

TITLE:	Derwentside Local Development Framework: Interim Planning Policy on New Housing Development
TO/ON:	Development Control Committee – 3rd November 2005 Executive – 7th November 2005
BY:	Director of Environmental Services
PORTFOLIO:	Environment
STATUS:	Report

STRATEGIC FACTOR CHECKLIST

The Council's Corporate Management Team has confirmed that the Strategic Factor Checklist has been applied to the development of this report, and there are no key issues, over and above those set out in the body of the report, that need to be brought to Members' attention.

1 SUBJECT MATTER AND PURPOSE

- 1.1 This report considers the implications of the Submission Draft Regional Spatial Strategy, published in July 2005, in respect of new housing development in Derwentside and considers the need to produce an Interim Planning Policy on new housing development, to update Local Plan policy in the light of government guidance and changing circumstances. Although non-statutory, an interim policy could be used to help determine relevant planning applications alongside the adopted Local Plan.

2 BACKGROUND

- 2.1 Members recently considered reports about the implications of the Submission Draft Regional Spatial Strategy (RSS), on which the Council had been formally consulted. Although Executive supported the increased dwelling provision for County Durham, between 2004-2011, which is the minimum necessary to facilitate population stability, concern was expressed about the reduction in average annual build rates in 2011-2016 and 2016-2021, particularly for Derwentside. A response was also made that an early future review of housing provision in the RSS would be desirable, as the figures allow little flexibility to meet the need for regeneration or the potential needs of emerging housing market assessments and housing needs studies, particularly in relation to affordability and aged person accommodation.
- 2.2 The Derwentside District Local Development Framework (LDF), which will replace the existing District Local Plan, will have to be in general conformity with the RSS. It will therefore need to phase the completion of the 4,250 new dwellings, between 2004 and 2021, to match the average annual net additions over the three time periods in the Plan. The allocation to Derwentside in the first period of draft RSS (up to 2011) has been supported as it seeks to

maintain existing development rates and generally reflect the reality of existing building commitments. In subsequent periods, however, concern has been expressed about the reduction in build rates from 280 per annum between 2004 and 2011; to 245 p.a. [2011 - 16]; and then 205 p.a. [2016 - 2021].

- 2.3 To date, district housing requirements have been established at the County level, as derived from Regional Planning Guidance. In March 1999, the County Durham Structure Plan Review was adopted, based on maintaining a stable population of 86,000 in 2006. It makes an allowance of 300 dwellings required to replace those to be cleared, but this was not included in the provision for about 3,600 new dwellings in Derwentside. The Derwentside District Local Plan had already allocated sites for new housing to provide for this level of development.
- 2.4 One of the key principles established by PPG3 is that Councils should plan, monitor and manage the level of housing provision in their area. To meet guidance in PPG3, the Council needs to ensure, at all times, that at least a five-year supply of land is readily available for housing purposes. It could also be argued that a two-year allowance should be included for the first completions on the ground after new permissions were issued. Therefore, anything over 7 years' supply could be considered as oversupply.

3 RELEVANT MATERIAL/CONSIDERATIONS

- 3.1 Every year an Annual Report for the District Local Plan is prepared, which analyses recent housing completion rates in relation to the 3,600 new dwellings required by Policy HO2 of the Plan. A graph shows completions compared to the annual average housing provision of 240 dwellings, between 1991 and 2006. In the first few years of the Plan period, actual development rates were well below this average, but have been substantially exceeding it over the last five years.
- 3.2 The last Annual Report in April 2004 concluded that although there were fewer completions and more demolitions than in the previous year, the number of dwellings on sites under construction has almost doubled, which reflected the growth in the market for new homes within the District at that time. It was therefore evident that the planned target for the construction of 3,600 new dwellings [1991–2006] could be reached by April 2006, if all sites under construction were to be completed within 2 years.
- 3.3 In order to determine future housing supply the revised (October 2004) Urban Capacity Study uses an annual average rate of 256 dwellings per annum based upon the past 13 years of house building. It would therefore be consistent to apply the same figure in assessing future house building for the housing supply situation. By using the figure of 256 against those sites under construction (1287 in April 2005) they will provide some 4.5 years supply. Assuming, however, that house building continues at a higher average rate as seen in the past five years of 403 dwellings per year those sites under construction will still provide some 3.2 years supply.

