

CHESHIRE EAST COUNCIL

REPORT TO: ENVIRONMENT AND PROSPERITY SCRUTINY COMMITTEE

Date of Meeting: 26 October 2010
Report of: Strategic Director - Places
Subject/Title: Future Housing Provision Cheshire East
Portfolio Holder: Cllrs David Brown/Jamie Macrae

1.0 Report Summary

1.1 This report:

- considers the requirement for the Council to maintain a five year supply of deliverable housing land and the position at 1 April 2010 in Cheshire East;
- considers the appropriate figure for the housing requirement for Cheshire East following the revocation of the Regional Spatial Strategy, in the interim pending the adoption of the Local Development Framework;
- proposes the introduction of an Interim Planning Policy to manage the release of land for housing development pending the allocation of land within the Local Development Framework and that consultation should be carried out on the draft policy.

2.0 Decision Requested

2.1 That Environment and Prosperity Scrutiny Committee endorses the Cabinet recommendation to:

1. approve the housing requirement figure for a minimum of 1150 net additional dwellings to be delivered annually, to be used pending the adoption of the Local Development Framework Core Strategy;
2. note the Council's five year land supply at 1 April 2010;
3. approve the Interim Planning Policy on the Release of Housing Land for consultation purposes and agree that it be used in the determination of planning applications pending its adoption.

3.0 Reasons for Recommendations

3.1 To ensure that the Council has appropriate planning policies in place to guide the release of additional housing land to ensure the availability of five years supply of deliverable housing land in a manner that will not prejudice the preparation of the Local Development Framework.

4.0 Wards Affected

4.1 All wards

5.0 Local Ward Members

5.1 All

6.0 Policy Implications including - Climate change

6.1 The proposed interim policy will seek to focus new development in the principal town of Crewe where there are a good range of jobs, shops and services and a high standard of accessibility by means of travel other than the car. The policy also encourages the redevelopment of previously developed land within settlements for mixed uses including housing. New housing will be required to be energy efficient.

- Health

6.2 New housing developments will be required to include affordable housing which will be available for people in housing need, providing them with improved healthier living conditions. Sites will also be required to provide open space.

7.0 Financial Implications 2010/11 and beyond (Authorised by the Borough Treasurer)

7.1 Consultation on the policy will be carried out within the current year's Spatial Planning Section's budget. The implementation of the policy will not require any additional staffing or financial resources.

7.2 The policy will require developers to contribute to strategic and local highway improvements, affordable housing, open space and community infrastructure required to serve the development through legal agreements.

8.0 Legal Implications (Authorised by the Borough Solicitor)

8.1 Planning Policy 3 Housing sets out a requirement for local planning authorities to maintain a five year supply of deliverable housing land. The inability of the Council to demonstrate a five year supply of housing land carries a high risk that land owners/developers will submit speculative planning applications for their development on sites outside settlement boundaries. Such applications would have to be determined through the planning process in the usual way. In the case of refusal of planning permission, appeals may be upheld on the grounds that there is not a 5 years housing land supply.

8.2 The Interim Planning Policy would be a material consideration in determining planning applications for new housing development. Whilst it would carry only limited weight until adopted following consultation, it will provide a clear policy position for the local planning authority and planning inspectors considering appeals on applications for housing development outside Local Plan settlement boundaries.

8.3 Consultation would be carried out with the Strategic Planning Board and the Environment Scrutiny Committee. Widespread consultation would be carried out with town and parish councils, stakeholders, the local community and the Housing Market Partnership in accordance with the Statement of Community Involvement.

9.0 Risk Management

- 9.1 As the Council is unable to demonstrate that it has a five year land supply of deliverable housing sites, there is high risk of planning appeals for housing development being upheld on greenfield sites outside settlement boundaries which may prejudice the preparation of the Local Development Framework and affect the Council's ability to objectively determine the most appropriate strategy and sites for future housing development.

10.0 Background and Options

- 10.1 The Government's planning policies for housing are set out in Planning Policy Statement 3 'Housing (PPS3)', the latest edition of which was published in June 2010. The PPS has to be taken into account in the preparation of the Council's Local Development Framework and in the determination of planning applications which involve new housing development.
- 10.3 Paragraph 10 of PPS3 sets out the housing policy objectives that provide the context for planning for housing through development plans and planning decisions. It states that the specific outcomes that the planning system should deliver are:
- High quality housing that is well designed and built to a high standard.
 - A mix of housing both market and affordable, particularly in terms of tenure and price, to support a wide variety of households in all areas, both urban and rural.
 - A sufficient quantity of housing taking into account need and demand and seeking to improve choice.
 - Housing developments in suitable locations, which offer a good range of community facilities and with good access to jobs, key services and infrastructure.
 - A flexible and responsive supply of land – managed in a way that makes efficient and effective use of land, including the re-use of previously – developed land, where appropriate.
- 10.4 Clearly one of the Government's priorities is for the planning system to deliver an adequate supply of suitable land available for housing development. In terms of the longer term delivery of housing, through its Local Development Framework Core Strategy and Site Allocations documents, the Council has to identify broad locations and specific sites that will enable the continuous delivery of sufficient housing for at least a fifteen year period.
- 10.5 Previously the overall level of housing that the Council would have to deliver over that fifteen year period would have been as set out in the Regional Spatial Strategy. However, as Members will be aware, the Government revoked regional Spatial Strategies on 6th July this year leaving individual Planning Authorities responsible for establishing the appropriate level of local housing provision for their area. In doing so, the Government has said that local planning authorities 'should continue to collect and use reliable information to justify their housing supply

policies and defend them during the LDF examination process. They should do this in line with current policy in PPS3'¹

