

CHESHIRE EAST COUNCIL

Strategic Planning Board

Date of Meeting: 21 December 2011
Report of: Strategic Planning & Housing Manager
Subject/Title: Housing Supply
Portfolio Holder: Cllrs David Brown & Rachel Bailey

1.0 Report Summary

- 1.1 This report considers the Council's approach to housing supply and also responds to two Notices of Motion put to the Full Council. This matter was deferred from the meeting on 28 November 2011

2.0 Recommendation(s)

- 2.1 That the Council maintains an annual housing requirement of 1150 dwellings until a figure is set within the new Cheshire East Local Plan
- 2.2 That the Strategic Planning Board approves the approach to revision of the Interim Planning Policy on the Release Of Housing Land set out in Appendix 1 of the report

3.0 Reasons for Recommendation(s)

- 3.1 To ensure the Council has a consistent and soundly based housing figure.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications

- 6.1 The report clarifies the Council's policy approach to this subject

7.0 Financial Implications

- 7.1 None.

8.0 Legal Implications

- 8.1 The numbers of new homes that the Council is required to provide for was previously set out in the Regional Plan for the North West. The Regional Plan formed part of the statutory development plan for the purposes of s. 38 of the Planning Act. The Secretary of State previously attempted to revoke Regional Plans via statutory Instrument – but the courts have re-instated the Plans until primary legislation allows for their abolition and replacement
- 8.2 In future it will be for the Local Plan alone to set appropriate housing numbers for the Borough.

9.0 Risk Management Implications

- 9.1 If the Council fails to provide sufficient housing over a long and sustained period of time then it risks increasing house prices, stifling economic growth and eroding choice and balance in the housing stock.

10.0 Housing Numbers

- 10.1 At the Full Council on 13 October the following Notice of Motion was received:

- 10.2 *“That the annual target for housing in Cheshire East set in the Regional Spatial Strategy, already rescinded by the government, be reduced from 1000+ to 710 per annum to give a five year requirement of 3550 which is already available.”*

This motion then falls to be considered by the Strategic Planning Board as the relevant Council Committee

- 10.3 The Council’s current housing requirement of 1150 per annum was indeed established through the Regional Spatial Strategy for the North West. However the Council has since, independently considered the level of housing that is appropriate for the Borough. At a full meeting of the Council on 24 February 2011 it was resolved:

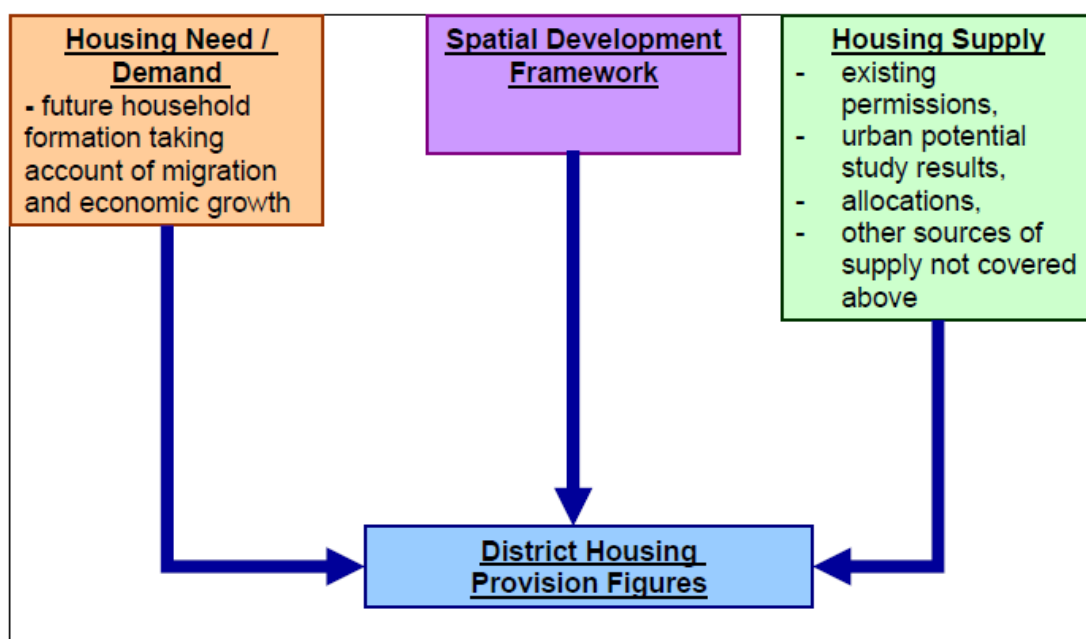
“That the housing requirement figure of 1150 net additional dwellings, to be delivered annually, be approved, this to be used pending the adoption of the Local Development Framework Core Strategy.”

