

 <b>Executive</b> <b>15 October 2008</b>		<b>Agenda Item No.</b>
<b>Title</b>	<b>Managing Housing Supply</b>	
<b>For further information about this report please contact</b>	John Archer	
<b>Service Area</b>	Planning	
<b>Wards of the District directly affected</b>	All urban wards	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	Executive – 12 <sup>th</sup> September 2005	
<b>Background Papers</b>	Managing Housing Supply SPD	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If yes include reference number)</b>	No

<b>Officer/Councillor Approval</b>		
With regard to officer approval all reports <i><u>must</u></i> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Relevant Director	11 /09/08	Bill Hunt
Chief Executive		Chris Elliott
CMT	06/10/08	
Section 151 Officer		
Legal	11/09/08	Simon Best
Finance	11/09/08	Marcus Miskinis
Portfolio Holder(s)		John Hammon
<b>Consultation Undertaken</b>		
Please insert details of any consultation undertaken with regard to this report.		
<b>Final Decision?</b>		Yes
<b>Suggested next steps (if not final decision please set out below)</b>		

## **1. SUMMARY**

- 1.1 The report summarises the effect of implementing the Managing Housing Supply Supplementary Planning Document (SPD) policy since its approval by Executive in September, 2005. It updates the housing supply situation, within the context of both new Government guidance and the RSS Revision, and recommends that it would now be appropriate to cease to apply the policy.

## **2. RECOMMENDATION**

- 2.1 It is recommended that the Council cease to apply the Managing Housing Supply SPD policy.

## **3. REASONS FOR THE RECOMMENDATION**

- 3.1 The reason for the recommendation is that this will enable the Council to work towards meeting the emerging housing requirement in the RSS Revision and meet the Government's requirement for a five year supply of housing land.

## **4. ALTERNATIVE OPTION CONSIDERED**

- 4.1 Officers considered the option of delaying the cessation of the SPD policy until the new housing requirement in the RSS Revision has been adopted. However, since it will take time to build up a supply of housing land to meet the new housing requirement, Officers consider that it would be appropriate to cease to apply the SPD policy prior to the adoption of the RSS Revision.

## **5. BUDGETARY FRAMEWORK**

- 5.1 Although this is not a reason for the recommendation, the proposal would have the effect of increasing fee income from planning applications for housing development.

## **6. POLICY FRAMEWORK**

- 6.1 The recommendation conforms with national, regional and local planning policies and will support the Corporate and Local Area Agreement targets on affordable housing delivery.

## **7. BACKGROUND**

- 7.1 On 12<sup>th</sup> September, 2005 the Council's Executive approved the Managing Housing Supply Supplementary Planning Document (SPD) for development control purposes, following a period of public consultation. The purpose of the SPD was to restrict the number of permissions granted for housing development on urban windfall sites in order to contain the supply of housing.
- 7.2 This decision followed concerns at government and regional level that the levels of housing growth in the District were well above those set out in the West Midlands Regional Spatial Strategy. Further, unless this growth was restrained, there was a danger that the emerging Warwick District Local Plan would be considered to be "out of conformity" with the Regional Spatial Strategy.
- 7.3 In April 2004, the supply of housing in the District was already 15% over and above the RSS housing requirement for the period 2001 - 2011. Should urban windfall

sites continue to come forward according to recent trends, this over supply was expected to increase to 49%.

