

<b>TITLE</b>	<b>Housing Land Supply and Reserve Sites</b>
<b>FOR CONSIDERATION BY</b>	The Executive on 27 July 2017
<b>WARD</b>	None specific
<b>DIRECTOR</b>	Josie Wragg, Interim Director of Environment
<b>LEAD MEMBER</b>	David Lee, Executive Member for Strategic Planning and Highways

## **OUTCOME / BENEFITS TO THE COMMUNITY**

Maintaining a five year housing land supply will help ensure the effective management of future development so that it occurs in suitable and sustainable locations and that it is well-designed.

## **RECOMMENDATION**

The Executive is advised to:

- 1) note the current five year housing land supply position;
- 2) approve the release of the allocated reserve sites to boost housing supply in the short term;
- 3) approve the invitation of an application on land south of Cutbush Lane.

## **SUMMARY OF REPORT**

National planning policy and guidance requires the council to maintain supply of land sufficient to provide five years' worth of housing.

The council's latest assessment undertaken as of 31<sup>st</sup> March 2017 indicated a 5.27 year supply against the level of housing need identified by the Berkshire (including South Bucks) Strategic Housing Market Assessment (SHMA).

The level of supply and housing need have been, and continue to be, challenged through appeal decisions. This means that whilst we can show a five year housing land supply in the annual update against the SHMA, Inspectors who accept partial updates to the deliverable land supply or find that housing need is higher, are likely to find a periodic deficit as not all sources of supply are considered.

The five year housing land supply position coupled with the previous appeal decisions continue to place undue pressure on the council from opportunist appeals.

Adopted planning policy SAL03 in the Managing Development Delivery plan allocates six reserve sites for residential development that could be released in the absence of a five year housing land supply. The area of land south of Cutbush Lane is currently constrained prior to 2026 by a unilateral s106 agreement. This report recommends their release to boost housing supply in the short term.

## Background

### Introduction

The National Planning Policy Framework (NPPF) sets out the government's planning policies. With regards to housing one of the key requirements is that local planning authorities 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...moved forward from later in the plan period to ensure choice and competition in the market for land"*<sup>1</sup>

In the absence of a five year supply the NPPF advises that housing applications should be considered in the context of the presumption in favour of sustainable development and that housing supply policies should not be considered up-to-date.<sup>2</sup>

### Housing need

The Berkshire (including South Bucks) Strategic Housing Market Assessment (published in 2016) (hereafter referred to as the SHMA) is the latest, full assessment of housing needs covering Wokingham Borough.<sup>3</sup> It was jointly commissioned by the six Berkshire local authorities and the Thames Valley Berkshire Local Enterprise Partnership and has been agreed by each party under the Duty to Cooperate.

The SHMA identified housing need for Wokingham Borough to be 856 additional homes per year between 1 April 2013 and 31 March 2036.

The level of housing need has been subject to challenge through the planning application appeal process. Inspectors, when determining two recent appeals, concluded that housing need was higher at 862-890 or 894 additional homes per year. The adjustments were made to reflect worsening affordability and past under delivery in housing.

An appellant in a recent planning appeal progressed the position that housing need should be 960 additional homes per year. Further, a submission by the University of Reading to the Local Plan Update Issues and Options consultation suggested housing need should be 1,120 additional homes

Appeal	Inspector's Objectively Assessed Need - Dwellings per Annum (DPA)	SHMA Objectively Assessed Need – Dwellings per Annum	Difference
Stanbury House	862 dpa	856 dpa	6 dpa

<sup>1</sup> NPPF, paragraph 47.

<sup>2</sup> NPPF, paragraph 14 and 49.

<sup>3</sup> Planning Practice Guidance: Housing and Economic Land Availability Assessment advises that housing requirements in up-to-date local plans should be used as the starting point for calculating the five year housing land supply, where a local plan has become out dated, information provided in the latest full assessment of housing needs should be considered (ID-3-030-20140306).

	890 dpa		34 dpa
Park Lane and Broughton Farm	894 dpa		38 dpa
Barkham Road	960 dpa		104 dpa
University of Reading	1,120 dpa		264 dpa

The government in the housing white paper<sup>4</sup> has stated their intention to introduce a new standard methodology for calculating housing needs. This is likely to err on the side of higher housing supply.

