	51	895
<b>Total</b>	<b>1215</b>	<b>1158</b>	<b>215</b>	<b>62</b>	<b>1090</b>

### j) Potential sites identified in the SHLAA

Existing 2012 SHLAA sites with potential to be delivered by 31/03/18	291
New SHLAA sites with potential to be delivered by 31/03/18	211
<b>Total</b>	<b>502</b>

### k) Small windfall contribution

	Total completions on sites of 1-4 dwellings 2003-2013 excluding garden land	Average annual completions on sites of 1-4 dwellings 2003-2013	Projected supply from sites of 1-4 dwellings 2016-2018 (rounded to nearest 1)
<b>Farnham</b>	93	9.3	19
<b>Godalming</b>	62	6.2	12
<b>Haslemere</b>	49	4.9	10
<b>Cranleigh</b>	33	3.3	7
<b>Villages</b>	75	7.5	15
	312	31.2	63

		plus 5 for Rural Exception Sites per annum	10
		<b>Total in 5 year period</b>	<b>73</b>