

## Home Builders Federation

### Matter 12

#### NEW FOREST DISTRICT LOCAL PLAN EXAMINATION

##### Matter 12: The supply and delivery of housing land

**Issue- Whether the approach towards the supply and delivery of housing land is justified, effective and consistent with national policy**

**12.4 How has flexibility been provided in terms of the housing land supply? Are there other potential sources of supply not specifically identified? Can this be specified?**

On the basis of the most recent SHLAA (HOU05a) there is no flexibility within planned supply over as the Council is expecting to deliver 10,508 homes against a requirement of 10,500 homes. Any slippage in the delivery of the strategic allocations or a shortfall in the number of windfall sites coming forward will lead to the housing requirement not being delivered. Considering the Council intends to deliver circa 3,700 homes on sites delivering 400 homes or more and is expecting over 1,000 homes to be delivered on windfall sites it is essential that a substantial buffer is included within the Council's housing supply. This will ensure that there is flexibility to take account of any changing circumstances, as required by paragraph 11 of the NPPF, and the potential for slow delivery.

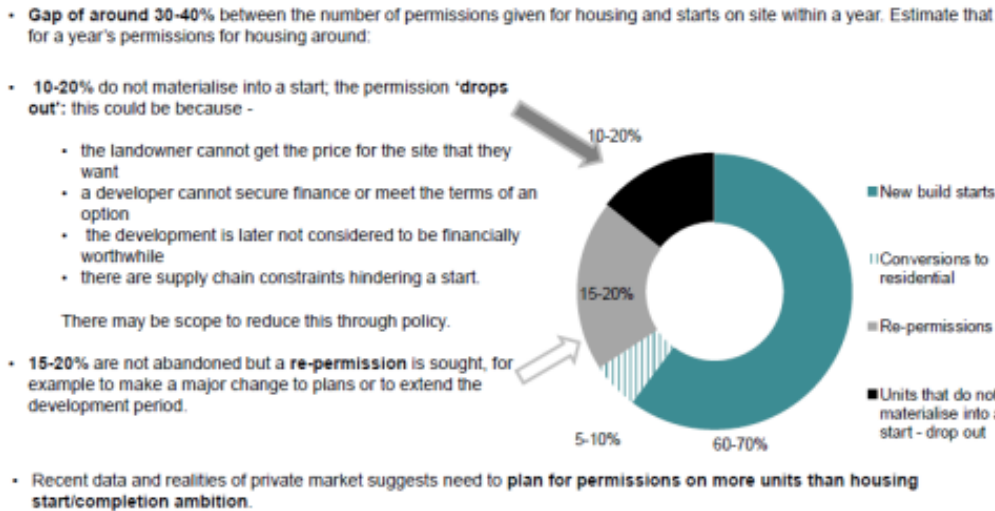
This level of flexibility has been recognised as an important aspect of plan making for some time and was highlighted by DCLG in a presentation to the HBF Planning Conference in September 2015. This slide illustrates that work by the Government suggests 10-20% of residential development with permission will not be implemented and that there is a 15-20% lapse rate on permissions. This does not mean that such sites will not come forward but that delays in delivery, changing ownership or financial considerations can lead to sites not coming forward as expected. For this reason, DCLG emphasised in this slide:

*“the need to plan for permissions on more units than the housing start/completions ambition”.*





## In recent years there has been a 30-40% gap between permissions and housing starts



More recently these same concerns were identified in Sir Oliver Letwin's independent review of build out, delivery on large housing sites may be held back by numerous constraints including discharge of pre-commencement condition, limited availability of skilled labour and building materials, a lack of capital, constrained logistics of sites, slow delivery of utilities and absorption rates of open market sales. We would suggest that a 20% buffer is therefore included within the Council's land supply to secure the necessary flexibility.

