

CHESHIRE EAST COUNCIL

REPORT TO: STRATEGIC PLANNING BOARD

Date of Meeting: 24 October 2012
Report of: Strategic Planning & Housing Manager
Subject/Title: Revised Interim Planning Policy on Release of Housing Land
Portfolio Holder: Cllrs David Brown & Rachel Bailey

1.0 Report Summary

- 1.1 This report looks considers the consultation on the Review the Interim Planning Policy on the Release of Housing Land and looks at the potential options for taking this document forward to ensure that it helps to maintain a five year housing land supply.

2.0 Decision Requested

- 2.1 That Strategic Planning Board recommends that Cabinet:
1. Notes the Consultation responses to the Revised Interim Planning Policy as set out in Appendix 1
 2. That the revisions to the Interim Planning Policy should not be continued with, in accordance with the reasons set out in the report, and that the Policy approved in February 2011 remains unaltered

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 improve the housing land supply.

3.0 Wards Affected

- 4.1 All wards

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications including

– Carbon Reduction

- 6.1 The existing interim policy seeks to focus large scale development on the edge of Crewe where there is 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 If the Council is unable to demonstrate a 5 year supply of housing and then subsequently refuses planning applications for housing it may be vulnerable to costs awards at appeal. This is especially so where it can not adequately substantiate a reason for refusal or is otherwise found to be unreasonable. The effective management of housing land supply is a means of mitigating this risk.

8.0 Legal Implications

- 8.1 The Revised Interim Planning Policy does not have the status of the Development Plan or a Supplementary Planning Document (SPD) – and should not be confused with either. The Development Plan has a particular status in terms of s.38 of the Act for the determination of Planning Applications – similarly SPD's also have a formal legal status
- 8.2 The Interim Planning Policy does not have the same recognition in law – and so it is important that the correct weight is attributed to it. The Policy follows the principles of the Sustainable Community Strategy, which will be a key influence on the emerging Local Plan. It also conforms with the priorities of the waning Regional Plan. It has been subject to consultation, formal appraisal and approved by full Council. Accordingly the Policy is a material consideration in the determination of planning applications.

9.0 Risk Management

- 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.
- 9.2 In the shorter term if the Council fails to demonstrate a 5 year supply of housing land it is vulnerable to losing appeals on residential planning applications. Consequently housing may end up being built in locations which the Council and local community consider unsuitable.

10.0 Background and Options

- 10.1 On 24 February 2011 the Council approved an Interim Planning Policy for the release of Housing land. At the Council meeting on 13 October 2011 an effort was made to get the policy rescinded. In accordance with the constitution the matter was remitted to the Strategic Planning Board for consideration. At the meeting of the Board on 21 December it was agreed that the interim Policy be

retained but that revisions to it be considered. This report now considers these possible amendments.

- 10.2 The annual target for housing in Cheshire East has been set as 1150 homes per year – a figure reflecting that agreed in the Regional Spatial Strategy, During 2010 it became apparent that the Council would not be able to demonstrate a five year supply of housing land as required by the National Planning Policy Framework (NPPF) and its predecessor PPS 3: Housing. Accordingly the Interim Planning Policy for releasing housing land was created to enable the shortfall in housing land to be addressed, ahead of the forthcoming Local Plan.
- 10.3 The NPPF requires local authorities to *'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 of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land'*. It also goes on to require that local authorities *'identify a supply of specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15'*.
- 10.4 The NPPF states that *'to be considered deliverable, sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans'*.
- 10.5 The need for a mechanism to address housing supply is as relevant today as it was in 2010. The 2011 Strategic Housing Land Availability Assessment (SHLAA) has been the subject of intensive scrutiny and debate via the Housing Market Partnership. The latest version now adopts a methodology for calculating housing land supply based on that advocated by the Home Builders Federation. Employing the approach promoted by this industry body, Cheshire East has an estimated housing land supply of 3.94 years or 3.75 years taking account of the 5% buffer required by the NPPF.
- 10.6 The NPPF also states that *'housing applications should be considered in the context of the presumption in favour of sustainable development. Relevant policies for the supply of housing should not be considered up-to-date if the local planning authority cannot demonstrate a five-year supply of deliverable housing sites'*.
- 10.7 The lack of a five year housing supply means that the Council should take proactive steps to manage the situation. The first reason for this is that a good supply of housing is beneficial to economic prosperity, ensures a healthy housing market and provides a decent choice of housing for future generations to enjoy. A further reason is that without a five year supply of deliverable housing sites, the Council remains vulnerable on appeal to speculative housing proposals – including those schemes which do not enjoy the support of the local community.

