



Planning Policy Committee - 22 November 2010

North Northamptonshire Housing Targets - Draft Statement of Intent - Consultation

Summary

The North Northamptonshire Joint Planning Unit (JPU) is looking to review the housing targets from the North Northamptonshire Core Spatial Strategy (CSS). As a result, the JPU has prepared a "Draft Statement of Intent on Housing Targets for North Northamptonshire", for which comments are sought from the Council.

Attachment(s)

Annex 1 - Reviewing housing requirements for North Northamptonshire - report to JPC, 22 September 2010

Annex 2 - Draft Statement of Intent on Housing Targets for North Northamptonshire

Annex 3 - Setting housing trajectories – 2011-21 (Option 1); 2011-26 (Option 2) and 2011-31 (Option 3)

1.0 Introduction

1.1 On 22 September 2010 the North Northamptonshire Joint Planning Committee (JPC) considered how housing requirements for the North Northamptonshire area should be reviewed/reassessed. Following on from this, the JPU has prepared, on behalf of the four authorities, a "Draft Statement of Intent on Housing Targets for North Northamptonshire", for which comments are sought from each Council. The JPU has requested comments by the 19 November, and recognise the need for all constituent authorities to consider the issues through their respective Committees.

2.0 Background

2.1 The initial (Regulation 25) consultation for reviewing the CSS began in February 2009. This has been followed by a series of stakeholder workshops (2009-10). More recently, the revocation of the East Midlands Regional Plan (6 July 2010) has presented Councils with an additional opportunity to review the post-2021 housing targets, previously set by the Regional Plan.

2.2 Guidance issued by the Department for Communities and Local Government (CLG) on 6 July states that: "Local planning authorities will be responsible for establishing the right level of local housing provision in their area, and identifying a long term supply of housing land without the burden of regional housing targets" (Guidance for Local Planning Authorities following the revocation of Regional Strategies, Q10). This provides a clear opportunity for the current housing targets (as set out in the adopted CSS) to be reviewed.

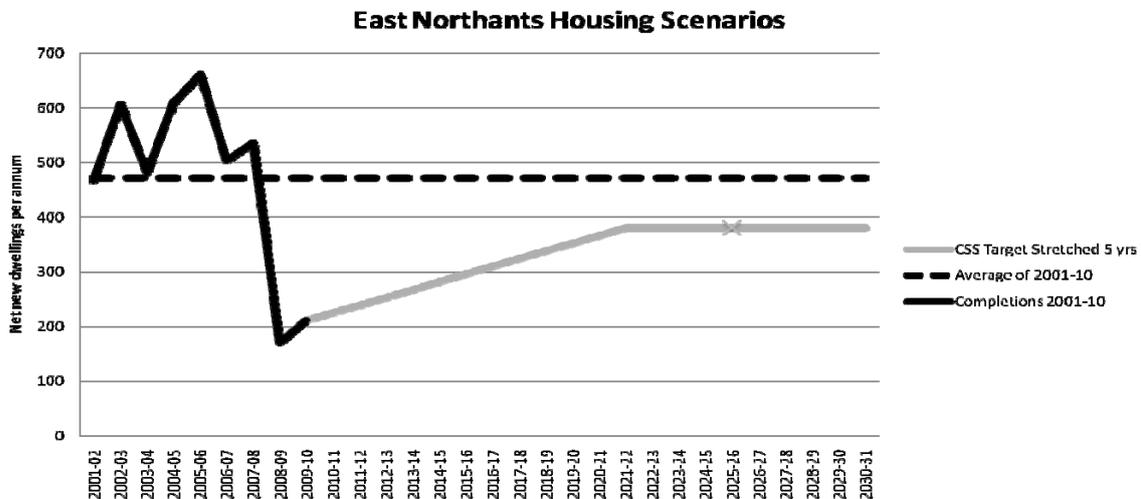
2.3 The 22 September meeting of the JPC considered the paper "Reviewing housing requirements for North Northamptonshire" (Annex 1). Following on from this, the JPU published a "Draft Statement of Intent on Housing Targets for North Northamptonshire" (Annex 2). This proposes an "Interim position on housing targets" for each District, for which comments were sought by 19 November.

