HBC/13

Hastings Local Plan, Planning Strategy Examination

Matter 3: Housing

Hastings Borough Council response to Mr Bedford's "Hastings Housing Numbers 5 Year Land Supply Scenarios" paper submitted during Hearing session 3, Thursday 07 February 2013.

12 February 2013

Matter 3 Housing, Thursday 7th February 2013

Hastings Borough Council's response to Mr Bedford's "Hastings Housing Numbers 5 Year Land Supply Scenarios" paper submitted during the Hearing session 3.

1. Mr Bedford has presented 3 scenarios in relation to the Council's current 5-year supply position. Whilst the Council does not wish to take issue with the figures presented, we believe it would be more helpful if all figures were presented using the base year of 2011, i.e. the start of the Planning Strategy plan period.

2. However, in the light of the Inspector's further queries made during Hearing session 3, rather than re-presenting Mr Bedford's figures using 2011 as the base date, the Council believes it would be helpful to show the 5-year supply situation based on the Inspector's re-working of housing supply figures at Table 3.12.1 of the Council's statement on Matter 3.

Sources of new homes likely to come forward by 2028	Net number of units	Net number of units REVISED	Revised contribution expressed as a % of the overall total
Units completed, (~~including~~ <u>excluding</u> 29 empty homes returned to residential use 2011 – 2013) Note 1: this includes a completion figure of 195 net new units in 2011/12 and net completions for the first 3 quarters of 2012/13 with an estimate of completions for the final quarter of 2012/13	400	371[1]	10%
Large site commitments (6 or more net dwellings) – sites under construction, with planning permission or resolution to grant planning permission	1,181	1,181	32%
Small site (5 or less net dwellings) commitments <u>with planning permission</u> 2013/14 – 2015/16	157	157	4%
Existing Local Plan allocations (excluding those without an extant permission)	747	747	20%
Other potentially developable sites - no planning status (informed by the SHLAA and the emerging Development Management Plan document)	771	771	21%
Small site (less than 6 dwellings) windfall allowance ~~2023/24 to 2027/28~~ 2016/17 – 2027/28	200	480	13%
Long term empty homes brought back into residential use 2013/14 – 2027/28	225	deleted	-
TOTAL	3,681	3,707	100%

Table 3.12.1: Updated housing land supply data, 1st January 2013 REVISED

3. During discussions under matter 3.12 the Inspector asked the Council to clarify what the impact on Table 3.12.1 above would be if the allowance for the return of empty homes was removed. In addition, we were also asked to show the

impact of increasing the allowance for small site windfalls over earlier years of the Plan period. Based on a projection of 40 units per annum, an additional 80 units have been included in years 2016-17 and 2017/18 – this falls within the current 5-year supply period. A further 200 units have been included for the period 2018/19 – 2022/23. These figures, when taken together with the small site windfall allowance (200 units) already shown in Table 3.12.1 brings the total number of projected small site windfall to 480 units. We assert that there is no double counting occurring in the current 5-year supply period. The table above has been changed to set out the Inspector's possible approach to the re-working of the figures.

4. Accordingly, assuming all other figures remain unchanged in Table 3.12.1, when empty homes are removed from supply figures and a further 280 small site windfalls are added in, raising the total windfall projection to 480, housing supply potential increases from 3,681 to 3,707 net units. When annualised this is the equivalent of annual average rate of 218 units per year.

5. During Matter 3 discussions, it was established that when South East Plan (SEP) housing requirements are projected forward to 2028 and completion figures for the period 2006 – 2011 are deducted the resulting figure is 3,661[2]. This figure represents the outstanding SEP requirement for the period 2011-2028. In calculating this figure the Council has adopted the approach set out by the Planning Inspector in her letter to Rother District Council dated 13th December 2012. This letter is appended to Mr Bedford's Matter 3 statement.

6. In line with the revised table 3.12.1 and paragraph 5 above, the Council's proposed annualised figure of 200 dwellings equates to 93% of the SEP requirement. If the Inspector is minded to accept that current supply figures are in the region of 3,700 (as set out at the revised Table 3.12.1 above) which reflect the Council's best estimate of housing land supply based on what we know at this point in time, this indicates that there is a very good likelihood of meeting SEP requirements over the lifetime of the Plan.

7. On the basis of the modifications to supply figures set out at paragraph 3 above, if the Inspector is minded to remove the Council's allowance for the return of empty homes, but to increase the projection arising from small site windfall, the impact on the current 5-year housing land supply can be illustrated by the following 2 scenarios. Scenario 1 represents the current position, with a minimum housing requirement of 3,400 or 200 units per annum but with no allowance for empty homes and with the inclusion of 12 years of small site windfall projections. Scenario 2 shows the impact of raising the Planning Strategy housing requirement in order to meet the full South East Plan requirement, again with no allowance for empty homes with a greater windfall allowance as with scenario 1.

8. Taking into account net completions from 2011/12 and 2012/13, the position as at the 1st April 2013 is set out in Table A below. This includes 80 units (2 years x 40 units) of windfall projections.

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[2] The annualised requirement 210 is rolled forward by 2 years – 4200 + 420 = 4,620. From this figure 959 completions (2006-2011) should be deducted which results in 3,661 which results in an annualised requirement of 215 units (when 3,661 divided by 17 years.

	Scenario 1	Scenario 2
HOUSING TARGET BASE DATE 2011	**3,400**	**3,661**
Residual target (after deducting 371 completions from 2011/12 & 2012/13)	3,029	3,290
Annual residual target (residual divided by 15 years (2013/14 – 2027/28)	202	219
5-year target (annual residual x 5 years + 20%)	1,212	1,314
5-year housing land supply (2013/14 – 2017/18)	1,240	1,240
5-year supply of housing expressed as a % including a 20% contingency	102.3%	94.4%
Number of years of housing land supply	6.1	5.7

Table A

9. Table A shows that the requirement of a 5-year housing land supply including a 20% contingency is being met under scenario 1. It is not being met under scenario 2 which also includes the 91 units shortfall in delivery identified against the SEP target between 2006-2011. But this is because the Council has chosen to adopt a 20% contingency in order to "provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land" (NPPF paragraph 47). With this in mind, the Council believes in taking account of the need to ensure flexibility around delivery, 3,400 net new homes represents a realistic target when compared against the current assessment of housing land supply

10. In addition, it is worth noting that current supply figures make no allowance for the potential arising from large site windfalls to come forward over the Plan period to 2028. Whilst the Council would not wish to argue for any additional allowance arising from this source, for the reasons set out at paragraph 3.10.2 of the Council's statement, again past trends indicate that large site windfalls have made a significant contribution to past development rates (these currently average some 39 units a year). The Council would contend however, that certain types of windfall development will always be difficult to predict such as those created through the conversion or subdivision of existing buildings, arising from closures and redundancies. With this in mind, the Council would suggest that large site windfalls will continue to make a contribution to housing supply over the life time of the Plan and whilst this cannot accurately be reflected in current supply figures, the potential should be viewed positively when forming a judgement as to the likelihood of meeting and exceeding the Council's minimum housing requirement of 3,400 net new dwellings over the Plan period.