### **12.5 In overall terms, would the Local Plan realistically deliver the number of houses required over the plan period?**

As set out above to provide any degree of certainty that the local plan will deliver the homes required over the plan period it is necessary to provide a buffer to allow for late or slow delivery within allocated sites. The Council's stepped housing trajectory already places greater emphasis on delivery later in the plan period increasing the risk arising from slow delivery resulting in the housing requirement not being met. The stepped trajectory also means that monitoring mechanisms such as the housing delivery test will not pick up on slow delivery as early as would be the case with annualised trajectory. A buffer is therefore important to ensure that there is sufficient flexibility within supply to adapt to rapid change as required by paragraph 11 of the NPPF.

### **12.6 Has there been persistent under delivery of housing? In terms of a buffer for a five-year supply of housing sites, should this be 5% or 20% in relation to para 47 of the NPPF?**

On the basis of the 2012 NPPF the Council should apply a 20% buffer as part of its 5-year housing land supply assessment. However, as the plan will be delivered under the 2019 NPPF and its associated guidance this will not be the test applied. The Housing Delivery Test (HDT) will be used when assessing the buffer required. The

outcomes of the HDT published by Government in February indicate that the Council, at present, requires a 20% buffer to be included in their five-year housing land supply assessment. However, with the stepped trajectory significantly lowering the housing target during the 2016 to 2019 period the Council would only be required to have a 5% buffer on adoption of the plan as the Council's housing requirement will have effectively been set at a level below what was actually delivered. This shows that the Council's approach will frustrate attempts by the Government to address the poor delivery resulting from slow plan preparation that, in turn, has had a significant impact on affordability within NFDC. This plan will not change that situation and as such the stepped trajectory being proposed by the Council cannot be considered sound. The Council must base their trajectory on their annualised requirement and allocate additional sites to ensure that it has a five-year housing land supply on adoption.

### **12.7 How would any shortfall since 2016 be dealt with?**

Any shortfall must be delivered within five years – commonly known as the Sedgefield approach. Any other approach is not consistent with national policy.

### **12.8 What would the requirement be for a five-year supply including a buffer and accommodating any shortfall since 2016?**

The requirement for a five-year housing land supply depends entirely on the application of the stepped trajectory. Without the stepped trajectory, and applying an annualised trajectory and the Sedgefield method, would see the Council having a 5-year housing requirement on adoption of 3,912 homes. Using this requirement would mean that the Council does not have a five-year housing land supply as can be seen in the table below. In fact, it would have 1.58-year housing land supply using the policy compliant method.

	<b>Liverpool method (5% buffer)</b>	<b>Liverpool (20% buffer)</b>	<b>Sedgefield (5% buffer)</b>	<b>Sedgefield (20% buffer)</b>
Basic 5-year requirement 19/20 to 23/24	2,625	2,625	2,625	2,625
Backlog 16/17 to 18/19	198	198	635	635
total 5-year requirement 19/20 - 23/24	2,823	2,823	3,260	3,260
Buffer applied (5%/20%)	2,965	3,388	3,423	3,912
Supply 19/20 to 23/24	1,239	1,239	1,239	1,239
Surplus/shortfall	-1,726	-2,149	-2,184	-2,673

Number of years supply in first five years	2.09	1.83	1.81	1.58
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The proposed stepped trajectory removes the backlog by setting the requirement for the period 2016/17 to 2018/19 below what was delivered. This would mean that the Council would apply a 5% buffer and be able to show a five-year housing land supply. However, this would only have been achieved through a manipulation of its housing requirement to levels that are significantly below what is needed – some 2,915 homes below what would be required in the first five years using the standard method. There is no justification for the use of this step to remove back log and push back delivery of these homes until later in the plan period. The Council should have prepared a plan that looked to address back log in the first five years and deliver against an annualised requirement. In doing so the Council could also have also ensured it had a buffer to guarantee delivery of its overall housing requirement.

**12.9 Would the Local Plan realistically provide for a five-year supply on adoption? Will a five-year supply be maintained?**

As set out above this will largely depend on the use of the stepped trajectory and whether this is considered to be justified.

Mark Behrendt MRTPI

Planning Manager – Local Plans SE and E