

CHESHIRE EAST COUNCIL

Strategic Planning Board

Date of Meeting: 29 November 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

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 reinstated 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- 10.2 *That the annual target for housing in Cheshire East set in the Regional Spatial Strategy, already rescinded by the government, be reduced from 1000+ to 710 per annum to give a five year requirement of 3550 which is already available.*
- 10.3 The Council's housing requirement of 1150 per annum was established through the Regional Spatial Strategy for the North West. This figure was agreed following rigorous testing at the public examination on the RSS.
- 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 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. 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.
- 10.8 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 at this time 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.
- 10.9 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
- 10.10 Consequently we do not recommend any 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.
- 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.
- 11.6 Other planning applications have also been submitted for a number of sites on the edge of other settlements. The Interim Housing Land Release Policy cannot on its own 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 and appeals on two major sites in Sandbach have recently been dismissed, although both have been subject to challenge.
- 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.
- 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 1. 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:

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APPENDIX 1 – DRAFT TIMETABLE FOR THE REVIEW OF THE INTERIM POLICY ON THE RELEASE OF HOUSING LAND

29 Nov	Report to Strategic Planning Board (SPB) setting out timetable for Review
10 Dec	Finalise Draft Policy for Consultation
20 Dec	Consideration by Environment & Prosperity Scrutiny Committee
21 Dec	SPB Draft Policy approved for Consultation purposes
10 Jan -21 Feb	6 week consultation Period
10 March	Finalise Policy following comments received
20 March	Consideration by Environment & Prosperity Scrutiny Committee
21 March	Consideration by SPB
2 April	Consideration by Cabinet & recommendation to Council
19 April	Council consider & Adopt updated Policy