

South Northamptonshire Council

Planning Policy and Regeneration Strategy Committee

20 January 2016

Housing Numbers and Strategy Paper

Report of Head of Strategic Planning and the Economy

This report is public

Purpose of report

For Members to consider the draft housing numbers and strategy paper and determine whether they wish to recommend it for formal public consultation.

1.0 Recommendation

The meeting is recommended:

- 1.1 To approve the publication of the draft housing numbers and strategy paper for a minimum of 8 weeks public consultation.

2.0 Introduction

- 2.1 The Council is preparing its South Northamptonshire Local Plan (Part 2a). This Plan will sit alongside the Joint Core Strategy Local Plan (Part 1) that was adopted in December 2014.
- 2.2 The Part 2a Plan will cover the entire District with the exception of the Northampton Related Development Area (NRDA).
- 2.3 This paper sets out the options that need to be considered in determining an appropriate scale of housing development for individual parishes as well as for appropriate development management policies associated with the provision of housing with the Districts settlement and the Plan area.
- 2.4 The context for the distribution of housing numbers across the rural areas of the District is the West Northants Joint Core Strategy (WNJCS)

2.5 Background

Housing figures

- 2.6 For South Northamptonshire (excluding the Northamptonshire Related Development Area) (this Plan area) the delivery figures in the WNJCS for the Plan period 2011 – 2029 are as follows:

- South Northamptonshire District (excluding the NRDA) = 398 dwellings per annum = 7,170 dwellings.
- Urban Areas: South Northamptonshire District (excluding the NRDA) = 267 dwellings per annum = 4,810 dwellings
- Rural Areas: South Northamptonshire District (excluding the NRDA) = 131 dwellings per annum = 2,360 dwellings.

Urban areas

- 2.7 The WNJCS includes strategic proposals for major residential development in both Brackley and Towcester. This provide for a minimum of 3,830 dwellings to be delivered in the two towns between 2011 and 2029.
- 2.8 The Council's 2015 Five year land supply report sets out that 4,791 dwellings will be delivered in the urban areas by 2029. It is accepted that the housing figures in the WNJCS are not maximum figures but the Council considers that the need for additional allocations in the urban areas should be limited.
- 2.9 *Options:*
- to apportion any residual housing requirement for the urban areas in the WNJCS in each town; or
 - ensure that the total urban housing requirement is met irrespective of which town it is delivered

There are collectively sufficient sites with planning permission to meet the total urban housing requirement; however there may be small shortfall in Brackley. It is not therefore considered a need for any major allocations to be made in either town as part of this Local Plan unless it is considered that the Sustainable urban extension at Towcester South is unlikely to deliver the 2100 dwellings by 2029 as required by the WNJCS.

Rural areas

- 2.10 The WNJCS does not include any site specific proposals for residential development in the rural areas. The housing requirement for the rural areas (2011-2029) is 2,360 dwellings.
- 2.11 There have been 1,013 completions in the rural areas between 2011 and 2015 and that there was unimplemented planning permissions for a further 1,309 dwellings at April 2015. This gives a total of 2,322 dwellings that is only 38 dwellings below the housing requirement set in the WNJCS.
- 2.12 It is therefore clear that the Council has effectively met the rural areas housing requirement in the rural areas.
- 2.13 Although there is no strategic need for sites to be found in the rural areas to meet the rural housing target of the WNJCS, it is acknowledged there is a commitment to ensure that the rural areas meet their own local needs. There are a number of different approaches that could be adopted in order to calculate what these local needs are.

Calculating Local Need for parishes

2.14 The Council considers that there are 3 main alternative options that could be considered in determining an appropriate scale of development for individual parishes within the rural areas:

2.15 *Option 1 – Residual apportionment (Table 3A of the report)*

To distribute the total housing requirement in the WNJCS evenly across the rural area of the District. The total housing requirement for the rural areas is 2,360 for the period 2011-2029; this represents a 9.5% increase in the dwelling stock from the 2011 figure.

