



Planning Policy Committee – 17 June 2013

Draft Interim Housing Policy Statement on housing requirements in the North Northamptonshire Housing Market Area

Purpose of report

Delays to the timetable for the preparation of an updated Local Plan for East Northamptonshire have meant that the North Northamptonshire Joint Planning Unit and constituent local planning authorities (including East Northamptonshire Council) are considering possible approaches for the shorter term. The proposed way forward is the preparation of an “Interim Housing Policy Statement”, tied to the adopted (2008) North Northamptonshire Core Spatial Strategy (CSS). The role of the Interim Housing Policy Statement will be to:

1. Update the existing CSS (Policy 7/ Table 3 **only**).
2. Identify the current “objectively assessed need” for housing, as required by the National Planning Policy Framework (NPPF).
3. Identify the 5-year housing land supply against the latest “objectively assessed” housing needs data.

Attachment(s)

Appendix 1 – Draft Interim Housing Policy Statement on housing requirements in the North Northamptonshire Housing Market Area

1.0 Introduction and background

- 1.1 On 31 January 2013, the North Northamptonshire Joint Planning Committee (JPC) agreed a timetable/ work programme, for progressing the North Northamptonshire Joint Core Strategy (JCS) review for the period 2011-2031 towards submission to the Secretary of State. This timetable anticipated that the Pre-Submission draft of the JCS be published for consultation in July/ August 2013, with submission to the Secretary of State by November 2013.
- 1.2 Subsequently: *“It has...not proved possible to agree with the partner planning authorities an approach to retail strategy in advance of the Secretary of State’s decision on the proposed retail/ leisure development at Rushden Lakes”* (JPC Item 4, 14 March 2013, paragraph 2.2). The public Inquiry into the “called in” Rushden Lakes planning application is due to take place during June/ July 2013. The current implications of this are a significant delay in the formal JCS review given that the earliest possible date by which a decision on the Rushden Lakes application could be made is late 2013 or early in 2014.
- 1.3 In view of this delay in the Local Plan process, the North Northamptonshire Joint Planning Unit (JPU) and partner authorities are considering potential alternative ways forward. The preferred approach, agreed at the last JPC meeting (Agenda Item 4, paragraph 4.11, [14 March 2013](#)), is to pause the JCS and instead consult on a draft **Interim Housing Policy Statement** (IHPS). It was proposed that this should consist of three elements, in order to provide updated housing requirements based upon the latest (2011) Department for Communities and Local Government (CLG) household forecasts:
 - a. Evidence of the “objectively assessed” need for housing in the North Northamptonshire Housing Market Area, based upon CLG household

projections, given that planning inspectors are increasingly taking these to be an objective assessment of need (based on paragraph 159 of the NPPF) as a current 'default position'.

- b. Give revised district housing requirements based on the spatial strategy (i.e. distribution of development) in the **adopted** Core Spatial Strategy (CSS), 2001-2021. **Any** change to this spatial strategy/ distribution of housing numbers would need to be made through the JCS review).
- c. Identify the housing sites that are preferred by the Councils to provide a deliverable 5 year supply (plus a buffer required by the NPPF) against the minimum housing requirements.

1.4 The IHPS is intended to help address the 5 year housing supply issue that is creating difficulties for the partner authorities in resisting the development of sites that do not accord with the urban focused spatial strategy in the adopted CSS (paragraph 5.1, JPC Item 4, 14 March 2013). Given the emphasis upon identifying an "objectively assessed need" for housing and setting targets to fulfil that need, this paper considers the most recent data that is currently available:

- 2011 Census releases
- 2011 CLG Interim household projections (2011-2021)

1.5 The IHPS is due to be discussed by the JPC on 13 June 2013. A verbal update will be provided to the Planning Policy Committee.

2.0 2011 Census releases

2.1 The 2011 Census is currently being released, in stages. More detailed information was published between December 2012 and March 2013 and was made available at district, parish, ward and output areas (administrative areas varying in size from around 300 to almost 8,000 people). This release included information on topics such as:

- Living arrangements
- Ethnicity, English language proficiency, religion, country of birth
- Health and provision of unpaid care
- Accommodation type/ tenure
- Vehicle availability
- Qualifications, economic activity, occupation, socio-economic classification

2.2 The 2011 Census data, as progressively published, will feed into a comprehensive update to the latest CLG household projections. The 2011 Census has been critical to setting the recently released 2011-2021 interim household projections.