3.0 Interim position on housing targets

- 3.1 The Interim position statement (Annex 2) has been prepared to address the delivery of the adopted CSS in the current and forecast market conditions, and the impacts of the economic recession on the housing market and infrastructure provision. The statement principally recommends an extension of the delivery period for East Northamptonshire Council's 2021 CSS target (9400 dwellings) for a further 5 years, to 2026.
- 3.2 The Interim position statement was based upon a previous paper (Annex 1), presented to the JPC on 22 September. The latter considered three possible scenarios for ENC, with a view to revising the delivery timetable (trajectory) for the adopted CSS (Annex 1, paragraph 6.2):
1. Continue with adopted CSS trajectory (i.e. delivery of 9,400 dwellings by 2021).
 2. Extend CSS 9,400 dwellings target forward to 2026 (i.e. proposed Interim position).
 3. Extend CSS 9,400 dwellings target forward to 2031 (i.e. low growth scenario).
- The Interim position statement (Annex 2) recommended Option 2 above as the preferred approach for East Northamptonshire.

4.0 Monitoring data, as at 1 April 2010 and implications of Options 1, 2 and 3 for East Northamptonshire

- 4.1 Recently collated monitoring data has revealed that, as at 1 April 2010, 4,246 dwellings had been completed (Annex 1, Table 1), with a further 285 dwellings forecast to be completed during 2010 -11 (Annex 3). The adopted CSS therefore requires a further 4,869 dwellings be delivered by 2021, and Option 2 above proposes that this be extended to 2026. Adoption of Option 2 would reduce the average annual completion rate from 487 dwellings per year to 325 dwellings per year. Option 3 would entail an average delivery rate of 243 dwellings per year, i.e. 50% of the average annual completion rate that would be required in order to deliver the estimated outstanding 4,869 dwellings during the decade 2011-21 (Annex 3).
- 4.2 Annex 1, Figure 2 compares delivery rates arising from Options 1, 2 and 3 above, to forecast rates of natural growth in dwelling numbers, excluding the implications of migration rates (Annex 1, Table 2). The Office for National Statistics (ONS) forecast a "natural increase" in dwelling numbers from 2006-31 of 6,650 dwellings. This figure equates closely to Option 3 (a difference of just 75 dwellings over 25 years), which would entail the delivery of 6,575 dwellings for the period 2006-31.
- 4.3 In summary, Option 1 would entail the setting of substantial additional growth targets post 2021. The JPU has already concluded that overall CSS housing requirements cannot be delivered by 2021. This is not because of a shortage of sites but because of the recession and forecast housing market conditions (Annex 1, paragraph 8.1(a)).
- 4.4 By contrast, Option 3 represents a "baseline" scenario, i.e. no additional growth over and above the forecast natural levels of growth. Option 2 represents the most appropriate way forward, through recognition of the impact of the recession and current housing market conditions while still ensuring an appropriate level of growth, having regard to East Northamptonshire's position within the North Northamptonshire area.
- 4.5 The following graph shows the impact of Option 2 upon East Northamptonshire's housing trajectory. This scenario would reduce the previous average delivery rate from approximately 450 dwellings per year (1 April 2001 to 31 March 2011), taking a gradual increase of delivery rates from the current, very low level (around 200 dwellings per year) up to approximately 380 dwellings per year, over a 15 year period (1 April 2011 to 31 March 2026). This will significantly ease the future management of housing delivery, allowing a five year supply of housing land to be maintained against more realistic targets.



4.6 The graph also proposes a continued trajectory (annual delivery rate) of 380 dwellings for the period 2026-31. This scenario would deliver an additional 1900 dwellings over this five year period. The suggested Option 2 trajectory, as shown in the graph, recognises the currently depressed state of the housing market and, consequently, the current low levels of delivery. It takes account of an anticipated recovery in the housing market over the next decade.

5.0 Conclusions

5.1 As explained above, the Interim position statement proposes stretching the adopted CSS target for East Northamptonshire of 9,400 dwellings for a further five years, back to 2026. This approach (Option 2), as explained above, recognises the lack of deliverability of the current targets. It represents a middle way, between increasing rates of growth over the next 20 years (Option 1) and “baseline” levels of development, based upon natural growth predictions (Option 3).

5.2 The process of reviewing these targets is anticipated to be incorporated into the wider CSS review, already underway and is also intended to deliver the Government’s wider “localism agenda” for setting housing targets locally. For the reasons set out above it is considered that the extension of our targets to 2026 represents the most appropriate position for East Northamptonshire.

6.0 Recommendations

6.1 It is recommended that:

(1) The Interim position on housing targets for East Northamptonshire contained within the Draft “Statement of Intent on Housing Targets for North Northamptonshire” (Annex 2), Option 2 above be agreed.

(2) The Planning Policy Committee’s decision be submitted to Full Council, for approval as the Council’s stated policy for housing delivery to 2026.