Between 2011 and 2015 there have been a number of completions in the rural areas and there are also a significant number of sites with unimplemented planning permissions. Both of these need to be taken into account. This leaves a residual requirement for each Parish that would need to be met through appropriate allocations and / or amendments to village confines.

2.16 *Option 2 – projection led approach (All sites) (Table 3B of the report)*

This uses a trend approach to development within the rural areas. It considers the scale of development that a village has had between 2011-2015 and projects this forward.

2.17 *Option 3 – Projection led approach (natural growth) (Table 3C of the report)*

This approach also uses the trend approach to development; this option only includes sites that have grown naturally through windfall / infill development and not “imposed” growth for example through allocations in the 1997 Local Plan or more recently on sites supported by the Council through the Interim Rural Housing Policy.

2.18 There may be other options that can be derived from combining the 3 options above. For example these include (see table 4 of the report):

- A combination (average) of the residual apportionment option with the Projection Led approach (natural)
- A combination (average) of the residual apportionment option with the Projection Led approach (all sites)
- A combination (average) of the two Projection Led approaches

2.19 As highlighted in Para 2.12 it is evident that the Council has already met the minimum housing target for the Rural Areas as set out in the WNJCS and therefore any additional development in the villages would be over and above this figure. It will therefore be important to balance the need for development and control the available supply in the rural areas with the overall urban orientated development strategy of the WNJCS.

Mix, Size and Type of Housing

2.20 In addition to the scale of development national planning policy requires consideration to be given to the size, mix and type of housing.

2.21 In particular consideration needs to be given to:

- Housing needs of the elderly
- Housing needs of young people
- Starter Homes
- Affordable Housing
- Self-Build Homes

Demographic information

2.22 The determination of an appropriate type and mix of housing at local level will be informed by demographic information. There are a number of key data sources that could be taken into account in determining an appropriate mix and type of housing at the local level. The data suggests the following:

- The proportion of elderly population is likely to rise significantly within the Plan period
- There is a comparatively lower proportion of the population of South Northamptonshire within the 16 - 24 age range
- The 2011 Census shows that there are 34,717 households in South Northamptonshire, living in 32,528 houses and bungalows, 2,091 flats, 93 caravans and mobile structures and 5 shared dwellings;
- The tenure of these dwellings is 42% owned with a mortgage, 35% owned outright; 11% private sector renting, 10% social rented, 1% shared ownership and 1% lives rent free;
- Average house prices are high and rising
- Average private rents are high
- There is a comparatively low level of overcrowding in South Northamptonshire
- 93% of dwellings across the District are houses or bungalows and 7% are flats, maisonettes or apartments;
- The majority of new dwellings built in South Northamptonshire in 2013/14 were larger (4 bed) dwellings
- There is a comparatively low level of smaller dwellings in South Northamptonshire
- The majority of dwellings in South Northamptonshire are owner occupied.

2.23 The report focuses on the need of two specific groups, namely older people and young people.

Older people

2.24 The older population is growing rapidly and more people are living longer; South Northamptonshire district is expected to see a significant transition in its population away from working age and toward the older demographic.

2.25 In addition to the older persons demographics other issues need to be taken into consideration; including:

- Local population trends and the prevalence of people over 75
- The affluence of older people locally and the number of older home owners
- The growing number of older people living alone

- Demand on budgets/services to maintain older people in their own homes and in residential care settings.

2.26 There is a recognised lack of choice of appropriate housing for older people; for example:

- New build housing is often dominated by larger 3 / 4 bedroom homes and the smaller properties available do not necessarily appeal to older households who might be interested in downsizing, as they tend to be more akin to the first time buyers' market and do not offer an attractive alternative to their current home .
- Relatively few new houses have been built to Lifetime homes standard or any equivalent design standard
- Under-occupancy of property is common to all ages, but older people may be open to 'downsizing' where it suits their circumstances.
- Ensuring adequate specialist housing options for a substantial minority of older people is an important component of future-proofing.