Headline East Northamptonshire data from 2011 Census:

- **Population – 86,765** (increase of around 10,000 since 2001)
- **Households – 35,662** (increase of around 4,600 since 2001)

3.0 2011 CLG Interim household projections (2011-2021)

3.1 The recent publication (9 April 2013) of new official interim household forecasts for the period 2011-2021 has proven to be extremely timely, given the current proposal to prepare an “Interim Housing Policy Statement” for North Northamptonshire. Significantly, these latest forecasts predict a reduced increase to projected household numbers from the previous (2008) household projections for East Northamptonshire, from **5,285** down to **3,789**; a reduction of nearly 1,500 from the earlier forecasts.

3.2 These latest household projections are being used to underpin the IHPS.

4.0 Implications of the emerging Interim Housing Policy Statement for East Northamptonshire

4.1 The IHPS takes the 2011 household projections figure (3789), as the “starting point” in identifying the “objectively assessed housing need”. Two further factors also need to be taken into account in identifying the full need:

- Back-log of unmet housing need – **369 dwellings**, in the case of East Northamptonshire (source: 2012 Strategic Housing Market Assessment (SHMA) update ([Housing Vision](#), August 2012))
- Allowance for vacant dwellings (3%) – **129 dwellings**, in the case of East Northamptonshire (based upon North Northamptonshire wide Council Tax records, which indicates that 2.85% of dwellings in the HMA are vacant dwellings)

4.2 The addition of the back-log and vacant dwellings allowance figures to the 2011 household projection, gives a total objectively assessed need of **4,287 dwellings** over 10 years (2011-2021), for East Northamptonshire.

4.3 It is necessary, however, for the IHPS to be tied to the **current** spatial development strategy, as set out in the adopted CSS. If the adopted CSS distribution of development is applied to the North Northamptonshire household needs figures, this will lead to a reduction to the East Northamptonshire figure, from 4,287 down to **3,217 dwellings** (2011-2021).

4.4 At this juncture, it may be appropriate to provide a comparison with the adopted CSS housing completion data, as at **1 April 2011**¹ (2011 Annual Monitoring Report). As at 1 April 2011 (the “half way” point for the current CSS), 4463 dwellings had been delivered. This left an outstanding balance of **4,937 dwellings** to be delivered over the remainder of the Plan period (2011-2021). On this basis, the introduction of the latest “objectively assessed housing needs” through the emerging IHPS, would lead to a reduction of **1,720 dwellings** to the number of houses which would need to be delivered by 2021.

5.0 Revised 5 year housing land supply requirements, as based upon the 2012 Annual Monitoring Report schedule of sites and phasing assumptions agreed by the Planning Policy Committee on 17 September 2012

5.1 The 2012 Annual Monitoring Report (AMR) includes a list of anticipated development sites, discussed and agreed by the Planning Policy Committee on 17 September 2012 ([Housing Site Schedule](#); base date 1 April 2012). In summary there are **1,074** dwellings associated with outstanding planning permissions (expected to be delivered between 1/4/13 and 31/3/18) and **1,766** dwelling to be delivered from other sites such as those identified in RNOT Plan. This gives a total 5 year land supply of **2850** homes.

¹ While more recent published data is available through the 2012 Annual Monitoring Report, 1 April 2011 has been chosen as the base date in this case, to enable a direct and clear comparison with the Interim 2011 household projections

- 5.2 As stated in paragraph 4.3, above, the application of the adopted CSS distribution of development to the “objectively assessed housing need” for East Northamptonshire gives a delivery target of **3,217 dwellings** over 10 years; a mean rate of **322 dwellings** per year. On the basis of the National Planning Policy Framework (NPPF) requirement to provide for a 5%, or 20% (for “persistent under delivery”), buffer (paragraph 47), the IHPS will define revised 5 year land supply targets for East Northamptonshire (excluding any under-provision since 2001).