Implications:					
Corporate Outcomes or Other Policy/Priority/Strategy					
Good Quality of Life	<input checked="" type="checkbox"/>	Good Reputation	<input checked="" type="checkbox"/>		
Good Value for Money	<input type="checkbox"/>	High Quality Service Delivery	<input type="checkbox"/>		
Effective Partnership Working	<input checked="" type="checkbox"/>	Strong Community Leadership	<input checked="" type="checkbox"/>		
Effective Management	<input type="checkbox"/>	Knowledge of our Customers and Communities	<input type="checkbox"/>		
Employees and Members with the Right Knowledge, Skills and Behaviours			<input type="checkbox"/>		
Other:					
Decision(s) would be outside the budget or policy framework and require full Council approval					
Financial	There are no financial implications at this stage				<input checked="" type="checkbox"/>
	There will be financial implications – see paragraph				<input type="checkbox"/>
	There is provision within existing budget				<input type="checkbox"/>
	Decisions may give rise to additional expenditure at a later date				<input type="checkbox"/>
	Decisions may have potential for income generation				<input type="checkbox"/>
Risk Management	An assessment has been carried out and there are no material risks				<input checked="" type="checkbox"/>
	Material risks exist and these are recorded at Risk Register Reference - inherent risk score - residual risk score -				<input type="checkbox"/>
Staff	There are no additional staffing implications				<input checked="" type="checkbox"/>
	Additional staff will be required – see paragraph				<input type="checkbox"/>
Equalities and Human Rights	There will be no impact on equality (race, age, gender, disability, religion/belief, sexual orientation) or human rights implications				<input checked="" type="checkbox"/>
	There will be an impact on equality (see categories above) or human rights implications – see paragraph				<input type="checkbox"/>
Legal	Power: Planning and Compulsory Purchase Act 2004				
	Other considerations: North Northamptonshire Core Spatial Strategy (adopted June 2008)				
Background Papers:					
Person Originating Report: Michael Burton, Senior Planning Policy Officer 01832 742221 mburton@east-northamptonshire.gov.uk					
Date: 29 October 2010					
CFO		MO		CX	

(Committee Report Normal Rev. 21)

**Report
Originator**

Planning Manager

Title

**Reviewing housing requirements for North
Northamptonshire**

PURPOSE OF REPORT

To agree how housing requirements for North Northamptonshire will be reassessed through the review of the Joint Core Strategy and how existing adopted requirements should be treated in the interim period.

1. Introduction

- 1.1 The Government is committed to increasing the number of new homes built but wants this to be driven by local ambitions rather than top-down targets. This is to be supported by financial incentives to local authorities to ensure that the benefits of growth are shared by existing communities. Further details of this 'New Homes Bonus' are awaited as part of the spending review in the autumn and the planning authorities will wish to review their positions at that stage. To back up the proposed incentives and ensure that house-building is not held back, the Conservative's Planning Green Paper indicates that legislation will be introduced to ensure that planning authorities put plans in place within a prescribed period.
- 1.2 The revocation of the regional spatial strategy (RSS) has removed top-down housing requirements, although the target of 52,100 dwellings for the period 2001 to 2021 remains in the adopted Core Spatial Strategy (CSS). There is now flexibility to reconsider through the review of the Core Strategy the level of growth that is appropriate over and above existing commitments (or if commitments are not considered deliverable). In particular the Regional Plan indicative requirement for a further 28,000 homes between 2021 and 2031 is back in the melting pot.
- 1.3 The Government has indicated that authorities wishing to review housing requirements "should quickly signal their intention to undertake an early review so that communities and land owners know where they stand" (letter from Chief Planner 6th July 2010).
- 1.4 This report provides information on two parallel issues that need to be considered:
 1. A review of the amount of housing required to 2031 and the appropriate distribution between districts. This is a matter to be considered more fully through the review of the Joint Core Strategy and the recommendation at this stage seeks only to agree a direction of travel, namely that previous targets will be reviewed downwards. A revised Core Strategy cannot be adopted until 2012 but the emerging plan will gain weight as a 'material consideration' as work progresses; and
 2. A Statement of Intent as to how adopted CSS targets are to be treated in the meantime. This is important because there remains a requirement for planning authorities to demonstrate a 5 year supply of deliverable housing sites. This is currently judged against adopted CSS targets, which, as a result of the recession,

are undeliverable. This creates pressure to permit additional housing sites that are not in accordance with the spatial vision for the area. Given the Government's approach to localism, the proposed Statement of Intent that existing CSS targets will be drawn out over a longer period should hold significant weight as a material consideration in relation to 5 year supply issues and the preparation of site specific Development Plan Documents. It is proposed that the Statement of Intent set out in this report should be subject to consultation to strengthen the evidence base for the review of the Core Strategy.

