

## CABINET – 10TH DECEMBER 2020

### Report of the Scrutiny Commission Lead Member: Cllr Bailey

#### ITEM 6 FIVE-YEAR HOUSING LAND SUPPLY – RECOMMENDATION OF THE SCRUTINY COMMISSION

##### Purpose of Report

To consider a recommendation of the Scrutiny Commission that the Parish Councils which have adopted Neighbourhood Plans are informed of the implications of the five-year housing land supply update in relation to potential development applications in their areas (see Scrutiny Commission Minute 83, 16th November 2020), alongside an officer recommendation and advice in response, with a view to Cabinet deciding on any action it wishes to take.

##### Recommendations and Reasons

Set out below is the recommendation and reason of the Commission, followed by the officer recommendation, reason and advice.

##### **Scrutiny Commission Recommendation**

That it be recommended to Cabinet that the Parish Councils which have adopted Neighbourhood Plans are informed of the implications of the five-year housing land supply update in relation to potential development applications in their areas.

##### Reason

To ensure that Parish Councils were kept informed of the implications of the housing land supply on existing Neighbourhood Plans.

##### **Officer Recommendation**

The Head of Planning and Regeneration recommends that Cabinet notes that he will write to Parish Councils with 'made' neighbourhood plans, and those preparing plans, to explain the implications of the five year housing land supply on residential planning decisions in those areas in light of the fact the Council cannot demonstrate a five year supply of housing land at the current time.

##### Reason

To action the recommendation of the Scrutiny Commission in order to ensure that Parish Councils were kept informed of the implications of the housing land supply on existing Neighbourhood Plans.

## Advice of the Head of Planning and Regeneration regarding Scrutiny Commission Recommendation

If development plans are not up to date, paragraph 11 of the NPPF has a presumption in favour of sustainable development unless that development is within protected areas or any adverse impacts of approving the development would significantly and demonstrably outweigh the benefits, when assessed against the policies of the Framework taken as a whole. As made neighbourhood plans form part of the development plan for Charnwood, paragraph 14 of the Framework provides for further consideration where paragraph 11 is engaged. It says the adverse impact of allowing development that conflicts with a neighbourhood plan is likely to significantly and demonstrably outweigh the benefits, provided the plan is less than two years old; the plan contains policies and allocations to meet its identified housing requirement; the council can show a three year supply of deliverable housing sites; and it can demonstrate satisfactory housing delivery.

With this context in mind it is right that neighbourhood plan groups are advised of the implications of the changed status of the five year supply on their neighbourhood plans.

### Policy Justification and Previous Decisions

Chapter 11, section 11.12 (a) of the Constitution states that, after considering an issue, a scrutiny body may prepare a report and/or recommendations. The Scrutiny Commission may send its report to the Cabinet (if it is about executive responsibilities). The Chair or Vice-chair of the scrutiny body may address the body to which it has submitted a report.

The report considered by the Scrutiny Commission at its meeting on 16th November 2020 "Five Year Housing Land Supply Update" together with an extract from the minutes setting out the Commission's consideration of the matter are attached as an Annex.

### Implementation Timetable including Future Decisions and Scrutiny

Any decision of the Cabinet in respect of this matter will be implemented as soon as is practical.

### Report Implications

The following implications have been identified for this report.

#### *Financial Implications*

There are no direct financial implications.

#### *Risk Management*

There are no specific risks associated with the recommendations of the Scrutiny Commission.

Key Decision: No

Background Papers: None

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**SCRUTINY COMMISSION – 16TH NOVEMBER 2020****Report of the Head of Planning and Regeneration**Item FIVE YEAR HOUSING LAND SUPPLY UPDATEPurpose of the Report

To provide an update on the Council's housing land supply to enable Scrutiny Commission to determine whether further scrutiny is required.

Briefing Summary

Title	Five Year Housing Land Supply Update
Aims/Objectives	To oversee the council's 5-year supply of housing land.
Background	<p>The Council is required to publish an annual statement setting out its assessment of 5 years housing land supply covering the period from 1st April – 31st March.</p> <p>Housing land supply is measured against the local planning authority's housing requirement set out in adopted strategic policies or against their local housing need where the strategic policies are more than five years old.</p> <p>Housing land supply has been calculated since 1<sup>st</sup> April 2020 against the Council's current housing requirement of 820 homes per year as set out in the Charnwood Local Plan Core Strategy. On 9<sup>th</sup> November the Core Strategy will be five years old and the Council will be required to measure the housing supply against the Local Housing Need figure for Charnwood which is identified using the national standard methodology and is currently 1,105 homes a year.</p> <p>The Council's housing land supply will therefore change on 9<sup>th</sup> November 2020 from 5.52 years to 4.1 years as of 1st April 2020.</p>
Required outcomes	To ensure that, when necessary, the housing supply figures are scrutinised on a regular basis and any actions can be identified if required.
Measures to evaluate outcomes	<p>The following information is used to measure land supply:</p> <ul style="list-style-type: none"> <li>○ planning permissions granted in monitoring year</li> <li>○ completions in monitoring year</li> <li>○ intelligence from housing developers about anticipated build out rates for housing sites</li> </ul>

