

 Executive 4th February 2009		Agenda Item No.
Title	Managing Housing Supply SPD	
For further information about this report please contact	John Archer	
Service Area	Planning	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	
Date and meeting when issue was last considered and relevant minute number	Executive – 12 th September 2005 and 15 th October 2008 (Minute. 524)	
Background Papers	Managing Housing Supply SPD	

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

Officer/Councillor Approval		
With regard to officer approval all reports <u>must</u> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Relevant Director	14/01/09	Bill Hunt
Chief Executive	15/01/09	Chris Elliott
CMT	15/01/09	
Section 151 Officer	14/01/09	Mary Hawkins
Legal	14/01/09	Peter Oliver
Finance	14/01/09	Marcus Miskinis
Portfolio Holder(s)	19/01/09	Councillor John Hammon
Consultation Undertaken		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

1. SUMMARY

- 1.1 This report is a revision to the report previously considered by Executive on the 15th October 2008. It summarises the effect of implementing the Managing Housing Supply Supplementary Planning Document (SPD) since its approval by Executive in September 2005. It updates the housing supply situation, within the context of both new Government guidance on housing monitoring and the RSS Revision requirements for the period 2006 to 2026, and recommends that it would now be appropriate to cease to apply the policy.

2. RECOMMENDATION

- 2.1 That the Council cease to apply the Managing Housing Supply SPD policy for the purposes of development control decision making with immediate effect.

3. REASONS FOR THE RECOMMENDATION

- 3.1 On 12th September 2005, 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.
- 3.2 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 adopted West Midlands Regional Spatial Strategy (2004) and could threaten the regional objective of achieving urban renaissance of the major urban areas. 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 have continued to come forward according to recent trends, this over supply was expected to increase to 49%.
- 3.3 Since the approval of the SPD policy, the number of dwellings for which permission has been granted 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 annual completions have fallen from 782 in 2005/06 to 608 in 2007/08. The SPD has therefore been successful in stemming the number of permissions granted and thereby controlling the housing growth of the District in line with the adopted RSS.

Implications of New Guidance and Future Requirements

- 3.4 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.
- 3.5 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. 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.

- 3.6 At the same time, 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 by the West Midlands Regional Assembly. The emerging RSS includes a housing requirement for Warwick District of 10,800 dwellings between 2006 and 2026 which equates to 540 dwellings a year. In July of last year, Members will recall that they resolved to support the preferred options and accept the future housing target of 10,800 dwellings for the District.
- 3.7 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 in 2010, the start of the plan period will automatically 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 and it is accepted that this is by no means certain since this is still subject to an Examination and final approval by the Secretary of State. It is possible that the final figure could be higher, thus increasing the need to secure deliverable sites. However, the debate to be had next year around the exact amount of growth should not deflect the Council from ensuring an adequate housing land supply is available.
- 3.8 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 given the current market. The failure to demonstrate a five year land supply come 2010 would leave the Council extremely vulnerable to losing planning appeals on sites where it might otherwise wish to resist housing, such as on greenfield sites outside of the urban areas.
- 3.9 Apart from the housing supply issue, there is also 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 which will be significantly less than targeted to be achieved by 2011 within the Council's Corporate Strategy.
- 3.10 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 new supplementary planning policies and guidance on:
- the Affordable Housing SPD,
 - the Vehicle Parking Standards SPD,
 - the Guidance on the Mix of Housing,
 - the Sustainable Buildings SPD, and

- the Open Space SPD (currently out for consultation)

- 3.11 These up-to-date policies will ensure that new housing development will better meet the needs of the District in a more sustainable manner having regard to local issues of concern.
- 3.12 It is recommended therefore that the Council cease to apply the Managing Housing Supply SPD policy forthwith in order that new urban windfall housing sites can come forward to help meet the five year supply of housing once the RSS Revision is adopted in 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.
- 3.13 An additional and obvious consequence of the removal of the SPD is that it will enable development to take place which is currently restricted, and therefore assist the local economy in helping to address the effects of the current downturn in the economy.

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 (likely to be during 2010). However, since it will take time to build up a supply of housing land to meet the new housing requirement, particularly given the current market conditions, officers consider that it would be appropriate to cease to apply the SPD policy now prior to the adoption of the RSS Revision so as to ensure the Council can maintain a five year housing land supply and therefore be less vulnerable to ad hoc planning permissions granted on appeal on inappropriate greenfield sites within the District.

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 although it is not possible to quantify this at this stage.

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.