2. Reviewing targets

2.1 Any revised housing targets in the Joint Core Strategy, however influenced by local aspirations, must be founded on robust evidence and collaboration with stakeholders. This will be tested through the public examination. Advice on the nature of this evidence is provided in Planning Policy Statement 3 (PPS3) on housing, re-issued by the new Government in June 2010. This includes:

- a. *Evidence of current and future levels of need and demand for housing*
- b. *Evidence of the availability of suitable land for housing*
- c. *The Government's overall ambitions for affordability across the housing market, including the need to improve affordability and increase housing supply.*
- d. *A Sustainability Appraisal of the environmental, social and economic implications*
- e. *An assessment of the impact of development upon existing or planned infrastructure*

2.2 This paper focuses on the first two aspects since the broader assessment of levels of housing will need to be carried out through the consideration of options for the Core Strategy. It is important however to underline that housing targets (and the associated population increase) are closely linked to wider planning objectives and the delivery of local aspirations. Levels of growth will affect the ability to meet key objectives such as:

- Housing needs – cheaper house prices in the area compared to the south east will continue to attract incomers (many with substantial equity). Limiting supply against this demand is likely to push up prices making housing less affordable to local people;
- Economic development – new businesses are attracted to areas that are seen to be buoyant and offer an adequate and suitably skilled workforce. People moving into North Northamptonshire tend to have higher incomes and be in higher skilled occupations than those in the existing population. However they are also more likely to commute out of the area, so more housing is likely to result in more commuting unless accompanied by job creation;
- Town centre investment – the levels of new retail floor space identified in the CSS and town centre Area Action Plans are premised on growth in population and spending. Investors will take a view on opportunities in the light of any revised levels of planned population growth;
- Infrastructure delivery – most infrastructure has a threshold population required to support it. The nature and timing of provision of facilities such as schools or public transport will therefore be affected by rates of housing growth. The case for major strategic infrastructure such as green infrastructure or transport may be affected by the overall scale of growth proposed across the area;

- Regeneration – development provides investment which, alongside public funding, can help to rejuvenate existing places and communities.
- 2.3 The Core Strategy review will take account of the evidence required by PPS3 and wider linkages such as those referred to above. In doing so, it will seek to build in a strong ‘place shaping’ agenda, designed to ensure that overall housing requirements, and the share for individual settlements, takes account of local vision and aspirations of how places can change for the better. This report does not pre-empt the work on the Joint Core Strategy but provides evidence to enable the Joint Committee to signal its direction of travel and intention to draw out current adopted housing targets over a longer period.
3. Basis for previous growth targets
- 3.1 Although the RSS has been revoked, its evidence base remains material in considering housing requirements in the period to 2031. The identification of North Northamptonshire as part of a national Growth Area reflected the area’s proximity to the south-east; its strategic infrastructure links and economic potential; the few nationally recognised environmental constraints; its past performance in accommodating growth; and the regeneration needs of Corby.
- 3.2 This was taken forward in the CSS, which sets out a clear spatial vision for North Northamptonshire, including the distribution of new housing and jobs and requirements for improved infrastructure. This was adopted in June 2008, following a public examination. Whilst the delivery of this strategy has been slowed by the national recession, it remains the key part of the development plan for the area and the starting point for planning decisions and infrastructure plans.
- 3.3 The new Government’s position on Growth Areas has yet to be clarified but, in arriving at locally determined housing targets, the Joint Committee will need to have regard to the same drivers of growth that informed the previous growth plans and that provide the area with significant opportunities should the local authorities choose to embrace them.
- 3.4 However, the previous housing targets assumed that:
- economic activity can be shifted against trends to deliver more and better jobs in North Northamptonshire to balance new homes;
 - that adequate private and public sector investment in infrastructure and services will be available; and
 - that, given the above and an adequate supply of development sites, market forces will support a ‘step-change’ in the rate of house building in the area to unprecedented levels.
- 3.5 In practice, job creation has lagged behind house-building. In the period before the recession (2001 to 2007) only 6,605 net new jobs were created compared to 12,764 new homes (source: ABI and AMR). There has been a net loss of jobs during the recession. The Strategic Northamptonshire Economic Action Plan (SNEAP) underlines the challenge, with trend based forecasts suggesting that the area might deliver only 28,000 jobs in the period to 2021 (against target of 47,000). SNEAP identified an ambitious range of interventions needed but despite some notable successes in

attracting investment, it is unlikely that the scale of interventions necessary to deliver jobs targets will be possible given constraints on public spending.