Implications for customers	<p>The implications for local communities of less than 5 years of housing land supply is the Council having less control over planning decisions for housing proposals.</p> <p>The National Planning Policy Framework indicates that the “presumption in favour of sustainable development” is engaged where an authority cannot demonstrate a 5 year supply of housing land and this means decision makers should grant planning permission for proposals unless “any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole”.</p>
Alternative options	N/A
Emerging issues	<p>The Council has been successful in demonstrating a 5 year supply at a number of planning appeals since the 2015/16 monitoring year. The Council’s robust position on housing supply has resulted in fewer speculative housing proposal being granted planning permission in the current monitoring year.</p> <p>The requirement to measure housing supply against local housing need (identified using the national standard methodology) means the Council can no longer demonstrate a five-year supply of deliverable housing land. This means para 11 of the NPPF is engaged and there is a presumption in favour of sustainable development.</p> <p>It is anticipated that the Council will receive a large number of applications for unplanned housing developments ahead of the Local Plan which is due finalised for consultation in the new year. The presumption in favour of sustainable development means the Council will be required to grant planning permission for proposals unless “any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole”.</p> <p>For decision made where there is a Neighbourhood Plan which is less than two years old the implications of the change are different while the Council can demonstrate three years housing supply and sufficient housing delivery. In these circumstances, national policy states that if the neighbourhood plan contains policies and allocations to meet its identified housing requirement then the adverse impact of allowing housing development that conflicts with the neighbourhood plan is likely to significantly and demonstrably outweigh the benefits (para 14, NPPF).</p>
Timetable/Future events	The five year supply will change immediately on 9 <sup>th</sup> November 2020 and will be updated again in April 2021 and published in May/June 2021 to provide certainty for planning decisions.
Cost and staff requirements	N/A

Risks	The Council is preparing a new Charnwood Local Plan to plan for the increased housing need in the Borough and there is a risk that developments permitted due to the lack of five year supply will undermine the proposed development strategy and supporting infrastructure plans the Borough and lead to unplanned development.
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Background Papers: None

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## Minute Extract - Scrutiny Commission 16th November 2020

### “83. FIVE YEAR HOUSING LAND SUPPLY UPDATE

A report of the Head of Planning and Regeneration to provide an update on the Council's housing land supply to enable Scrutiny Commission to determine whether further scrutiny is required was selected from the Housing, Planning, Regeneration and Regulatory Services Scrutiny Committee Work Programme (item 12a on the agenda filed with these minutes).

The Head of Planning and Regeneration and the Strategic Director for Community, Planning and Housing assisted with the consideration of this item. The following summarises the discussion:

- i. Since the 9th November 2020, the Council had been unable to demonstrate a five-year housing land supply. This meant that in accordance with paragraph 11 of the NPPF, permission should be granted for residential development unless this was in protected areas, or the adverse impact of doing so would significant and demonstrably outweigh the benefits when assessed against the policies of the NPPF. Where there was an up to date Neighbourhood Plan less than two years old, and this contained policies and allocations to meet its identified housing requirement, and the Council could demonstrate a three-year housing land supply, the adverse impacts of allowing development that conflicted with the Neighbourhood Plan was likely to significantly and demonstrably outweigh the benefits. Members acknowledged that it would be beneficial for Parish Councils that had formulated a Neighbourhood Plan to be briefed on the implications of the housing supply for their areas.
- ii. The Council did not control the supply of land for development and the development agenda but had granted permission in excess of the five-year supply number, although not all of these developments have been delivered. In addition, the Council was not able to control changes in Government policies relating to housing land supply, such as the recent alterations in calculations for housing need. It was acknowledged that previous periods where there had been shortfalls in housing land supply had resulted in development in areas which were not preferable. The Council was continuing to press for development associated with the Local Plan and meetings had taken place with developers.
- iii. The Development of a Local Plan involved significant time and effort and during the life span of the document, there would be inevitable policy and legislative changes affecting the plan.

- iv. Any development produced as a consequence of the introduction of the new five-year supply figure would be included within the overall tally of housing to be deducted from the target figure.
- v. The Covid-19 pandemic had had a significant impact on the consultancies involved in the Local Plan process and also the development industry as staff had been furloughed and projects were paused.

## **RESOLVED**

1. That the Commission noted the report.
2. That it be recommended to Cabinet that the Parish Councils which have adopted Neighbourhood Plans are informed of the implications of the five-year housing land supply update in relation to potential development applications in their areas.

## **Reasons**

1. To ensure that, when necessary, the housing supply figures are scrutinised on a regular basis and any actions can be identified if required, in the absence of Directorate-based Scrutiny Committees.
2. To ensure that Parish Councils were kept informed of the implications of the housing land supply on existing Neighbourhood Plans.”