- 7.4 The adopted Warwick District Local Plan includes a policy on managing the supply of housing. Policy SC10 states that in the case of a significant oversupply of housing in relation to the regional requirement, the Council will regulate the further supply of windfall sites through a SPD. A significant oversupply is defined as being in the region of 20% over and above the regional requirement.
- 7.5 The approved SPD policy allowed for planning permission to be granted for new housing in circumstances where the development supported certain aims of the Council, such as mixed developments in town centres and the provision of affordable housing.
- 7.6 Since the approval of the SPD policy, the number of dwellings for which permission has been granted, on an annual basis, has fallen from 1,002 in 2005/6 to 141 in 2007/08. Housing commitments (housing with permission or allocated) have fallen from 2,161 dwellings in April 2006 to 1,559 in April 2008 and completions have fallen from 782 in 2005/06 to 608 in 2007/08.
- 7.7 The review of the Regional Spatial Strategy commenced in November 2005 and in December 2007 the Preferred Option was submitted to Communities and Local Government. This includes a housing requirement for Warwick District of 10,800 dwellings between 2006 and 2026 which equates to 540 dwellings a year. The Examination in Public into the RSS Revision is expected to take place next Spring with adoption following in early 2010.
- 7.8 In November, 2006 the Government published new planning policy on housing (PPS3). This introduced a requirement for Local Planning Authorities to demonstrate an up-to-date five year supply of deliverable sites in accordance with the housing requirement in the *adopted* RSS. Where Local Planning Authorities cannot demonstrate a five year supply, they are advised to “consider favourably planning applications for housing”, having regard to the policies set out in PPS3. In such cases, therefore, it would be difficult for a Local Planning Authority to refuse a planning application for housing in a suitable location.
- 7.9 This ability to demonstrate a five year supply is also the subject of one of the new National Indicators (NI159) as well as being one of the criteria in the Housing and Planning Delivery Grant.
- 7.10 The five year housing **requirement** is the number of homes required from the start of the plan period until five years on from the current year, less those already built in the period. The five year **supply** is the number of homes, on sites with permission or allocated, available to meet that five year requirement.
- 7.11 The Council is currently able to demonstrate a five year supply of deliverable sites because housing development since 2001 has consistently been over and above the requirement in the adopted RSS. The current five year requirement is just 209 and the supply of deliverable sites is 1,559. However, once the emerging RSS Revision is adopted, the start of the plan period will move to 2006 and the five year requirement will increase to a figure of around 2,700. This assumes that the RSS Revision (Preferred Option) figure for Warwick District of 10,800 is adopted. This is by no means certain since this version of the RSS Revision is still subject to an Examination and final approval by the Secretary of State. It is possible that the final

figure could be higher again when RSS is finally approved by The Secretary of State, thus increasing the need to secure deliverable sites.

- 7.12 Although the Council will be able to meet the requirement for a five year supply of housing land up until the date at which the RSS Revision is adopted in 2010, it would not be prudent to operate the current SPD policy right up until that time. This is because, firstly, the supply of land will have diminished significantly by 2010 and, secondly, it will take time to build up a supply of new housing sites with planning permission.
- 7.13 Apart from the housing supply issue, there is the issue of the urgent need for affordable housing in the District and the need to enable medium to large housing sites to come forward where a proportion of affordable homes can be provided alongside the market homes. Although the SPD policy allows for sites of 100% affordable homes to come forward, only 26 affordable homes have actually received permission on such sites.
- 7.14 It is not envisaged that future windfall housing developments will necessarily take the same form as those developments which received permission prior to the SPD policy. Since the SPD policy was approved in September 2005, the Council has adopted the Warwick District Local Plan and agreed, or is on course to agree, new supplementary planning policies and guidance:
- the Affordable Housing SPD,
  - the Vehicle Parking Standards SPD,
  - the Guidance on the Mix of Housing,
  - the Sustainable Buildings SPD (due for adoption following December Executive), and
  - the Open Space SPD (in the course of preparation)
- 7.15 These up-to-date policies will ensure that new housing development will better meet the needs of the District in a sustainable manner.
- 7.16 In conclusion, it is recommended that the Council cease to apply the Managing Housing Supply SPD policy forthwith in order that new urban windfall housing sites can continue to come forward to help meet the five year supply of housing once the RSS Revision is adopted in early 2010. This will ensure that the Council can continue to determine planning applications for housing by applying locally agreed policies rather than simply Government guidance in PPS3. Further, it will allow additional affordable homes to be provided and, due to the existence of a suite of up-to-date policies agreed since the approval of the SPD, any new windfall housing developments will better meet the needs of the District.