- 3.6 Progress has been made on infrastructure delivery. For example over £75 million Growth Funding has been invested across the area and major investment is lined up to overcome strategic constraints (A14 capacity and waste water infrastructure) and the needs arising from individual developments. Corby has been able to put in place much of the infrastructure necessary to meet planned levels of growth. However, public funding to date has not met needs identified by the delivery partnership NNDC (through its Programme of Development) and spending cuts could put at risk future investment. This could impact on the deliverability of developments including the Sustainable Urban Extensions. It is not yet clear if limited public funding will be targeted at the Growth Areas or what role proposed financial incentives or development tariffs can play in delivering local infrastructure. However, current indications are that there will be less public investment available than assumed by previous growth plans.
- 3.7 Finally, market forces supported a strong momentum of growth in the early years of the plan period, with dwelling completions rising 49% from 1,441 in 2001/2 to 2,155 in 2007/8. This was brought to an abrupt halt by the recession, with only 1,119 homes built in 2009/10. Major private sector investment and decisions by the planning authorities and Secretary of State have set the foundation for rates of development to accelerate when the housing market recovers and developments become viable. However over the period 2001/02 to 2009/10 total completions fell 3,068 short of target levels set out in the CSS and there is no reasonable prospect that the strength of recovery in the housing market will be rapid enough to reach and sustain the levels of house building required to reach former growth targets (see Figure 2).
- 3.8 Notwithstanding the fact that North Northamptonshire is well placed to continue to accommodate some growth pressures arising outside the area, there is therefore a strong case for housing requirements to be revised downwards on the basis that previous growth trajectories are undeliverable given conditions in the housing market and that associated jobs targets and infrastructure investment are unlikely to be achieved.
4. Existing completions and commitments
- 4.1 North Northamptonshire has a history of accommodating significant housing growth. For example, in the decade to 2005, the housing stock increased by 13.2%, almost twice the 7% increase in the UK (Source: NN Housing Market Assessment 2007).
- 4.2 There is an ongoing momentum of development. Table 1 shows completions to date and potential sources of housing. By April 2010, over 15,000 dwellings of the 52,100 requirement had been built and 24,000 had been committed through planning decisions (including four of the five major Sustainable Urban Extensions). The degree to which other potential sources of housing are 'commitments' varies as policy decisions behind saved or emerging plan allocations may be revisited. However, regardless of future growth aspirations, there is clearly an important job to do in ensuring that existing housing commitments are delivered in a sustainable manner, supported by infrastructure and jobs.

Table 1	Completions 2001/02- 09/10	Planning permissions¹	Saved Local Plan allocations	Emerging Plan allocations	Other Sites⁶	Total
Corby	3,228	8,211 ³	355	4,000 ²	2,127	17,921
East Northants	4,246	1,443	346	4,145	232	10,412
Kettering	4,934	8,078 ⁴	0	2,346	1,397	16,755
Wellingborough	2,838	6,541 ⁵	545	2,696	650	13,270
Total	15,246	24,273	1,246	13,187	4,406	58,358

Notes

- 1 Includes resolutions to grant subject to s106.
- 2 4,000 dwellings at West Corby SUE
- 3 Includes 4,360 dwellings at Priors Hall SUE
- 4 Includes 5,500 dwellings at Kettering East SUE
- 5 Includes 3,100 dwellings at Stanton Cross SUE and 3,000 dwellings at Upper Redhill SUE
- 6 Other sites are those identified by the planning authorities as likely to come forward.

4.3 In addition to the potential supply of housing identified above, other sources of housing will include developments coming forward on previously developed land or other sites that are acceptable to the planning authorities. The Strategic Housing Land Availability Assessment carried out in 2008 provided a 'stock-take' of potential sites that the planning authorities could draw on to meet housing requirements. This identified a substantial 'deliverable' supply of sites in all districts that could, in theory (and subject to decisions by the planning authorities), meet previous RSS growth requirements.

5. Evidence of current and future levels of need and demand

5.1 The difficulty with any assessment of future need and demand for housing is that they are inextricably linked with the supply of new housing and the way the area is perceived by moving households. The Housing Market Assessment (HMA) predates the recession but provides a snap-shot of the dynamics of the housing market in 2006, showing that demand from in-coming households was accelerating (up 150% since 2001) and estimating that an extra 2,880 dwellings per annum would be required to meet identified needs and demands. This evidence of growing demand is reflected in the accelerating rate of house building in the period 2001/2 to 2007/8 and the ONS trend-based forecasts.