Interim Statement with 5% buffer	Interim Statement with 20% buffer	Adopted CSS with 5% buffer	Adopted CSS with 20% buffer
1,689	1,930	2,328	2,661
5 year housing land supply ((2850/relevant target) x 5 years)			
8.44 years	7.38 years	6.12 years	5.36 years

- 5.3 On the basis of a trajectory of 322 (**321.7**) dwellings per year, **2,574 dwellings** would be required up to 2021 (321.7 dwellings x 8 years). In addition to 2850 dwellings anticipated to be delivered within the 5 year period 1 April 2013 – 31 March 2018 (Housing Site Schedule, 2012 AMR); the trajectory anticipates delivery of a further **996 dwellings** (predominantly adopted and/ or emerging site allocations) over the period 1 April 2018 – 31 March 2021, totalling **3,846 dwellings** for the remainder of the adopted CSS period (1 April 2013 – 31 March 2021).
- 5.4 Clearly, this figure would significantly exceed the latest trajectory (322 dwellings/ year, or 2,574 dwellings to 2021) proposed through the IHPS. Even taking account of the 4,287 dwellings “objectively assessed housing need” for the period 2011-2021 (or **3,430 dwellings** over 8 years), the number of dwellings **already** included in the 2012 AMR Housing Site Schedule would still **exceed** the objectively assessed need to 2021 by **416 dwellings** (1 April 2013 – 31 March 2021).
- 5.5 The figures above demonstrate that the IHPS would provide a great asset to the Council, in calculating the 5 year housing land supply figures. The 2012 AMR includes sufficient provision to fulfil the proposed IHPS revisions to the adopted CSS housing targets (Policy 7/ Table 3). However, it must be noted that these calculations do **not** take account of any shortfall in delivery against the current CSS trajectory, during the 2001-2012 monitoring period.

6.0 Conclusions

- 6.1 The IHPS will significantly assist East Northamptonshire Council in making the latest “5 year housing land supply” calculations. Even if the higher, stand alone figure (4,287 dwellings) for the objectively assessed need is taken into account, this would still represent a significant reduction (**650 dwellings**) from the current CSS target for the period 2011-31 (4,937 dwellings).
- 6.2 The JPC has already (14 March 2013) expressed support for the preparation of a North Northamptonshire IHPS, as the preferred way forward in the short term. The 13 June JPC meeting will then consider adoption of the IHPS, so that the finalised document could be agreed as an interim policy statement by the Joint Committee and each of the partner authorities (JPC Agenda Item 4, paragraph 4.12, 14 March 2013).

7.0 Equality and Diversity Implications

- 7.1 There are no equality and diversity implications.

8.0 Legal Implications

- 8.1 The lack of an up-to-date plan would potentially result in more planning appeals, with associated potential costs for the Council. This is especially likely in the event that the

Council is unable to demonstrate that it has a 5-year supply of deliverable housing land.

9.0 Risk Management

9.1 Delays to the preparation of the Local Plan will result in the District (particularly the south of the District) not having an up-to-date, robust detailed planning policy framework to defend against any unwanted development. The existing North Northamptonshire Core Spatial Strategy (adopted June 2008) continues to define the overall strategic policy framework for this area, and the IHPS will supplement this through taking account of the latest official (CLG) household projections.

10.0 Financial Implications

10.1 None

11.0 Corporate Outcomes

11.1 The relevant Corporate Outcomes are:

- Good quality of life: Sustainable Development, High quality built environment, Improved housing
- Effective partnership working – Strong strategic partnerships
- Effective management – legal compliance
- Councillors and staff with the right knowledge, skills and behaviour – Continuous development

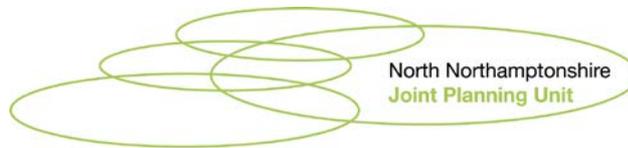
12.0 Recommendation

12.1 It is recommended that:

- Members note the latest (2011) CLG household projections and draft IHPS for East Northamptonshire. Members are asked to endorse the approach of the North Northamptonshire IHPS and confirm that no further strategic allocations are required in the plan period up to 2021.
- The Planning Policy Committee reaffirms the Council's commitment as part of the JCS review, to support the designation of Rushden East as a strategic location for growth in the emerging JCS review, and to work with the Town Council on the preparation of a master plan for the area.

