



**ARTICLE NO: 2A
PLANNING COMMITTEE**

**MEMBERS UPDATE 2017/18
ISSUE: 2**

Article of: Director of Development and Regeneration Services

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SUBJECT: HOUSING COMPLETIONS 2016/17

Wards affected: Borough wide

1.0 PURPOSE OF ARTICLE

1.1 To update Members on the housing completion figures recently collated from the year 2016/17 (which are usually reported through the Annual Monitoring Report in early summer) due to the particular significance that housing completions this year have on a few Planning-related matters.

2.0 INTRODUCTION

2.1 Housing Completions (that is, newly built houses) are a key measure of performance of the Local Plan and have significant implications for several areas of the Council (and the provision of services by the Council), in particular, Planning and Finance. The Planning-related matters which can be affected include:

- whether the Plan B in the Local Plan should be triggered,
- the implications of the completions in 2016/17 for the Parrs Lane appeals / legal challenges,
- the implications of completions over the past few years in relation to the proposed Housing Delivery Test in the Housing White Paper, and
- generally the issue of five-year housing land supply.

2.2 From a wider Council perspective, housing completion figures are relevant to note due to their implications for Council income related to New Homes Bonus and Council Tax, and the level of additional properties / population the housing completions create for which the Council must provide services (for example refuse collections).

3.0 HOUSING COMPLETIONS 2012-2017

- 3.1 The actual number of completions over the first five years of the Local Plan period, compared to the housing requirement set out in the Local Plan, is set out in the Table below. The relevant figures that we must use for monitoring housing completions for planning purposes are those which are net of demolitions / loss of residential dwellings (i.e. the number of residential properties demolished or lost to another use have been deducted from the actual number of new houses built, in order to provide this net figure).
- 3.2 It should be noted that, for planning purposes, a dwelling is judged to be complete if it appears liveable from the outside (i.e. it is water-tight and physically complete with a complete roof, windows and doors and there is no visual evidence of on-going construction work to the property). As such, the planning completions will not necessarily tally with Council Tax information for the year 2016/17 as Council Tax would not become aware of a new dwelling until it has been sold/leased, occupied and the new occupier has registered to pay Council Tax. It is important to understand this distinction as, for planning purposes, we are not concerned about whether the dwelling is occupied, only whether it is *able* to be occupied and so is a part of the housing stock in the borough. Otherwise, if we based completions on occupation, a newly built house might stand empty for months, or even years, waiting to be sold and the Council would not be able to count it toward our completions figures.

	2012/13	2013/14	2014/15	2015/16	2016/17	2012-2017
Local Plan Annual Requirement	302	302	302	302	302	1510
Annual Housing Completions (gross)	139	370	239	268	310	1326
Known Demolitions (no replacement in situ)	-2	-62	0	0	-1	-65
Known losses to business rates	0	0	0	-2	-4	-6
Annual Housing Completions (net)	137	308	239	266	305	1255
Annual Deviation from Requirement	-165	6	-63	-36	3	
Cumulative Deviation from pro rata Requirement	-165	-159	-222	-258	-255	

- 3.3 The 305 (net) new dwellings completed in 2016/17 took delivery to a total of 1,255 (net) new dwellings in the first five years of the Local Plan period, which compares to the Local Plan requirement for the same period of 1,510 dwellings. This represents a shortfall in delivery of 255 dwellings over the five years compared to the Local Plan Requirement.

4.0 LOCAL PLAN “PLAN B” AND THE PARRS LANE APPEALS

4.1 Local Plan Policy RS6 set three triggers (related to undersupply of housing delivery or a change in the housing requirement) that, if “fired”, would set in motion the “Plan B” of the Local Plan. The Plan B involves considering which of five safeguarded sites should be released by the Council for development to help address the significant undersupply in housing delivery that has caused one of the three triggers to be “fired”.

4.2 The trigger of most relevance at the current time involves a review of housing delivery compared to the pro rata housing requirement after Year 5 of the Local Plan period (i.e. at 1 April 2017). The trigger states that:

If less than 80% of the pro rata housing target has been delivered after 5 years of the Plan period, then the Council will release land from that safeguarded from development for “Plan B” to enable development to an equivalent amount to the shortfall in housing delivery.

