

CHESHIRE EAST COUNCIL

Strategic Planning Board

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| Date of Meeting: | 30 May 2012 |
| Report of: | Strategic Planning & Housing Manager |
| Subject/Title: | Housing Supply Buffer |
| Portfolio Holder: | Cllrs David Brown & Rachel Bailey |

1.0 Report Summary

- 1.1 This report considers the Council's approach to a housing supply "Buffer" in the light of advice contained within the National Planning Policy Framework (NPPF). The NPPF requires Councils to identify a supply of deliverable housing sites, sufficient to meet five years worth of housing. It further advises that a 5% buffer be applied to this figure to ensure "choice & competition" – and that where there has been a record of persistent under delivery of housing, this buffer should be increased to 20%.

2.0 Recommendation(s)

- 2.1 That the Council applies a five percent buffer to its housing supply figures
- 2.2 That this figure be reviewed at least annually to take account of changes in circumstances.

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 forms part of the statutory development plan until such time that the provision of the Localism Act which abolish it, take full effect.
- 8.2 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.”*
- 8.3 The Council therefore retains an annual housing requirement of 1150 homes for the calculation of its five year supply (5,750 homes). It is against this figure that the appropriate buffer will be applied.
- 8.4 In future it will be for the Local Plan alone to set strategic housing numbers for the Borough.

9.0 Risk Management Implications

- 9.1 The Council needs to apply the correct interpretation of National Guidance for the determination of planning applications. Failure to do so could result in adverse decisions at appeal, including the award of costs.

10.0 Housing Supply

- 10.1 The NPPF advises that a five percent buffer should be applied to the requirement to identify five years worth of specific deliverable housing sites. It is stated that this buffer “to ensure choice and competition in the market for land”. This buffer is moved forward from the remainder of the Local Plan period and so is not an ‘extra’ requirement. In essence the Framework advises that some extra flexibility is required to ensure that the five years supply is not (for example) all in the hands of a limited number of companies or sites.
- 10.2 The framework goes on to indicate that where there has been “a record of persistent under delivery of housing” the buffer should be increased to 20%. This is in order to “provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land”. This suggests that where housing completions have historically failed to achieve the development plan target extra land should be identified to give the best possible chance of meeting the supply requirement.
- 10.3 In Cheshire East, the housing market has traditionally been prosperous – indeed the Borough contains some of the most desirable residential property outside of the southeast. However even outside of these choice areas the Cheshire East Strategic Housing Market Assessment reported that estate agent confidence in the Borough was strong, despite the impact of the recession.

- 10.4 This is backed up by the historical pattern of completions over preceding years. The table at Appendix 1 illustrates the pattern of past completions in the period 1996 – 2011. These average 1195 pa over the past 15 years. Appendix 2 sets out the development Plan housing target over the same period – which have varied between 700 and 1225 homes pa.
- 10.5 Appendix 3 compares the two sets of figures side by side. This shows that over this period housing completions consistently matched the expectations of the development plan and in most years the target was comfortably exceeded.
- 10.6 It is only with the advent of the current recession that housing completions have dipped below the development plan target. The reasons for this hardly need rehearsing, but are rooted in the national and international financial climate, rather than any local circumstances in Cheshire.

11 Conclusion.

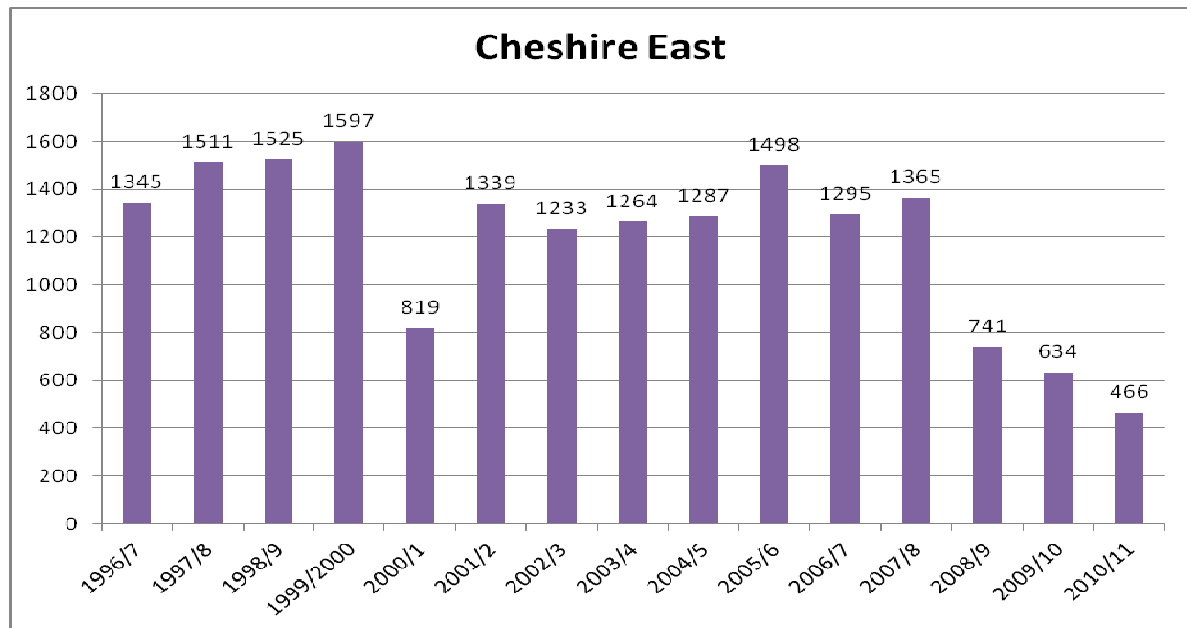
- 11.1 Cheshire has historically proved to be a prosperous housing market where housing completions have matched or outstripped development plan targets. The advent of the current recession has changed this picture, with underperformance in the past few years of deep (now double dip) recession. This current down turn is not considered to be a record of 'persistent under delivery' as described by paragraph 47 of the NPPF but rather a reflection of pervading national trends. Accordingly it is proposed that the standard 5% be applied to the housing supply in the Borough.