(Reason – to identify the most preferable way forward for the Local Plan in response to the delays to this process arising from the Secretary of State's "call in" of the Rushden Lakes application)

Legal	Power: Planning and Compulsory Purchase Act 2004, Localism Act 2011				
	Other considerations: None				
Background Papers: North Northamptonshire Joint Planning Committee, Item 4 (14 March 2013) 2012 Annual Monitoring Report (Housing Site Schedule)					
Person Originating Report: Michael Burton (Senior Planning Policy Officer)					
Date: 10 June 2013					
CFO		MO		CX	



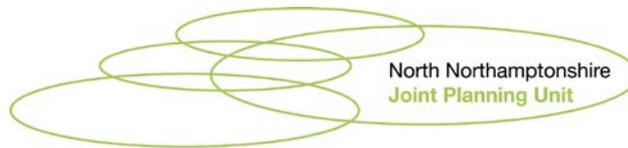
Appendix 1

Draft Interim Policy Statement on housing requirements in the North Northamptonshire Housing Market Area

June 2013

1. Introduction

- 1.1 The North Northamptonshire Joint Committee is the planning authority responsible for the overall strategic plan (the Joint Core Strategy) for the districts and boroughs of Corby, East Northamptonshire, Kettering and Wellingborough. This area is identified as a Housing Market Area (HMA).
- 1.2 The Core Strategy adopted in June 2008 sets out housing requirements for the period 2001 to 2021 for the HMA (a total of 52,100 new homes), broken down by local authority area and for key settlements. These housing requirements were dictated by the East Midlands Regional Plan. They substantially exceed locally arising needs and have proved to be undeliverable due to the recession.
- 1.3 The Regional Plan was revoked by the Government on 12th April 2013. In his Ministerial Statement the Secretary of State announced that *“The revocationis another step forward for localism... and sends a powerful message to local councils and local people.... It says that we trust them and believe that they, and not central Government, are best placed to plan and deliver communities that reflect the aspirations of local people.”*
- 1.4 This Interim Housing Policy Statement sets out the approach to meeting housing requirements in the North Northamptonshire HMA pending the submission of the new Joint Core Strategy.
 - Part A explains the background to previous housing targets and provides an up-to-date and objective assessment of the need for housing in the period 2011-21. This overall requirement for the HMA is apportioned to the districts and boroughs in line with the distribution in the adopted Core Strategy
 - Part B identifies specific deliverable sites which, in line with the adopted urban-focused Core Strategy, can provide five years' worth of housing (plus an additional buffer as required by the National Planning Policy Framework) against the requirements identified in Part A. The majority of these sites already have planning permission or have previously been identified in emerging plans. However some are new and will need to be tested further in the light of responses to this consultation and through the preparation of site specific plans or planning applications.



- 1.5 The distribution of the housing requirement identified in Part A between the districts is based on the adopted CSS. In other words it is the same spatial strategy, only delivered over a longer period of time. This is a pragmatic response to current market conditions, proceeding with growth and infrastructure provision under a planned approach but at a more measured pace than previously envisaged.
- 1.6 The Interim Statement and supporting evidence will be a material consideration in determining planning applications and in the preparation of site specific plans (including neighbourhood plans). When considering development proposals for the sites identified in this Interim Statement, the Councils will take a positive approach that reflects the presumption in favour of sustainable development contained in the NPPF. They will work proactively with applicants jointly to find solutions which mean that proposals can be approved wherever possible, without delay, unless material considerations indicate otherwise. This positive approach will help the planning authorities to ensure that development does not take place on sites in less sustainable locations that are not in line with the Core Strategy.

PART A

2. Background

- 2.1 The Regional Plan and adopted Core Strategy set a housing target of 52,100 new homes in the North Northamptonshire Housing Market Area (HMA) over the period 2001 to 2021. This was agreed in the context of Northamptonshire being identified as part of the Milton Keynes and South Midlands Growth Area to accommodate development pressures arising in the south-east of the country.
- 2.2 Progress has been made, with 16,640 new homes built in the period 2001-11 and planning permissions in place for over 20,000 more. However, the recession has prevented the scale of demand and investment necessary to deliver housing targets and the associated infrastructure and economic development in the timescales set out in the CSS. Furthermore, the planning context has changed radically with the revocation of the Regional Plan and the fact that the Coalition Government has not taken forward the 'Sustainable Communities Plan' which identified and supported 'Growth Areas' as a focus for infrastructure investment and economic development alongside major housing growth.
- 2.3 Figure 1 shows how the Core Strategy housing requirement for 2011-21 compares to longer term rates of development in the HMA. The Core Strategy trajectory would require more new homes to be built in the ten years from 2011-21 than were built in the preceding 20 years.