- 10.4 The Localism Bill 2011 was passed by Parliament on 15 November. Whilst the Government has approved the abolition of RSS, they are still in effect until formally abolished by the enactment of the relevant part of the legislation which is expected early in 2012.
- 10.5 The Government has stated its intention for local planning authorities to set their own housing requirement figures in the future and that they should

deliver the full requirements for growth for the Borough. The process for revising the housing requirement figure is through the Local Plan where the research and projections supporting the proposed figure will be subject to scrutiny at the examination.

- 10.6 In support of this the Council is currently commissioning some further work on the population and demographics of the Borough. This will reinforce work already carried out and provide a strong evidence base for the eventual housing figures which will be included within the Local Plan.
- 10.7 In considering housing numbers it is very important that the figure arrived at has a full evidential and policy justification. For this reason National Guidance suggests that numbers should be set through the Statutory Development plan process, which allows for the appropriate testing and scrutiny of the figures.
- 10.8 The Current RSS based figures have been through this very process of examination and rigour. They are derived from a variety of sources including a detailed evidence base provided by the North West Housing Needs and Demand Study carried out by the consultants NLP. This was a technical exercise carried out to inform the North West Assembly in the preparation of the draft Strategy. This was subsequently complimented by a further study which GONW commissioned from consultants Ecotec which sought to develop an independent view of the different functional sub-regional housing markets within the North West. However such technical information is also overlain with issues of supply, capacity and infrastructure – and also questions of policy.

This process can be conveniently summarised in the diagram below, produced by the North West Regional assembly at the time of RSS preparation



- 10.9 As well as ensuring Housing figures are properly derived, it is implicit within that rigour that sufficient homes will be provided. It is very important in the long run that the Council ensures enough homes are built to meet the needs of the Borough. Restriction in housing supply over many years has the effect of distorting the housing market, restricting choice and stifling economic growth.
- 10.10 The effect of reducing housing numbers for a temporary period is much less critical – and to some extent particularly so in the midst of recession when Housing completions are in any event very low. A reduction in overall numbers might also be viewed as a means of fending off planning applications for housing on land not currently allocated in existing local plans – and therefore ensuring that the Community is not subjected to ‘unexpected’ development on their doorstep.
- 10.11 Tempting as these objectives might be seen to be, a simple reduction in housing numbers is unlikely to be the means of achieving this. To arbitrarily revise the figure as proposed in the ‘Notice of Motion’ would leave the Council in a weak position in appeals in trying to justify this unsubstantiated figure, thus leaving the Council open to challenge from developers with the likelihood of significant costs.
- 10.12 In addition, housing supply should be looked at over a period of at least 5 years, with assumptions for the next ten years also being recommended. A few years of diminished completions is unlikely of itself to be harmful given the cyclical nature of the housing market – but a failure to provide enough homes over a period of fifteen years is likely to be damaging to the housing market and economy of the area
- 10.13 Consequently we strongly recommend that there be no change to the current housing numbers of 1150 homes per year.

11.0 Interim Policy for the Release of Housing Land.

- 11.1 At the Full Council on 13 October the following Notice of Motion was received:

That the Council’s decision at its meeting on 24th February 2011 to approve the Interim Planning Policy on the Release of Housing Land (Minute 95 refers) should be rescinded.

- 11.2 The Interim Planning Policy on the Release of Housing Land was prepared in the context of national planning policy set out in PPS3 ‘Housing’ as an interim measure to help the Council manage the release of housing land to maintain a five years supply as required.

11.3 Planning Policy Statement 3 'Housing' requires local planning authorities to monitor and manage the release of housing land to ensure that there is a five years supply of deliverable sites. This includes sites with planning permission, sites allocated for residential development in the Local Plan and identified redevelopment sites within settlement boundaries.

11.4 The Interim Planning Policy was adopted by Cheshire East Council on 24 February 2011 following public consultation. The policy was developed in a manner that would help deliver the Council's aspirations for growth for Crewe and that would not prejudice the consideration of alternative options for the development strategy of the Local Development Framework. The Policy has two main aspects:

- The release of sites on the edge of Crewe
- Mixed use developments within settlements

A copy of the Policy is attached as Appendix 1

11.5 The policy has been operating successfully since its adoption and is leading to an increase in the supply of housing land. Developers have submitted planning applications on a number of sites adjacent to the settlement boundary of Crewe. Some of these planning applications have already been considered and approved by the Strategic Planning Board – and thus far some 1150 additional homes (effectively a years supply) have been resolved to be approved as a result of the policy. In addition there are planning applications that have also come forward as part of mixed use developments in Alsager and Tytherington, Macclesfield. These are yet to be determined.