### Housing land supply

The council's latest assessment of the housing land supply was undertaken as at 31<sup>st</sup> March 2017. This calculated a deliverable supply of 6,563 dwellings. This equates to a 5.27 year housing land supply when calculated against the recommended housing need figure of 856 additional homes from the SHMA plus the 20% additional buffer required by the NPPF.<sup>5</sup>

Through the appeal process, appellants have disputed the deliverable housing supply across a number of specific sites and advanced the argument that a lapse / non-implementation rate should be applied.

Notwithstanding the clear requirement to assess the housing land supply position annually, Inspectors, at various appeals, have reached their conclusion based only on partially updated information, i.e. only taking into account more recent information on specific developments without considering projected delivery on other sites, or the number of dwellings being completed or granted elsewhere.

The number of dwellings completed in 2016/17<sup>6</sup> was 933 net additional dwellings, an improvement over previous years. Notwithstanding the latest assessment showing a five year housing land supply is maintained against the housing need identified in the SHMA and the improvements to the process to ensure its robustness, the supply has less of a buffer than when assessed at 31<sup>st</sup> March 2016. We remain under intense pressure because the latitude given to Inspectors.

### **Analysis of Issues**

With the five year land supply position similar to that held over the last few years, the council is likely to see continued challenged from speculative landowners and developers.

#### a) The challenge to good planning

The council's Core Strategy approach to development was to concentrate the majority of residential development in four Strategic Development Locations, each delivering well

<sup>4</sup> [Fixing Our Broken Housing Market, DCLG February 2017.](#)

<sup>5</sup> Paragraph 47 of the NPPF requires an additional buffer to be applied on top of the housing requirement to ensure choice and competition in the market for land. The size of the buffer to be applied is either 5% or 20% depending on past delivery. At present, the council applies the 20% buffer based on under delivery against past housing requirements.

<sup>6</sup> From 1 April 2016 to 31 March 2017.

planned, high quality and infrastructure rich communities. The council's New Homes Survey shows that public perception of SDLs is showing a steady increase in satisfaction as SDLs are built and occupied.

Historically the approach to development was dispersed, incremental development. Development lacked supporting infrastructure and quality. This resulted in residents seeing pressure building on existing infrastructure and services, reducing accessibility, and leading to further congestion on the existing road network, which lacked sustainable expansion, as people travelled further.

A number of allowed planning application appeals have undermined the plan-led, concentrated development approach, and the good planning benefits that led to the council electing this option.

#### b) The likely increase in housing need

Inspectors, in two planning appeals,<sup>7</sup> have concluded that in their opinion the level of housing need is higher than that calculated by the SHMA. The introduction of a standard methodology for calculating housing need may remove lengthy debate about the validity of the calculation, but it is likely that any methodology will err towards higher housing supply as this is government policy.

Any substantial increase in housing need would reduce the five year land supply. The absence of supply would undermine the plan-led system.

#### c) The challenge of continuing delivery

Through the planning application process, the council has already acted to bolster the development industry's lack of delivery by approving additional large developments where there are opportunities to consolidate delivery on land within the existing SDLs and/or on land adjoining where this can be clearly demonstrated as being beneficial to the original vision and development concept, for example at Bell Farm and Keephatch Beech. Continuing this flexible approach will continue to boost housing supply.

#### d) The number and potential cost of planning application appeals

At the time of writing, the council has received 5 appeals, 7 planning applications and 3 pre-application approaches for proposed developments where the adequacy of the five year land supply has been raised by the applicant/appellant. The cost of 15 public inquiries is estimated to be around £1m on resources.

### **Options for addressing the challenge**

The Local Plan Update is the medium term solution to addressing issues around housing need and land supply. Through this, the council will establish a new housing target, allocate sufficient land to meet this and coordinate supporting infrastructure.

Whilst the Local Plan Update evolves continuing actions to bolster land supply will reduce the risk of unplanned and unsustainable development occurring.

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<sup>7</sup> Appeals at Stanbury House and Park Lane.

Adopted planning policy SAL03 in the Managing Development Delivery plan<sup>8</sup> allocates six reserve sites for residential development that could be released in the absence of a five year housing land supply (see Appendix A to this report). The challenge in land supply moving forward, coupled with the scale of the demonstrable land supply, is considered sufficient to enable release to be considered in order to establish a buffer large enough to suppress opportunist approaches via the appeal system based on the lottery of partly updating the five year land supply position.