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 - CHESHIRE EAST – PAST HOUSING COMPLETIONS



APPENDIX 2 - DEVELOPMENT PLAN TARGETS

Cheshire Structure Plan Adopted 1996

Plan Period 1996 – 2011

Cheshire East Target = 1060 Homes pa

Cheshire Structure Plan Alteration Adopted 2006

Plan Period 2002 - 2016

Cheshire East Target 2002 -2006 = 1225 homes pa

Cheshire East Target 2006 – 2011 = 700 homes pa

Cheshire east Target 2011 – 2016 =520 homes pa

North West Regional Spatial Strategy Adopted 2008

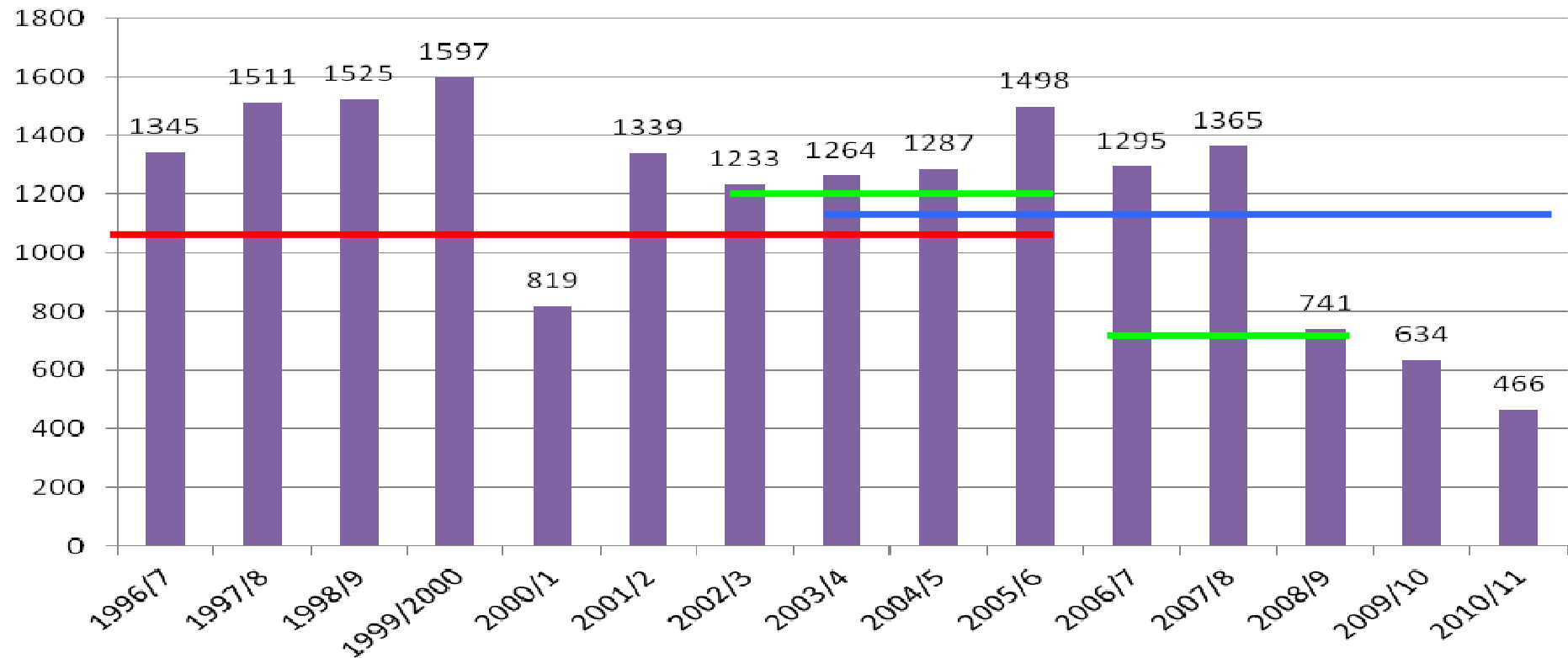
Plan period 2003 - 2021

Cheshire East Target = 1150 homes pa

APPENDIX 3 – HOUSING COMPLETIONS & DEVELOPMENT PLAN TARGETS

| | | | | | | | | | | | | | | | | |
|----------------|----------|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----------------|-------|------------------|-------|-------|
| | | 1996 SP Adopted | | | | | | | | | | 2006 SP Adopted | | 2008 RSS Adopted | | |
| | | ↓ | | | | | | | | | | ↓ | | ↓ | | |
| YEAR | | 96/97 | 97/98 | 98/99 | 99/00 | 00/01 | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
| Housing Target | 1996 SP | 1060 | 1060 | 1060 | 1060 | 1060 | 1060 | 1060 | 1060 | 1060 | 1060 | | | | | |
| | 2006 SP | | | | | | | 1225 | 1225 | 1225 | 1225 | 700 | 700 | 700 | | |
| | 2008 RSS | | | | | | | | 1150 | 1150 | 1150 | 1150 | 1150 | 1150 | 1150 | 1150 |
| | | | | | | | | | | | | | | | | |
| Completions | | 1345 | 1511 | 1525 | 1597 | 819 | 1339 | 1233 | 1264 | 1287 | 1498 | 1295 | 1365 | 741 | 634 | 466 |

Cheshire East



1996 Structure plan

2006 Structure plan

2008 RSS