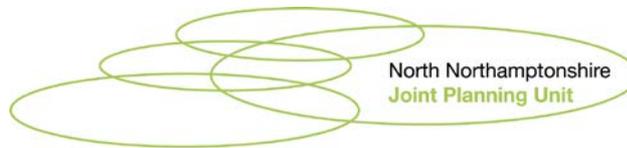
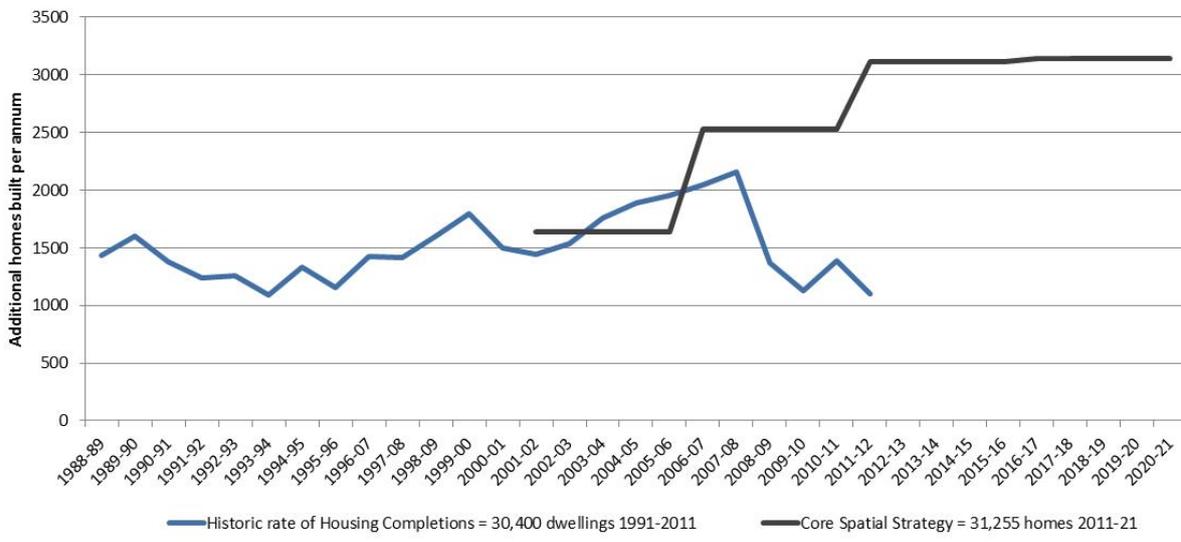
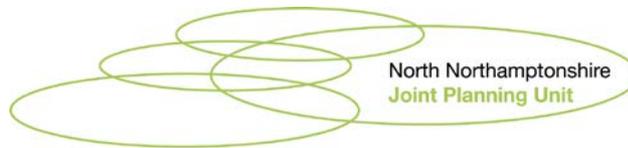


Figure 1 Comparison of Core Spatial Strategy housing trajectory with past rates of development



- 2.4 The housing targets set out in the adopted plan are not only undeliverable given market conditions and the changed national policy context, but are out of date in view of the revocation of the Regional Plan and new evidence including the latest CLG Household Projections.
- 2.5 The North Northamptonshire Joint Committee is reassessing the amount and distribution of new housing required over the period 2011-31 through the preparation of the Joint Core Strategy (report to Joint Committee 31st January 2013). This will be based on meeting the objectively assessed needs of the area and ensuring that the pace of house building is aligned with new jobs and infrastructure and with local aspirations for how places should change. The planning authorities remain ambitious to deliver significant urban-focused growth and the JCS will identify the strategic opportunity to do this, in particular through Sustainable Urban Extensions at the Growth Towns. However the minimum housing requirements set out in the JCS will be below those in the previous Regional Plan and the adopted Core Strategy.
- 2.6 Until the review of the JCS is completed, the adopted Core Strategy remains the key part of the development plan and the starting point for planning decisions. The difficulty in meeting the out of date housing targets creates pressures for additional sites to be released for development, not always in locations supported by the adopted spatial strategy. This pressure arises from the requirement, set out in the National Planning Policy Framework (para 47), for planning authorities to identify specific deliverable sites sufficient to provide five years' worth of housing against their housing requirements (with an additional buffer of 5% or 20% depending on past performance).
- 2.7 The Joint Core Strategy is planned to be submitted for examination in 2014. It is necessary to provide an Interim Housing Policy Statement to set out the approach to be taken by the local planning authorities in maintaining a deliverable supply of land for housing development in the meantime.