11.6 Other planning applications have also been submitted for a number of sites on the edge of settlements outside Crewe. Many of these sites have resulted in Appeals – notably the two large sites in Sandbach at Abbeyfields and Hindheath Road. The full conclusions from these appeals are not yet completely clear, as both are subject to ongoing actions in the courts.

Initial indications suggest that the Interim Housing Land Release Policy is less likely on its own to provide a basis for refusing such applications but is never the less helpful in demonstrating how supply will be met. Thus far we have avoided sporadic developments being granted on appeal, contrary to the wishes of the Council and local people.

11.7 However as with any policy it is timely to review its operation and content. Given the complex array of appeals now underway and the changing nature of National Guidance we recommend that Council carries out a review of the policy and that the Board receive a further report outlining full options and potential detailed revisions.

11.8 Options for a review include:

- Continue to use the Interim Planning Policy on Release of Housing Land

- Rescind the Interim Policy, and determine planning applications using
 - saved Local Plan policies;
 - PPS3;
 - draft NPPF guidance on delivering sustainable development and develop guidance on the interpretation of sustainable development in the local context.
- Review the Interim Policy to include guidance on the release of appropriately sized and located sites in other settlements

11.9 A prospective timetable for this review is set out in Appendix 2. If approved a full consultation document will be submitted to the next meeting.

12.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

Name: Adrian Fisher

Designation: Strategic Planning & Housing Manager

Tel No: 01270 686641

Email: adrian.fisher@cheshireeast.gov.uk

APPENDIX 1 – INTERIM POLICY ON THE RELEASE OF HOUSING LAND

Interim Planning Policy on the Release of Housing Land

When it is demonstrated through the Annual Monitoring Report that there is not a five year supply of housing land as defined by PPS3, subject to other saved policies of the relevant Local Plan being satisfied, residential development will be permitted in the following locations:

1. Adjacent to the settlement boundary of Crewe provided that the site:
 - is well related to the built framework of the settlement;
 - is not within the Green Gap;
 - is not within an allocated employment area;
 - is not within an area safeguarded for the operational needs of Leighton Hospital;
 - is capable of being fully developed within five years of the granting of outline planning permission;
 - delivers development that improves the supply, choice and quality of housing in Crewe; and
 - supports the delivery of the Council's overall vision and objectives for Crewe.
2. As part of mixed developments in town centres and regeneration areas to support the provision of employment, town centre and community uses.

Housing developments and its infrastructure on greenfield sites permitted under this policy will be required to demonstrate that they will not impact on the designated or candidate European Sites (Special Areas of Conservation; Special Protection Areas; Ramsar Sites and Offshore Marine Sites) protected under the European Habitats Directives 92/43/EEC or the Conservation of Habitats and Species Regulations 2010 and to deliver:

- a minimum of 35% affordable housing in accordance with the Interim Planning Statement on Affordable Housing;
- open space and / or community facilities in accordance with the relevant saved Local Plan policy
- improvements to the strategic and local highway network, public transport, and pedestrian and cycle routes; and
- a high quality designed development to Code for Sustainable Homes Level 4 or higher and Building for Life Silver standard or higher.

Subject to the assessment of the economic viability of the scheme, housing development on mixed use redevelopment sites permitted under this policy will be expected to deliver:

- a minimum of 30% affordable housing in accordance with the Interim Planning Statement on Affordable Housing;
- employment, town centre and / or community uses within the site; and
- a high quality design to Code for Sustainable Homes Level 3 or higher and Building for Life Silver standard.

APPENDIX 2 – DRAFT TIMETABLE FOR THE REVIEW OF THE INTERIM POLICY ON THE RELEASE OF HOUSING LAND

21 Dec	Report to Strategic Planning Board (SPB) setting out timetable for Review
29 February	Full report to SPB
5 March	Cabinet Approve Consultation
March - April	6 week consultation Period
May 2012	Finalise Policy following comments received
June 2012	Consideration by Environment & Prosperity Scrutiny Committee
June 2012	Consideration by SPB
June 2012	Consideration by Cabinet & recommendation to Council
July 2012	Council consider & Adopt updated Policy