5.2 The HMA identified the main drivers of growth in the Housing Market Area as being:

- Its attraction to new resident out-commuters to neighbouring urban areas, being seen as a good (and relatively cheap) place to live, if not to work;
- The growth in internal employment, although this was noted as being much more difficult to achieve, at least in terms of higher paid employment; and
- Policy targets for new housing development which are an attraction to the development sector

5.3 Promotion of North Northamptonshire to a national market, most recently through the 'North Londonshire' campaign, has used these and other attractions to build demand from in-coming households (and businesses). The extent of future campaigns will reflect the local aspiration for growth but, under any scenario, it is difficult to envisage

demand rising enough to support rapid recovery to sustained house building rates of over 3,500 pa required to meet previous growth plan targets (see Figure 2). It is more likely that demand will recover gradually and will not reach or sustain the high levels of development required to meet previous growth targets (although initiatives such as Kickstart will serve to accelerate development in Corby in particular).

- 5.4 Other market information supports this view. NNDC reports that house builders are pessimistic about market conditions, which have slowed in recent months due in part to concerns over economic prospects. The three biggest concerns for house builders looking forward are the availability of mortgage funding as Government support falls away later this year and lenders rely once again on the wholesale markets; the likely reduction in funding for the affordable housing programme, which is likely to make some sites unviable; and the hiatus created in the planning system by the revocation of RSS.
- 5.5 EMRA used household projections to prepare dwelling forecasts as part of the evidence base for the RSS. Table 2 incorporates EMRA's June 2009 forecasts of dwelling requirements arising from Natural Change and Trend-based growth to 2031. These are based on the ONS 2006-based household projections (see notes). For comparison, the table also indicates the dwelling requirement that would arise from a roll forward of the former RSS Growth Policy to 2031. Completions to 2006 are provided to give a total figure for the period 2001-2031, allowing comparison with previous growth targets. These projections are illustrated in Figure 1.

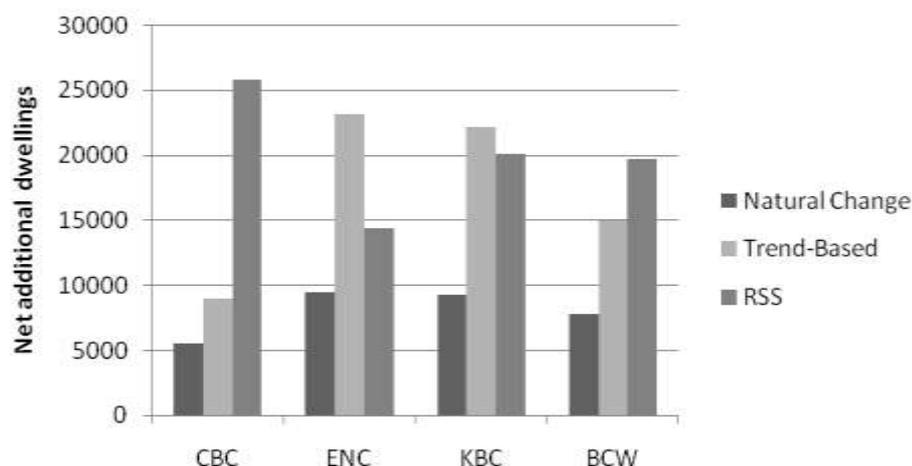
Table 2	Completions 2001-06	Dwelling Requirement 2006-31		Previous RSS policy
		Natural Change	Trend-based	
Corby	1,364	4,200	7,650	24,450
ENC	2,825	6,650	20,300	11,600
Kettering	2,860	6,450	19,350	17,250
Wellingborough	1,521	6,250	13,500	18,150
Total	8,550	23,550	60,800	71,450
Total 2001-31		32,100	69,350	80,000

Notes

1. Natural Change shows what would happen with no influence of migration. Fertility and mortality rates are the same as in the ONS projections.
2. Trend-based projection is the ONS 2006 scenario from EMRA (June 2009). This is based on the 2006 ONS sub-national projections, which assume a level of future migration, fertility and mortality based on the previous five years experience in each district, with slow future change following patterns predicted for England as a whole. Trend-based projections are likely to be revised downwards when ONS 2008-based household forecasts are published at the end of the 2010.
3. The Previous RSS policy requirements are the residual requirement for each district to 2021 (CSS requirement less completions 2001-06) plus a share of the former RSS indicative requirement of 28,000 to 2031. This has been distributed across the districts in the same proportions as the original 52,100, but is clearly a matter to be resolved through the Core Strategy review. The figures differ from EMRA's June 2009 projections which

assumed that dwelling completions 2001-6 were as per the RSS (in reality there was an under-provision against targets of 2,575). North Northamptonshire was unique in the East Midlands in having an RSS housing requirement that exceeded the ONS trend-based projection.