3. Objectively assessed needs

- 3.1 Although the Government has shifted responsibility for identifying housing requirements to a local level, the National Planning Policy Framework (NPPF) requires planning authorities to plan to boost significantly the supply of housing. It requires an evidence-based approach to identifying and meeting the “*full, objectively assessed needs for market and affordable housing in the housing market area as far as is consistent with the policies in the NPPF*” (para 47).
- 3.2 Housing targets set out in the East Midlands Regional Plan and embodied in the adopted Core Spatial Strategy do not represent an “objectively assessed housing need”. Rather, they were the result of an explicit policy to direct economic and housing growth to North Northamptonshire as part of the now defunct Milton Keynes and South Midlands Growth Area.
- 3.3 *CLG Practice Guidance on Strategic Housing Market Assessments (2007)* indicates that an objective assessment of need should take account of:
- Demographic factors, including locally generated needs and the demand for housing arising from in-migration;
 - Economic factors, including the need to align housing and employment strategies (to ensure that economic development is not held back by a limited workforce and to avoid unsustainable commuting patterns).
- 3.4 Demographic forecasts (Edge Analytics 2011) indicate that changes in the existing population (births, deaths and household formation) will give rise to a need for around 8,300 additional homes in North Northamptonshire over the period 2011 to 2021. Analysis of the Councils’ housing registers indicates that, in addition to this need arising from ‘natural change’ in the existing population, there is a current backlog of un-met need for around 1,700 households. This estimated on the basis of those households which have no permanent home of their own, i.e. they are recorded on 2013 housing registers as living with family/friends/other; of no fixed abode; or in supported housing.
- 3.5 As well as meeting locally arising needs, North Northamptonshire has historically accommodated significant levels of in-migration. New CLG Household Projections (April 2013) for the period to 2021 take account of this alongside locally arising needs. They indicate that, if past trends continue, North Northamptonshire could be home to 15,600 additional households between 2011 and 2021.
- 3.6 The ‘objectively assessed need’ in the Housing Market Area used in this Interim Statement is based on the elements set out below.

a) Latest CLG Household Projections

+

b) Backlog of unmet housing need

+

c) Allowance for vacant dwellings

- 3.7 The CLG Household Projections are a key element of ‘objectively assessed needs’ (NPPF paragraph 159). They are most useful in considering requirements at the HMA level since, at a district level, they largely reflect recent levels of housing development (if a district has seen high levels of growth in the past 5 years then it is projected to see high growth in the future and, conversely, if housing development has been limited, the household projections will be lower).
- 3.8 The allowance for vacant dwellings is consistent with ONS data (Live Table 615 <https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>) based on Council Tax records, which indicates that 2.85% of dwellings in the HMA are vacant.
- 3.9 The results of this analysis are set out in Table 1. The final column shows the total need for the Housing Market Area, distributed to the districts in line with the adopted Core Spatial Strategy, which apportions housing requirements as shown in Figure 2. The emerging Joint Core Strategy seeks to adjust this strategy, in particular by reducing the share of housing to be provided by Wellingborough, reflecting local aspirations and the heavy reliance on two sustainable urban extensions that have not yet commenced. However these changes will be tested through the JCS review and are not reflected in the Interim Statement.