4.3 As identified above, as of 1 April 2017, 1,255 dwellings had been completed in West Lancashire since the start of the Local Plan period (1 April 2012) and this represents 83% of the 1,510 dwelling pro rata requirement. Therefore, the good news is that the Plan B has not been triggered at this time.

4.4 However, there is still an undersupply of 255 dwellings that the Council will need to address over the coming years, and this will have implications for the Council’s position on five-year housing land supply and, in particular, the current appeals related to the safeguarded Plan B site at Parrs Lane, Aughton.

4.5 In relation to the Parrs Lane Appeals, one (related to the development proposal from Wainhomes) is currently awaiting a hearing in the High Court following the Council’s legal challenge of the Inspector’s original decision to allow the appeal. Therefore, at the current time, the legal challenge would not be affected by this new information on housing completions, but if the Council’s legal challenge is successful, meaning that the appeal has to be heard afresh at a new Inquiry, this new information will become relevant.

4.6 The second appeal (related to the development proposal from Redrow Homes) is already at that situation of the appeal having to be heard afresh at a new Inquiry after Redrow successfully challenged the Inspector’s decision to dismiss their appeal and the decision was therefore quashed. Therefore, this new information is relevant to that new Inquiry.

4.7 The fact that the Plan B has not been triggered stands in the Council’s favour, as the appellants have long maintained that the Plan B would be needed and that their site is the obvious candidate for the Council to release. However, the Redrow appeal will again hinge on the Council’s anticipated five-year housing land supply and the weight given to policies like Policy GN2 in the Local Plan (which safeguards the Plan B sites from development) if the Council are not able to demonstrate a five-year housing land supply. In

addition, it is likely that the issue of affordable housing delivery in the borough will form a key part of the appellant's argument for their development (which offers the full 35% affordable housing provision) at Inquiry.

- 4.8 Therefore, in summary, while the fact that the Plan B has not been triggered is definitely a positive and will help the Council's case in relation to the Parrs Lane appeals, the fact there is still a deficit in delivery of housing could still create challenges in relation to the issue of five-year housing land supply, which are discussed in more detail in the next section.

5.0 FIVE-YEAR HOUSING LAND SUPPLY

- 5.1 Officers are in the process of calculating the five-year housing land supply position in West Lancashire, now that we are in a new monitoring year. This involves seeking an up-to-date position from the applicants / developers of each site on their anticipated progress with bringing forward new houses on their sites. The result of this collation of evidence and the subsequent housing land supply calculation will be published in the Council's Annual Monitoring Report (AMR) later this month.

- 5.2 The last AMR was published in September 2016 and showed that West Lancashire had 5.41 years of supply for the period 2016-2021. This calculation utilised the original findings of the Inspector from the Parrs Lane Inquiry on individual contested sites, but updated progress accordingly given that the new calculation was for 2016-2021.

- 5.3 While the new housing land supply position for 2017-2022 is still being finalised and will only be published as part of the 2017 AMR in June, it appears as though West Lancashire will have a similar housing land supply position this year, for the period 2017-2022.

- 5.4 This supply is measured against an increased requirement, as the Local Plan is now entering its sixth year, when the housing requirement jumps up to 335 dwellings a year, and there is still the 225 dwelling undersupply identified above to address as well. On top of these two factors, the supply also needs to provide a 5% buffer. As such, to maintain our housing land supply position in the way that we are seeing is good news and reflects an anticipated increase in delivery of our allocated sites and a good number of medium-sized sites coming forward that were not necessarily expected a year or two ago.

- 5.5 However, our housing land supply position would have been even better and more secure had some allocated sites progressed quicker, e.g. Yew Tree Farm – S106 only recently signed, phase 1 reserved matters recently received, two years later than originally expected; Alty's Brickworks – reserved matters refused in 2016, so anticipated delivery in five-year supply must be reduced / delayed; Fine Jane's Farm / Phase 1 of Firwood Road – full applications held up by viability appraisals and highways input; Remainder of Whalleys – awaiting disposal of sites by HCA; East Quarry in Appley Bridge

/ New Cut Lane in Halsall – unlikely to come forward in next five years due to significant development constraints.