- 10.8 Consequently, with current and future trends in mind, there are sound reasons for continuing to manage and improve housing supply via the mechanism of an Interim Planning Policy.

The Operation of the Interim Planning Policy.

- 10.9 The Interim Planning 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 1350 additional homes (over a years supply) have been resolved to be approved as a result of the policy.
- 10.10 Initial indications suggest that the Interim Housing Land Release Policy is less likely on its own to provide a basis for refusing applications in other locations but is never the less helpful in demonstrating how supply will be met. The trend nationally is that particular emphasis is placed in decision making on housing supply – reinforcing NPPF advice. This was reflected in the appeal decision at Loachbrook Farm in Congleton where the Inspector considered that housing supply outweighed clearly identified harm to development plan policies. This decision is now the subject of legal challenge. Further key appeal decisions on Sites in Sandbach are due on 25 October.
- 10.11 Nevertheless it is evident that the Council needs to carefully manage housing supply until the Core Strategy is adopted. The current timetable indicates that the Borough Development Strategy will need to be approved by Cabinet in December 2012 and be the subject of consultation in January 2013. The Final Draft Core strategy will then be subject of Statutory consultation in June 2013. Final adoption is programmed for spring 2014.

11.0 Report of Consultation on the Revised Interim Planning Policy for the Release of Housing Land

- 11.1 Consultation on the draft Revised Interim Planning Policy was carried out between 1st May 2012 and 29th May 2012. Notification of the consultation was sent to all town and parish councils, statutory consultees, organisations, businesses and individuals registered on the Local Plan database. A press release was issued and publicity given on the Council's website. The document was available for inspection at the Council offices and libraries and on the Council's website.
- 11.2 Comments were received from 142 respondents, many setting out detailed consideration of the wording of the policy. 61 respondents supported the policy in principle as a means of ensuring that the Council maintains a 5 year supply of housing land and is able to properly plan for the sustainable development of its settlements through the Local Plan. Appendix 1 sets out a summary of the points raised during the Consultation.
- 11.3 The revised Interim Planning Policy that was subject to consultation is set out in Appendix 2.

12.0 Next steps

- 12.1 Having undertaken the consultation exercise, the original expectation was that the Policy would be amended in the light of comments received and then adopted by the Council. It would then be used until such time that the Core strategy is adopted.
- 12.2 Since the Interim Policy was approved for Consultation the NPPF has been published and has been operational for over six months. Furthermore, good progress continues to be made on the Local Plan with the completion of town strategies for all eleven main towns in the Borough. The Borough Development strategy – informed by both the “grass roots” town work and higher level Issues & Options – should be appearing on Committee agendas next month. In addition a number of pivotal appeal decisions remain at large – Abbeyfields & HindHeath Road in Sandbach have progressed to the High Court / Court of Appeal and are now back with the Secretary of State for decision. Loachbrook Farm remains the subject of High Court Challenge.
- 12.3 Consequently the decision making framework has over the past seven months grown more complex and more fluid. Only the adoption of the Core Strategy will completely resolve many of these issues – for that will at once provide the up to date Plan and Policies which the NPPF supports and identify a secure five year deliverable supply of housing land. Accordingly the preparation of the Local Plan must remain a fundamental priority – and indeed, growing weight can be attached to the Plan as it progresses on its journey towards completion.
- 12.4 Against this intricate background, there is a risk that a revised Interim Policy on Housing Land will merely serve to further complicate an already convoluted picture. Consequently the Council needs to decide whether revise the Policy as originally intended or else allow the existing policy to remain in place and concentrate on the Local Plan.
- 12.5 On balance it is thought preferable to adopt the latter course – rather than seek to add a further element into planning decision making at this stage. The need to complete the Local Plan remains paramount – but its very progression will assist with decision making. One of the key elements of the proposed revised policy was an attempt to identify development that was truly sustainable in a Cheshire East context. This is something that the Borough Development Strategy will seek to address – and will ultimately be included within the Core Strategy. Likewise the identification of preferred sites will also emerge as the Plan heads closer to its final stages.
- 12.6 Consequently it is recommended that the Consultation comments on the Revised interim Policy be noted – but that the process is not continued with any further. Instead the Original Policy will remain in place – but will be increasingly outpaced by the final stages of the Local Plan Core Strategy. The benefit of seeking to have a locally based response to housing supply is not disputed – but rather it is thought best to base that around the emerging statutory framework – rather than seeking to elaborate on an interim approach.

13.0 Access to Information

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

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Appendices

Appendix 1 Consultation responses

Appendix 2 Draft Revised Interim Planning Policy on the release of Housing Land.

Appendix 3 Approved Interim Planning Policy on the release of Housing land