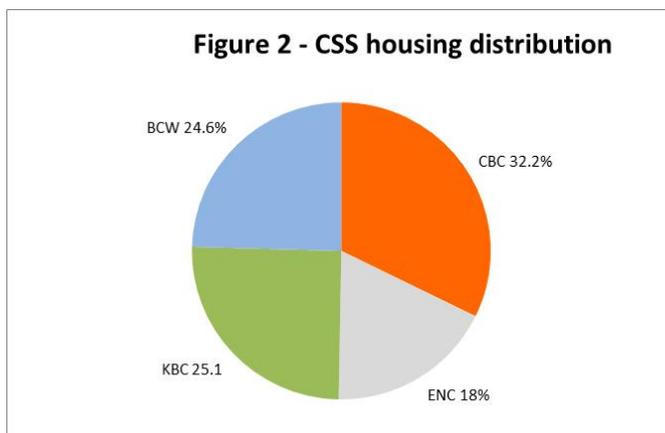
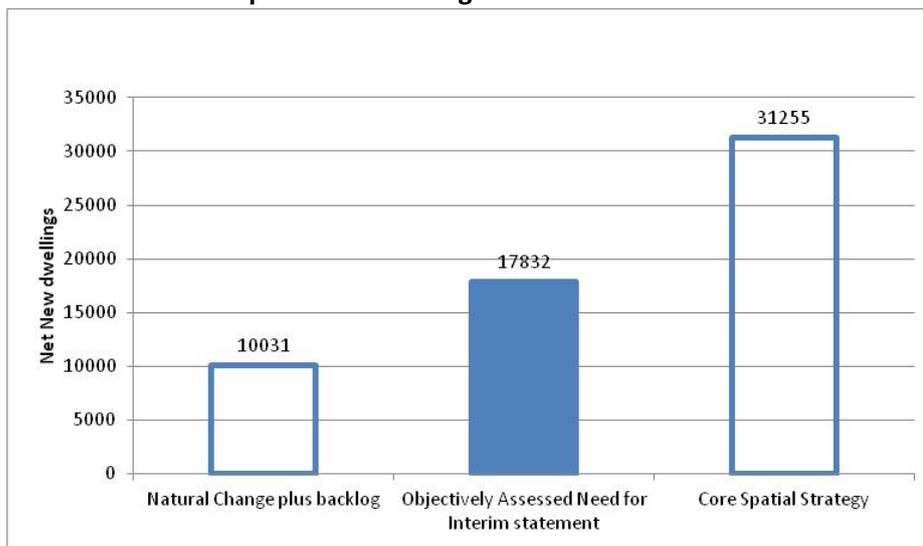


Table 1 – Housing Requirements for Interim Housing Statement (2011-21)					
	a) 2011 based household projection	b) Back-log of unmet housing need	c) Allowance for vacant dwellings	Total a)+b)+c)	Objectively Assessed Need for HMA distributed as per CSS
CBC	3527	179	115	3821	5750
ENC	3789	369	129	4287	3217
KBC	5171	589	178	5938	4484
BCW	3079	594	114	3787	4381
HMA Total	15566	1731	535	17832	17832

- 3.11 This level of growth in households would result in around 10,000 additional economically active residents (Edge Analytics 2011 Migration-led recalibrated scenario has 21,474 additional dwellings and 12,162 additional workers). This exceeds forecasts of the number of new jobs that will be generated in North Northamptonshire given the structure of its economy. Forecasts for the MKSM [Economic Development Evidence Base](#) (SQW 2009) suggest that past trends would result in only 6,000 jobs in North Northamptonshire between 2012 and 2021, potentially increasing to 11,000 as a result of enhanced population growth (from previous housing targets, which cannot be delivered) and intervention focused on priority economic sectors (which, given constraints on public funding, will not be possible to the extent previously envisaged).
- 3.12 This suggests that revising housing requirements in line with demographic projections and the current backlog of need will not hold back the future economic performance of the area; in fact it may result in more sustainable commuting patterns in North Northamptonshire by balancing population growth more closely with forecast growth in jobs.
- 3.13 Figure 3 below shows how the 'objectively assessed needs' identified in this Interim Statement compare to locally arising needs and the adopted CSS requirement (excluding under-provision in the period 2001-11 which would increase the requirement to 35,460). While the objectively assessed need is substantially less than previous plan targets, it is nevertheless nearly 80% in excess of locally arising needs.