Figure 1 - Dwelling Projections 2001-31



- 5.6 For the NN Housing Market Area as a whole, the projections indicate dwelling requirements (2001-31) ranging from 32,000 for Natural Change through to 80,000 under the previous RSS targets.
- 5.7 The Natural Change projection provides a point of reference, showing the impact of births and deaths in the existing population. However it is of limited value in considering future housing requirements. This is because the forecast dwelling requirement of 23,500 between 2006 and 2031 will be exceeded from existing commitments alone (see Table 1). Also, North Northamptonshire, along with every other Housing Market Area in the East Midlands has experienced significant population (and housing) growth as a result of in-migration and these pressures will continue, as reflected in ONS trend-based forecasts. Ignoring this demand is likely to result, amongst other things, in increased pressure on existing stock (escalating problems of affordability) and suppressed levels of economic development. Revised 2008-based ONS household forecasts are due at the end of the year and will need to be taken into account in the review of the Core Strategy.
- 5.8 The previous RSS Target is equally unrealistic given the under-provision of homes relative to targets in the period since 2001, which would necessitate a very rapid recovery in rates of house building (see Figure 2 below). As set out in paragraphs 3.4 to 3.8 above, there are also clear policy reasons for a downwards review of previous targets.
- 5.9 In reality the appropriate level of housing provision will lie somewhere between the two extremes of Natural Change and previous RSS targets. Given the extent of commitments referred to in Section 4 above, is likely to be driven largely by what is deliverable in the context of market conditions and their impact on the viability of the sustainable urban extensions in particular.

6. Re-basing existing targets

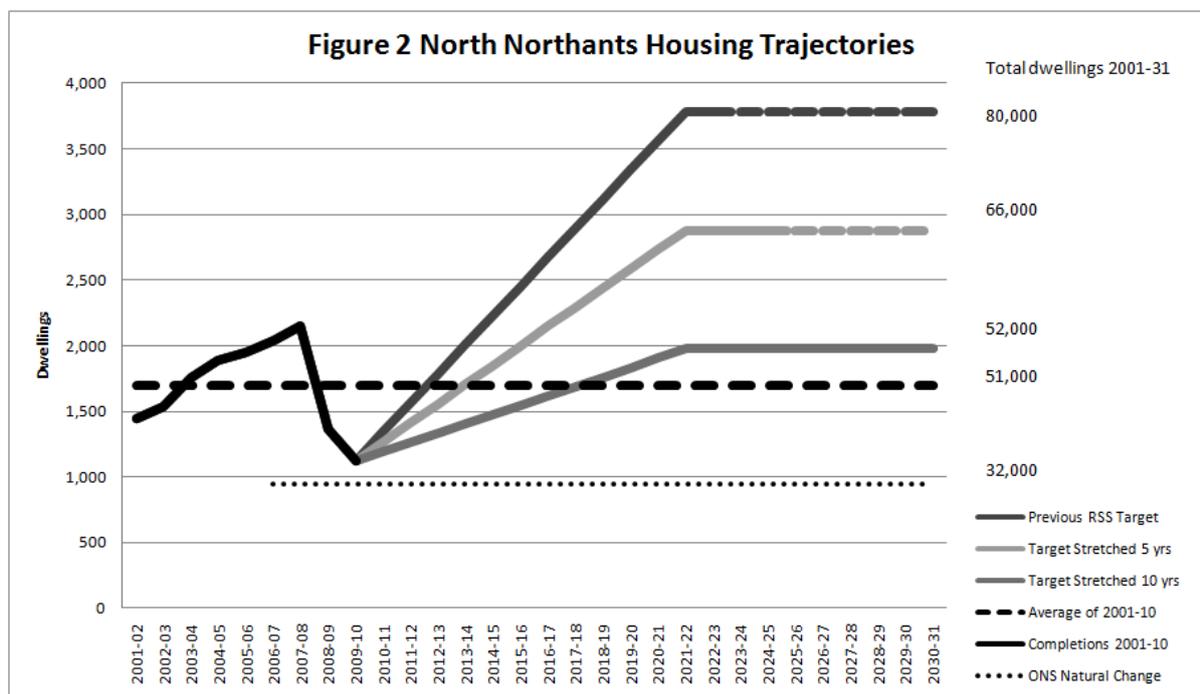
6.1 Economic forecasts vary (e.g. the prospects for a 'double-dip' recession) but for the purpose of this report, the National Housing and Planning Advisory Unit's assumptions (2009) have been used. These were that there will be:

- No net increase in mortgage lending until 2011; mortgage supply equals 2/3 demand from 2012 to 2015; mortgage supply equals demand from 2016
- A short term dip in net additions nationally to 100,000 in 2009 and 2010
- Straight line growth from 2011 to plateau in 2021