- 3.4 In addition to those sites currently under construction, outstanding planning approvals at April 2005 provide the potential for an additional 1370 dwellings. This combined with the sites under construction results in some 2657 dwellings overall, equating to a housing supply of 10.4 years at the Urban Capacity Study house building rate of 256/annum and 6.6 years at the higher level build rate of 403/annum.
- 3.5 At April 2005 there were some 149 dwellings from current undetermined planning applications (there were a further 344 dwellings undetermined on sites with existing planning permissions that are not included to avoid double counting). If all these were granted planning consent, the potential overall future housing supply of would be 2806 dwellings. This provides some 11 years housing supply at the Urban Capacity Study house building rate of 256/annum and 6.9 years at the higher level build rate of 403/annum.
- 3.6 If starts and completions remain stable, this figure would rise to over 3500 by April 2006. However, this will include sites that are still under construction and it should be noted that the original Local Plan calculations were based on 310 demolitions between 1991 and 2006, whereas the actual number could reach almost 800. Therefore, if an allowance was to be made in the original calculation for additional demolitions, the target of 3,600 new dwellings in the Plan period should be met this financial year.
- 3.7 This year the Annual Report will be merged with the new Annual Monitoring Report, which needs to be prepared as part of the Local Development Framework. It has to include a housing trajectory reporting on the delivery of net additional dwelling provision, to demonstrate how policies are on track with annualised requirements in the Structure Plan and emerging RSS. This will compare the actual planned build rates [up to 2019] with actual completions and projected completions [from sites under construction and with outstanding consents].
- 3.8 In recent years, quite a number of unallocated 'windfall' sites have been granted permission for housing, such as former factory sites and council housing estates. Individually, these sites have been acceptable in terms of existing policies, as they were previously developed sites within settlements, but cumulatively they can create an oversupply. Increased densities on housing sites to meet PPG3 requirements have also added more to the supply. Without taking action to manage the supply of housing land more effectively, development rates could exceed planned rates by a wide margin.
- 3.9 Until the Major Allocations Development Plan Document in the LDF is adopted [programmed for January 2010] a need has been identified for an Interim Planning Policy on New Housing Development, which will supplement the policies in the adopted Local Plan. It is suggested that such a policy would apply to all sites of five or more dwellings or sites greater than 0.2 hectares in size. New housing sites would only be approved if they met the minimum criteria stipulated in the policy. A suggested policy and criteria is shown in Appendix 1.

- 3.10 One of the main strands of the sustainable housing policy set out in PPG3 is to give preference to development on previously developed (brownfield) land. This theme is echoed in the Regional Spatial Strategy. Applications for the development of previously developed sites allocated for housing in the Local Plan should therefore receive priority in any policy. 'Windfall' applications on 'brownfield' land and proposals for the development of any remaining 'greenfield' sites allocated in the Plan may also need to be considered in relation to the Council's regeneration strategies or the need to sustain the role of a main town centre. Any application to renew an outstanding planning permission should be treated in the same way as a completely new planning proposal.
- 3.11 Whilst there has been a significant upsurge in market housing built and approved in recent years, the issue of affordability has become increasingly acute with rising house prices and the continued loss of social rented housing through the 'right to buy' scheme. The ability to enable the development of additional affordable housing is therefore particularly relevant. Any policy should therefore not be applied to proposals where all of the dwellings are to be affordable if they will meet a local need, even when there is a general over supply, provided the Council can be satisfied that the dwellings are affordable to local people and will remain so in perpetuity. Affordable housing will need to be defined with reference to the Council's Housing Strategy and emerging Housing Needs Study and an appropriate legal agreement would be required. Revised proposals on sites that already benefit from planning permission will also need to be considered as an exception to any policy.
- 3.12 There will be a need to carry out wide consultation on any proposed policy before it can be recommended for adoption, if it is to be given any weight at appeal. It is therefore suggested that any decision to adopt is not taken by Executive until its meeting on the 9th January 2006, which can then be ratified by Full Council on the 17th January 2006.
- 3.13 It should again be noted that there is a strategic risk for the Council's Capital Programme if any policy were to restrict the ability of the Council to dispose of land for housing development.

4 OPTIONS

- 4.1 Members have the option of agreeing or disagreeing with the need for an interim planning policy to manage the supply of housing land more effectively.

5 CONCLUSIONS

- 5.1 When the District Local Plan was being prepared in 1993 few housebuilders were interested in developing within the major centres of Consett and Stanley. Landowners and those developers who wanted to be able to build elsewhere were persuaded to have their sites considered through the local plan process.

Selection criteria were developed to determine the most sustainable sites for inclusion in the Plan. The same important point has been reached in the preparation process for the Local Development Framework, but few landowners and developers are prepared to wait for their sites to be assessed through the LDF process. An interim planning policy is vitally important if our own LDF is not to be constrained within a development straightjacket.

- 5.2 This is an important opportunity to ensure that only the most sustainable housing sites are now granted planning permission in advance of the preparation of the Major Allocations Development Plan Document for the LDF. It is important in doing this to strike a balance between securing an adequate supply of housing land to ensure that housing needs are met and the market can operate effectively and avoiding excessive development rates which might undermine future strategy.

6 RECOMMENDATIONS

- 6.1 Members are asked to consider the contents of this report and:

- Note the implications for Derwentside;
- Agree to the draft Interim Planning Policy for New Housing Development, in Appendix 1;
- Agree to carry out a consultation exercise prior to considering its adoption.

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