- 10.6 The Council is at a relatively early stage in the production of its Core Strategy which will identify the level of new housing development that should take place in the Borough up to 2030. In accordance with Government advice, the level of new housing development upon which the Council decides must be based on robust evidence and be defensible at public examination.
- 10.7 Stakeholder consultation is planned for the Issues and Strategic Options for the Core Strategy during October and November 2010. One of the key strategic options will be to consider the appropriate level of housing growth for the Borough and it is proposed that the consultation document should include a range of options for housing growth. These options would take into account the findings from the Council's Strategic Housing Market Area Assessment and the projections for population and employment growth.
- 10.8 In the shorter term, PPS3 requires the Council to ensure that a continuous five years supply of deliverable housing sites is maintained. To be considered deliverable, sites should:
- be available now
 - offer a suitable location for development which would contribute to the creation of sustainable, mixed communities
 - have a reasonable prospect of delivering houses within five years.

Generally to be considered deliverable within five years, sites should have the benefit of planning permission or should be allocated in a Local Plan or should be specific, unallocated brownfield sites within settlement boundaries that have the potential to make a significant contribution to housing land supply in the five year period.

The Annual Housing Requirement

- 10.9 The accepted methodology for determining the total five year supply requirement has been based on figures from the Regional Spatial Strategy. As the Regional Spatial Strategy has been revoked, it will now be for each individual Authority to decide its own housing requirement. The Regional Spatial Strategy housing requirement figure for Cheshire East of a minimum of 1150 net new dwellings per annum reflects the level of house building in the Borough that was being delivered in the ten years up to April 2010.
- 10.10 In considering the appropriate figure to set in the short- term, Members will be mindful of the current downturn in the housing market. Net housing completions during 2009-10 was 634, which was less than the previous year. Completions since April 2010 continue to be low and are likely to be around 700 for the year. However, there is considerable interest in housing development in Cheshire East and numbers should rise in the future as the housing market improves. The Council's ambitious plans for growth should give further encouragement to development.

¹ Letter from DCLG to all Chief Planning Officers dated 6/7/10

- 10.11 A separate report to Cabinet on the Local Development Framework Core Strategy considers options for the future housing requirement to be set in the Local Development Framework. These have been developed in the context of delivering the Council's ambitions for growth and look at the implications of increasing the requirement from 1150 to 1350 or 1600 dwellings per annum. The LDF will include a Borough wide development strategy with site allocations, policies and an infrastructure to secure the delivery of the housing and necessary infrastructure.
- 10.12 If the housing requirement were increased immediately this would require the release of a number of additional housing sites ahead of the adoption of the Core Strategy. There is a risk that the Council would not be able to secure the full infrastructure levy from these sites that would be expected once new LDF policies are in place.
- 10.13 **It is recommended therefore that until the future housing requirement has been agreed through the Local Development Framework Core Strategy, the housing requirement for Cheshire East should be set at a minimum of 1150 net additional dwellings per annum.**

Five Year Housing Land Supply

- 10.14 The Local Development Framework Annual Monitoring 2009 report calculated the Council's five year supply of housing land at 1 April 2009 as 5.14 years, based on the RSS figure. Since then a full review of potential sites has been carried out in parallel with the preparation of a Strategic Housing Land Availability Assessment for the whole of Cheshire East. The latest assessment indicates a supply of 4.58 years at 1 April 2010.
- 10.15 The failure to be able to demonstrate a five year supply of available housing land has implications for the Council. PPS3 states that "where local planning authorities cannot demonstrate an up to date five year supply of deliverable sites they should consider favourably planning applications for housing, having regard to the policies in this PPS".
- 10.16 The inability of the Council to demonstrate a five year supply of housing land carries a high risk that land owners/developers will submit speculative planning applications for their development outside settlement boundaries. Such applications would have to be determined through the planning process in the usual way. In the case of refusal of planning permission, appeals may be upheld on the grounds that there is not a 5 years housing land supply. Nevertheless whilst there is less than a 5 year supply of deliverable housing sites, there is a high degree of risk that planning permission may be granted on appeal for housing on greenfield sites outside settlement boundaries in conflict with the policies of the three Local Plans. Such decisions would also prejudice the preparation of the Local Development Framework and affect the Council's ability to objectively determine the most appropriate strategy and sites for future housing development.

Interim Policy to Manage the Release of Housing Land

- 10.17 **Given the current housing supply position and the timescale for the adoption of the Council's Core Strategy and Site Allocations documents, it is recommended that it would be advisable for the Council to put in place an Interim Planning Policy which will be used in the determination of planning applications for sites which do not form part of its identified supply of deliverable housing sites. A draft Interim Policy Statement is attached as Appendix 1 to this report.**
- 10.18 The Interim Planning Policy would be considered as a material consideration in determining planning applications and appeals. In order for the Interim Planning Policy to carry adequate weight, it will be necessary for it to be subject to public consultation prior to final adoption.

11.0 Overview of Year One and Term One Issues

- 11.1 The statutory development plan for Cheshire East consists of the saved policies from the Local Plans of the three former authorities. Work is progressing with the preparation of the Cheshire East Local Development Framework which will determine the new development strategy for the Borough and allocate housing land to meet the needs of the Borough for the next 15 – 20 years. This Interim Planning Policy sets out the Council's policy to control the release of land for housing development to ensure that there is sufficient land available in the short term until the Local Development Framework is adopted.

12.0 Access to Information

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

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