Adopted planning policy CP19 in the Core Strategy<sup>9</sup> allocates land south of the M4 as a strategic development location (SDL). Development of the area within the SDL known as land south of Cutbush Lane prior to 2026 is constrained by a unilateral s106 agreement. The agreement allows development prior to 2026 in the event that an application is invited by the Council.

These sites are considered to be sustainable, having been subject to scrutiny through the plan process for the Managing Delivery Development consultation and examination process. The reserve sites can be released through a resolution of Executive or a Neighbourhood Plan. Development on land south of Cutbush Lane (see Appendix B to this report) can similarly be invited by a resolution of Executive. Their release would supplement the other actions already being taken and put us in a stronger position to defend decisions at appeal as well as sending messages to those considering opportunist appeals that we have the matter in hand.

## FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

***The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.***

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	NA	NA	NA
Next Financial Year (Year 2)	NA	NA	NA
Following Financial Year (Year 3)	NA	NA	NA

### Other financial information relevant to the Recommendation/Decision

There are a number of ongoing pre-application, planning application and appeals relating to the reserve sites. The release of the reserve sites would enable the withdrawal of the reason for refusal relating to land supply.

Considering at wider planning activity, at the time of writing, the council has received 5 appeals, 7 planning applications and 3 pre-application approaches for proposed developments where the adequacy of the five year land supply has been raised by the

<sup>8</sup> Available via <http://www.wokingham.gov.uk/planning/planning-policy/local-plan-and-planning-policies/>

<sup>9</sup> Available via <http://www.wokingham.gov.uk/planning/planning-policy/local-plan-and-planning-policies/>

applicant/appellant. The cost of 15 public inquiries is estimated to be around £1m on resources.

### **Cross-Council Implications**

Reserve site W1111 Land off Wheatsheaf Close, Sindlesham is being considered for self-build housing. The release of the sites would facilitate an early application for the development of this land and use.

### **List of Background Papers**

- Core Strategy.
- Managing Development Delivery/
- Strategic Housing Land Availability Assessment 31<sup>st</sup> March 2016.
- National Planning Policy Framework.

<b>Contact</b> Ian Bellinger	<b>Service</b> Environment
<b>Telephone No</b> 0118974 6231	<b>Email</b> <a href="mailto:ian.bellinger@wokingham.gov.uk">ian.bellinger@wokingham.gov.uk</a>
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## Appendix A: Reserve sites and current activity

Reserve Site (address)	Allocated Capacity (dwellings)	Current activity (comment)
Land to rear of 216b-242a Nine Mile Ride, Finchampstead North (site FI140)	40	No recent pre-app or application.
Land rear of 328-348 Barkham Road, Barkham Hill (site WK122)	25	<p>Land Rear of 336 – 350 Barkham Road</p> <ul style="list-style-type: none"> <li>• Appeal Allowed: 13<sup>th</sup> April 2014 for 25 dwellings.</li> </ul> <p>Land Rear of 328b-336 Barkham Road</p> <ul style="list-style-type: none"> <li>• APPEAL HEARING HELD</li> <li>• Application for 10 dwellings (ref: 160732) refused 4<sup>th</sup> July 2016.</li> <li>• Public Inquiry completed 13<sup>th</sup> June 2017.</li> </ul>
Land north of The Shires (off Sandy Lane), Barkham Hill (site WK151)	5	Outline applications for either 4 or 5 dwellings (ref: 162150 & 162151) refused 30 <sup>th</sup> September 2016.
Land at Valley Nurseries, Broadwater Lane, Hurst (site SA104)	16	<p>Full application for 16 dwellings refused 22<sup>nd</sup> December 2016.</p> <p>Applicant advised appeal to be submitted.</p>
Land off Wheatsheaf Close, Sindlesham (site WI111)	24	Pre-app ongoing to provide self-build development of circa. 24 dwellings.
Land at Sonning Farm (off Glebe Gardens), Sonning (site ref SO101).	25	No recent pre-app or application.
<b>TOTAL</b>	<b>135</b>	

Appendix B: Map showing land south of Cutbush Lane



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