2.27 **Housing for the elderly: options**

- Should provision be made for housing of all types to meet the needs of the elderly in all settlements or concentrated in more sustainable and accessible locations, close to key services including health and have adequate parking facilities?
- Should provision be allowed on exception sites (i.e. sites outside settlement confines where general housing development would not be permitted)?
- Should sites be allocated specifically for the provision of older persons housing (Care Homes and / or Sheltered housing)?

2.28 **Young people**

2.29 The data shows a lower proportion of the population of South Northamptonshire falls within the 18-24 age range. The lower proportion of young people between 18-24 may be a consequence of the District's overall influence.

2.30 Affordability is seen a key issue that is affecting the younger population in particular; house prices are high across the District, with rural villages being higher than the markets towns.

2.31 The availability of private rented accommodation for singles / couples is limited, anecdotal evidence suggests that rental properties becoming available to rent are predominantly larger type homes, and these tend to be expensive for singles and couples. There is very little shared accommodation available across the District.

2.32 **Housing Needs of Young People: Options**

- Should allocations for general development include a proportion of smaller market dwellings (1 and 2 bed) for sale or private rent?

- Should exception sites for starter homes be allowed in all villages or just those considered to be more sustainable?
- Should the Council require a percentage of starter homes on every allocation or just those in higher level villages?
- Should a proportion of starter homes be required on sites allocated in the Local Plan in addition to or as a proportion of the agreed growth figure?
- Should the plan specify a proportion of dwellings to be for private rent on each allocated site?

Starter homes

- 2.33 In March 2015, the Government introduced the delivery of starter homes. New starter homes are aimed at first time buyers under the age 40 and would be offered at 20% below the open market value. Outside London, each starter home would be no more than £250,000, with resale and letting restrictions in place for the first 5 years after the initial sale.
- 2.34 The Government announced that Starter homes would be considered as an affordable housing product and changes to the definition of affordable housing to include starter homes within the national planning policy definition are currently out for consultation.
- 2.35 The introduction of this new policy raises a number of issues that will need to be considered:
- Meeting housing need – Although Starter homes could play a useful role in contributing to the need for affordable homes in rural areas, it is important that it should not be at the expense of traditional affordable homes.
 - Affordability – providing starter homes at 80% of market values could contribute to housing need, however there is a concern that they are still likely to remain too expensive for most local young people in rural areas, potentially defeating the stated purpose of the plan.
 - Will local people be able to access starter homes? There is as yet unresolved concern that although the intention is for starter homes to be made available to local people, this client group may be unable to afford this product, or obtain a mortgage and therefore this restriction may need to be relaxed.
 - There is a concern that starter homes will not stay affordable in perpetuity - the extension of starter homes on rural exception sites could lead to new homes eventually being sold on the open market instead of remaining as affordable provision for local people. The current planning restriction only prevent Starter homes from being resold or let at their open market value for five years following the initial sale
 - There is concern whether the provision of starter homes will be supported by local parishes - Local people and landowners need to be able to count on new homes being retained for people with a local connection and at an affordable price in perpetuity.
 - Delivery of affordable housing target - The introduction of starter homes could assist in helping to deliver the affordable housing target, however will this product meet local housing need. These benefits however may be short lived and not increase the long term supply of rural affordable housing if the starter homes can be sold on the open market after 5 years.

- Loss of delivery of affordable rented accommodation – the greatest need via housing need surveys and the Council waiting list is for social/affordable rented accommodation, if starter homes replace these other products then housing need will not be met.
- Price of land – These sites are likely to be valued using the residual valuation model, this will calculate land price well over the average exception site land value of between £10k - £15k per plot. The consequence is that site landowners will not release sites at a price that makes it possible to provide affordable rented housing.
- S106 Contribution – The guidance states that Starter homes should not seek affordable housing contribution. In consequence these sites are unlikely to include any affordable rented housing.

