

Matter 8: Further Supplementary Questions

FSQ1. Is policy 6, as proposed in the Council's response to AP22, justified and consistent with national policy?

The HBF would generally support the Council in permitting development which are not allocated in the Plan or in a Neighbourhood Plan which are either within the built-up area or outside the built-up area but physically well-related to a settlement. The HBF consider that this would be in line with the Government's objective of significantly boosting the supply of homes, and in line with the NPPF which looks for local authorities to support the development of windfall sites through their policies.

The HBF have some concerns around the difference in policy stance between settlements with a Neighbourhood Plan and a settlement boundary and those without. However, assuming that the Council are intending to monitor windfall and housing delivery generally this should ensure that local needs are met.

FSQ2. Is a windfall assumption of 100 dwellings per year from 2021, proposed in the Council's response to AP20, justified and consistent with national policy having regard to evidence about past windfalls and the proposed wording of policy 6?

The NPPF states that where an allowance is to be made for windfall sites as part of anticipated supply, there should be compelling evidence that they will provide a reliable source of supply. It goes on to state that any allowance should be realistic having regard to the Strategic Housing Land Availability Assessment, historic windfall delivery rates and expected future trends.

The Council had previously stated that there is evidence of windfall development of an average of 125 dwellings per annum (dpa) for the past 8 years, and that the Council expects that this number will reduce with the Plan in place to 80dpa. The Council are now suggesting that with the proposed changes to Policy 6 that a windfall allowance of 100dpa is appropriate. It is not apparent what evidence the Council have that the proposed amendment to Policy 6 will create an additional 20dpa. The HBF continue to consider that whilst the windfall allowance may at first appear reasonable there is potential for the allocation of housing, combined with a more detailed assessment of housing land availability to significantly reduce the level of windfall development that comes forward. Therefore, a greater reduction or removal of the windfall allowance would be appropriate. Due to the lack of evidence to support the alteration to the windfall allowance, and the limited evidence to support the original figure, the HBF do not consider that an increased windfall assumption to 100 dwellings per year from 2021 is justified or consistent with national policy. The HBF would recommend that the Council reduce and remove the windfall allowance, any homes from this source could instead provide additional flexibility in the supply, thereby allowing small windfall sites and larger sustainable sites to come forward.

It is considered that if a windfall allowance is retained that the Council monitor the provision that windfall development is making to the delivery of homes in the Borough to ensure that the supply remains and is continuing to provide additional flexibility and the opportunity to boost housing supply.

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The HBF support the Council in not including windfalls within the first three years to reflect the fact that most windfalls that could have contributed to this period will already have planning permission.

FSQ3. Should Table 2 in the Plan be modified to include the revised lapse rates of 12% for large site commitments not started and 53% for small site commitments not started referred to in the Council's response to AP20?

The HBF consider that Table 2 of the Plan should include a lapse rate discount, the HBF consider an increase in the lapse rate for larger commitments is an improvement. However as previously highlighted, the Plan is heavily dependent on the committed supply, that it is particularly important the effect of lapses or changes in permissions are fully considered.

It is noted that paragraph 24 of the Housing Need and Residual for Allocation Evidence Paper states that *'it is unlikely that all of these will come forward during the Plan period for a variety of reasons such as abnormal costs, including land contamination, or a lack of house builder interest. As the existing commitments make up almost two thirds of the LHN the impact of non-delivery of some of these developments on the ability to meet the Plan's LHN has the potential to be significant'*. The Paper then goes on to discuss the level of permissions that have lapsed previously. It suggests that from 2011/12 to 2014/15 an average of 17% of the dwellings granted permission have lapsed. The HBF consider that as the Council have highlighted there are a variety reasons why sites may lapse that a lapse rate should be included within Table 2 of the Plan.

Table 1 within the Council's response to Supplementary Questions to Matters 8-14 updates the average lapse rate information to include 2015/16. It states that over the past five years (2011/12 to 2015/16) on sites 12 units or larger that the average lapse rate is 12%. It also shows that on sites of less than 12 units the average lapse was 54%.

Table 1: Lapsed Sites and Units by Year

Year	Units Granted			Number of Units Lapsed			% of Units Lapsed		
	Across all Sites	On sites of less than 12 units	On sites of 12 or more units	Across all Sites	On sites of less than 12 units	On sites of 12 or more units	Across all Sites	On sites of less than 12 units	On sites of 12 or more units
2011/12	1741	219	1522	162	115	47	9%	53%	3%
2012/13	2189	335	1854	769	140	629	35%	42%	34%
2013/14	3553	419	3134	544	193	351	15%	46%	11%
2014/15	2369	358	2011	229	216	13	10%	60%	1%
2015/16	1902	407	1495	427	278	149	22%	68%	10%
Average	11754	1738	10016	2131	942	1189	18%	54%	12%

This does not quite correlate with the Council's response to AP20 of the Inspector's Note 17 on Matters 5-14 where the Council apply a 53% lapse rate to small sites and a 12% lapse rate to sites over 12 dwellings that are not started. This creates confusion on sites of 12 dwellings. On the assumption that 'small sites' correlates with 'sites less than 12 units' the lapse rate to be applied should be 54% this would be in line with evidence provided in Table

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1. This would amend the discount to be applied from 577 units to 588 units and increase the total discount to **1,645 units**.

It also not apparent why the Council has differentiated the lapse rate between the small sites and the sites over 12 dwellings, it is noted that Table 1 also shows the overall lapse rate to be 18%. This is an increase from the previous data contained within the Housing Need and Residual for Allocation Evidence Paper. If the 18% lapse rate was applied to the total 9,618 units on sites not started, it would give a total lapse rate discount of **1,731 dwellings**.

The HBF consider that a lapse rate should be included within Table 2 of the Plan, but that the lapse rate discount should be increased to **1,731 dwellings** to reflect the average annual lapse rate for all sites, and that it should be applied to all commitments.

FSQ4. Is the assumption, proposed in the Council's response to AP22, that 840 dwellings will be completed on land south of Seaham Garden Village during the plan period justified?

The HBF do not wish to comment on any individual sites.

FSQ5. Is the assumption, proposed in the Council's response to AP22, that 770 dwellings will be completed on housing allocation HA30 (Copelaw, Newton Aycliffe) during the plan period justified?

The HBF do not wish to comment on any individual sites.

FSQ6. If the Plan were modified to include a surplus of 256 dwellings over the requirement for at least 24,852 dwellings in the period 2016 to 2035 as referred to in the response to AP22, would this ensure that the Plan is positively prepared and consistent with national policy?

The HBF support the Council in providing a surplus of dwellings over the housing requirement. However, the HBF do not consider that a surplus of 256 dwellings is sufficient to be considered positively prepared or consistent with national policy. 256 dwellings is not even 20% of the annual housing requirement, and represents a very element of flexibility, it could be that the non-delivery of one allocation or the amendment of a couple of allocations or a continued increase in the lapse rate of commitments leads to the housing requirement not being met.

If the lapse rate is to be increased to 1,731 dwellings as set out in the HBF response to FSQ3 above, from the 1,634 identified by the Council, this would reduce the surplus by another 97 dwellings to 159 dwellings. The HBF would strongly recommend that the Council seeks to increase the sites allocated and ensure that Policy 6 is applied appropriately to ensure the continued delivery of windfall sites.