Figure 3 - Comparison of housing requirements for the North Northamptonshire Housing Market Area 2011-21



- 3.14 Figure 4 shows how the objectively assessed need identified in this Interim Statement compares to rates of housing development in the HMA in the past two decades. The trajectory for meeting the identified housing requirement shows a fairly constant rate of development from 2011 to 2021, as per the adopted Core Strategy (Table 3). This will be used as a basis for maintaining a 5 year supply of deliverable sites although, in reality, delivery of the required housing is likely to be 'back-loaded' with higher rates of development later in the plan period to compensate for lower rates in the early years as the housing market recovers from the recession. The delivery of 17,800 homes over the 10 years to 2021 compares to an average of 15,200 homes in the previous two decades and would provide the significant boost to housing provision sought by the NPPF

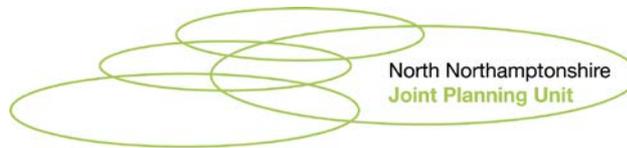
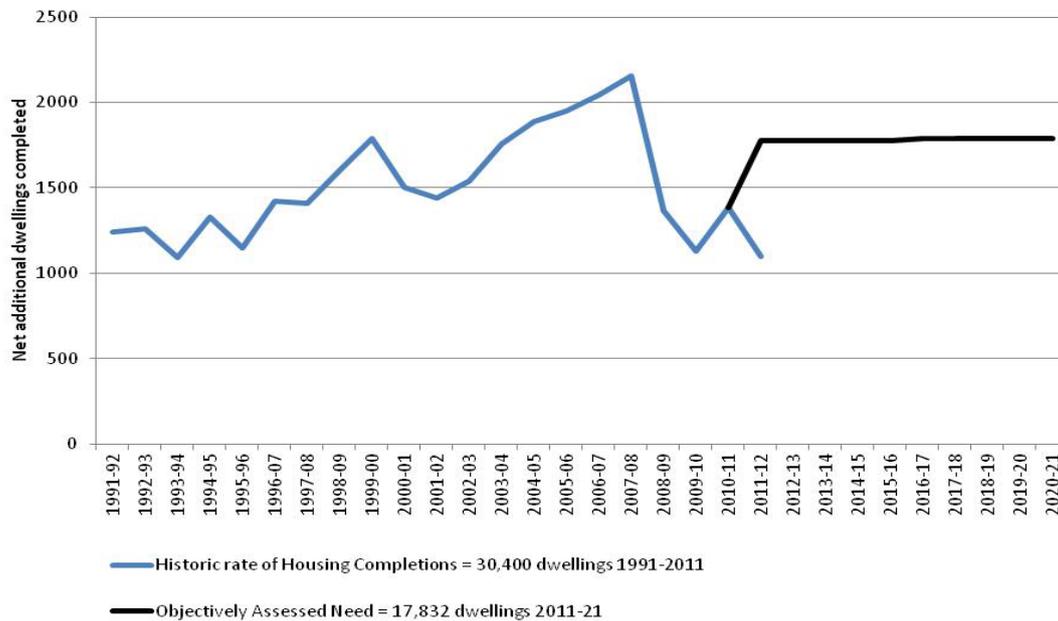


Figure 4 - Objectively assessed housing requirements for the North Northamptonshire HMA compared to past rates of development



4. Five year housing requirements

4.1 Table 2 sets out the 5 year housing requirements (with 5% and 20% buffers to be applied depending on past performance as required by the NPPF) against which for each planning authority has identified (in Part B) specific deliverable sites. Any under-provision against objectively assessed needs since 2011 must be added to the housing requirement for the remaining plan period. Adopted CSS requirements are included for comparison. These do not include any under-provision since 2001.

	Interim Statement with 5% buffer	Interim Statement with 20% buffer	Adopted CSS with 5% buffer	Adopted CSS with 20% buffer
CBC	3,019	3,450	5,599	6,399
ENC	1,689	1,930	2,328	2,661
KBC	2,354	2,690	3,956	4,521
BCW	2,300	2,629	4,526	5,172
HMA Total	9,362	10,699	16,409	18,753

4.2 Part B (to be completed by districts/ boroughs) identifies specific, deliverable housing sites to meet the housing requirements identified in Table 2.