District housing need

- 2.36 The local planning authority uses a variety of different sources to gauge housing need across the District. These evidence bases range from high level strategic documents such as the Strategic Housing Market Assessment (SHMA) to village/parish level surveys to establish localised need.
- 2.37 The Strategic Housing Market Assessment (SHMA) objectively established the strategic future need for housing based on facts and an evidence base. The SHMA completed in 2009 and reassessed in 2012 identified that during the plan period (2011 – 2029), the South Northamptonshire total overall housing requirement would be 7,200. In terms of tenure splits this was broken down as follows:

Housing Type	Numbers and Percentages
Market housing	3,900
Intermediate housing	1,700
Rented housing – social sector	1,600
Total overall housing requirement	7,200
Market housing	54.2%
Intermediate housing	23.6%
Rented housing – social sector	22.2%

- 2.38 The Council also produces and uses other research methods that outline housing needs; including District and village level surveys, housing register database etc.
- 2.39 In terms of affordable housing delivery, since 2011 407 affordable homes have been delivered in South Northamptonshire. 285 of these were on S106 sites with a further 122 on exception / asset delivery sites.
- 2.40 Up to 2015 the Council's Policy was to seek 40% affordable housing from all sites of 15 or more dwellings. Were this Policy to have been applied in full a total of 448 affordable houses would have been developed. There are a number of reasons why the full quota of affordable houses may not be delivered. The main reason concerns the viability of a development proposal.
- 2.41 In addition there are currently commitments for a further 987 affordable homes on sites with planning permission. (This figure may be reduced as developments

progress to reserved matters stage where viability may become more apparent). This leaves a residual need (when assessed against the SHMA requirement (3200 (minus 407 and 987)) of 1,806 dwellings over the next 14 year period (129 per annum). Had the full policy requirement been achieved then a total of 2,852 affordable homes could have been delivered or committed.

2.42 *Affordable housing options*

- Should the housing requirements be increased across all those parishes where the agreed housing number would be below the threshold for affordable housing to the minimum level under which affordable housing would be required
- Should the housing requirements be increased across all parishes to increase the delivery of affordable housing?
- Should the Plan allocate additional sites in certain more sustainable villages (or cluster villages) as exception sites over and above allocations to meet the overall housing needs set out above?
- Should sites be allocated in the urban areas to boost affordable housing provision?

3.0 Conclusion and Reasons for Recommendations

3.1 This report sets out that:

- The Council has effectively met the housing targets for both the urban and rural areas as set out in the WNJCS
- The Council will exceed the figure particularly in the rural areas to meet local needs
- There is a need to plan for starter homes and self-build plots
- There is a need to boost the supply of affordable housing in the District
- There is a need for smaller house sizes in the District

3.2 The options in this Paper set out an overall view of housing delivery in the District. Once the methodology is agreed, it will need to incorporate more locally specific information such as local Parish opinion (that may increase the figures) as well as any constraints (environmental, infrastructure and/ or site availability) that may affect the overall figures. It will also consider further what the mix of housing types should be (in accordance with Policy H1 of the WNJCS based on local demographic information and, where available, local community based research).

4.0 Consultation

4.1 As the report will form part of a Development plan document, it will be subject to formal public consultation as set out in Town and County (Local Planning) Regulation 2012 part 6.

5.0 Alternative Options and Reasons for Rejection

5.1 The Council could chose not to approve the document for public consultation; however this would delay the preparation of the Local Plans.

Option: 1 To agree to the recommendations as set out in this report.
Option 2: To amend the recommendations,
Option 3: Not to agree to the recommendations

6.0 Implications

6.1 Financial and Resource Implications

There are no financial implications arising from this report.

Comments checked by:

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6.2 Legal Implications

There are no legal implications directly arising from this report, however, following consultation on the housing numbers and strategy, the results will inform and guide the South Northants Local Plan Part 2A, which will then form part of the development plan for the Council's District.

Comments checked by:

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7.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

- Strategic Priority: Preserve what's special
- Strategic Priority: Protect our quality of life
- Strategic Priority: Secure a prosperous and sustainable future
- Strategic Priority: Enhance the council's performance

Lead Councillor

Cllr Rebecca Breese - Portfolio holder for Planning and Environment

Document Information

Appendix No	Title
Appendix A	Housing Numbers and Strategy Paper
Background Papers	
None	
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