- 5.6 This therefore presents a reasonable risk in our housing land supply calculation given the surplus over the required five years is approximately only 200 dwellings and so there is a need for the Council to continue to encourage applications for housing development and, in particular, grant permission on allocated sites as quickly as possible unless there is a significant, negative issue with an application.
- 5.7 This risk will be tested at the fresh Inquiry that is likely to be proposed by PINS for the Redrow appeal at Parrs Lane as, while the Council will put forward their case on the basis of having a five-year housing land supply, the appellant will of course seek to undermine that position and put their own arguments forward about (a reduced) anticipated supply from specific sites where (in their view) the Council's assumptions are optimistic.

6.0 THE PROPOSED HOUSING DELIVERY TEST

- 6.1 The recent Housing White Paper proposed a new Housing Delivery Test which would come into force from November 2017, although the recently called General Election may affect these timescales, if not mean that the proposal is entirely dropped should a new Government not wish to take it forward. However, it is likely that the Housing Delivery Test, or something similar, will come into force in the not too distant future, as all main parties agree that there is a need for increased delivery of housing nationally. Therefore, it is worth looking at how West Lancashire is performing in relation to this test.
- 6.2 The Test involves a rolling three year assessment period of housing completions (net), starting with the period 2014/15 – 2016/17 (i.e. the last three years of completions), against the adopted Local Plan requirement for those three years or, where the Local Plan is out of date, the latest published household projections for those three years. The consequences of under-delivery compared to this Test fall into three levels of severity, with the first two applicable from November 2017, and the third and most severe applicable from November 2018:

a) Where delivery falls below 95% of the requirement, an expectation that the LPA prepares an action plan to identify the issue causing the under-delivery and what steps the LPA is taking to remedy it;

b) Where delivery falls below 85% of the requirement, the LPA will be required to maintain a 20% buffer on their five-year housing land supply (as opposed to the standard 5% buffer) thus making it less likely that the LPA will be able to demonstrate a five-year housing land supply and so face the various repercussions associated with that; and

c) Where delivery falls below 25% (rising to 65% by 2020), the application of the presumption in favour of sustainable development will apply.

- 6.3 Should the Test come into effect in November 2017, based upon the completions data above (although it should be noted it is unclear what completions data CLG will use to assess an authority's performance against the Test) West Lancashire has seen 810 completions in the last three years, against a requirement of 906 dwellings, which equates to **89%**.
- 6.4 As such, while the Council seems safely above the most severe consequence, it is affected by the first consequence (the need to prepare an action plan) and are in danger of falling below 85% in 2018/19 or later years if completions do not increase, especially given that the Local Plan housing requirement increases to 335 dwellings from 2017/18.
- 6.5 The consequence of failing to deliver 85% is that the Council would need to be able to demonstrate a 20% buffer on their five-year housing land supply. This is roughly equivalent to adding another 300 dwellings on top of the current five-year housing land supply requirement. Had the Council been required to demonstrate a 20% buffer this year, for example, it would only have been able to demonstrate a 4.74 year supply, i.e. it would not be able to demonstrate a five-year housing land supply and its policies for the supply of housing would be considered out-of-date.

7.0 SUMMARY

- 7.1 The latest year's housing completions data and surveys of anticipated completions going forward has provided some good news in that the Local Plan's "Plan B" has not been triggered and the Council continues to be able to demonstrate a five-year housing land supply. However, the surplus supply is marginal and there is still a deficit to make-up and so it is imperative that the Council continues to encourage applications for the delivery of housing and, where proposals are in line with the Local Plan, grant permission as quickly as possible.

8.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 8.1 While this Article is for information only, the issues it raises and the potential implications of housing completions going forward could have implications on sustainability, either through insufficient housing being developed in West Lancashire, or less sustainable sites being permitted for development in the future because of the lack of housing land supply reducing the weight that the Council (or a Planning Inspector) can give to housing policies in the Local Plan.

9.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 9.1 There may be potential financial and resource implications for the Council if sufficient housing completions are not seen moving forward, in relation to Council income (from New Homes Bonus, Council Tax and CIL) and in relation to officer resource and financial costs dealing with Planning Appeals. However, no certainty can be given as to what those costs might be.

10.0 RISK ASSESSMENT

- 10.1 This Article is for information only and makes no recommendations. It therefore does not require a formal risk assessment and no changes have been made to risk registers as a result of this article.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Article.

Equality Impact Assessment

The Article is for information only and does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

None.