6.2 Based on these assumptions, Figure 2 shows the broad trajectories that would be required to meet previous growth targets over differing periods, with the average rate of dwelling completions 2001/02 -2009/10 and the ONS 2006-based Natural Change forecast shown for reference. The solid lines show trajectories to deliver the adopted CSS target of 52,100 dwellings and the dashed lines continue these trajectories to deliver as follows:

1. **Previous RSS Target** – to deliver former RSS indicative target of 80,000 dwellings 2001-31. This would require an unprecedented acceleration of house building to a plateau of over 3,700 dwellings per annum from 2021.
2. **Target stretched 5 years** – to deliver former RSS target of 66,000 by 2026 but stretched over an additional 5 year period to 2031. It would require an acceleration of house building similar to that witnessed in North Northamptonshire in the period 2001-6, to a plateau of just under 3,000 dwellings per annum.
3. **Target stretched 10 years** – to deliver CSS target of 52,100 dwellings but over an additional 10 year period to 2031, with a plateau of around 2,000 dwellings per annum.

6.3 For comparison, carrying forward the 2001/2-2009/10 average rate of housing development would deliver 50,800 dwellings by 2031 and the ONS based Natural Change requirement equates to 32,100.



6.4 These trajectories are provided in order to generate debate over appropriate and deliverable rates of housing development in North Northamptonshire in the period to 2031. They can be tested and refined through the review of the Core Strategy, which will assess the implications for delivering wider objectives and local aspirations.

6.5 There clearly needs to be a debate over the rate of delivery that can be achieved as the housing market recovers. Place-marketing can help to focus demand on North Northamptonshire and, given the extent of planning commitments, the area is well placed to deliver quickly. Initiatives such as the HCA 'Kickstart' scheme can help boost delivery in difficult market conditions but the extent to which the area as a whole can buck national market conditions is debateable. It is considered prudent to base the consideration of revised housing targets on the NHPAU assumptions.

6.6 It is important to stress that it is economic conditions rather than a lack of development sites that will prevent current CSS targets being met by 2021. The Annual Monitoring Report (December 2009) identifies a supply of sites which could theoretically deliver 54,000 homes by 2021.

6.7 Taking account of the above, it is proposed that the Joint Core Strategy review should assess the implications of the following growth scenarios for North Northamptonshire:

1. High – around 66,000 dwellings by 2031. This matches the '5 year stretch' in Figure 2 and is close to the ONS 2006 trend-based forecast of 69,000 net additional dwellings;
2. Low – around 40,000 dwellings by 2031. This is the lowest feasible requirement given existing planning permissions or resolutions (see Table 1) and would entail average annual completions of 1,180 per annum, only marginally above the low point of 1,119 dwellings completed last year.

3. Medium – around 53,000 dwellings by 2031. This is the midpoint between High and Low scenarios and is close to the '10 year stretch' in Figure 2.

6.8 Hybrid scenarios will inevitable emerge through the assessment of options and as local ambitions are clarified. However, in line with Government advice, it is recommended that the Joint Committee indicates its intention to pursue housing requirements in the review of the joint Core Strategy that are substantially below those in the (now revoked) RSS.

7.0 Implementing the Core Spatial Strategy

7.1 The review of the Core Strategy is programmed to be completed in 2012. In the meantime, it is necessary to take a view on the deliverability of existing CSS housing targets in the four districts. This is important for the districts in bringing forward their site specific development plan documents and in demonstrating a 5 year supply of deliverable housing sites in accordance with PPS3. Although the housing requirements in the adopted Core Strategy remain the starting point for planning decisions, these were imposed by the RSS and it is clear that the Government wishes local planning authorities to be responsible for establishing the right level of local housing provision in their area. It is recommended therefore that the Joint Committee should make a clear statement of intent that existing CSS targets will be drawn out over a longer period than originally envisaged. This is a pragmatic approach that reflects the practicality of achieving the housing targets in the current market, proceeding with growth and infrastructure provision under a planned approach but at a slower pace.

7.2 Taking a realistic view of delivery rates means that the current supply of sites will last longer. If the current CSS target is stretched to 2026, it will need to be delivered over a 25 year period; if stretched to 2031, it will need to be delivered over a 30 year period. This will have an impact on 5 year supply requirements because the residual requirement is averaged over a greater number of years. The implications for each district are set out below (based on the supply of sites identified in the December 2009 AMR):

	Number of years supply		
	2009 Annual Monitoring Report	Stretch CSS target to 2026	Stretch CSS target to 2031
CBC	5.34	8.14	10.68
ENC	6.16	9.89	12.99
KBC	5.37	9.66	12.68
BCW	3.70	6.34	8.32

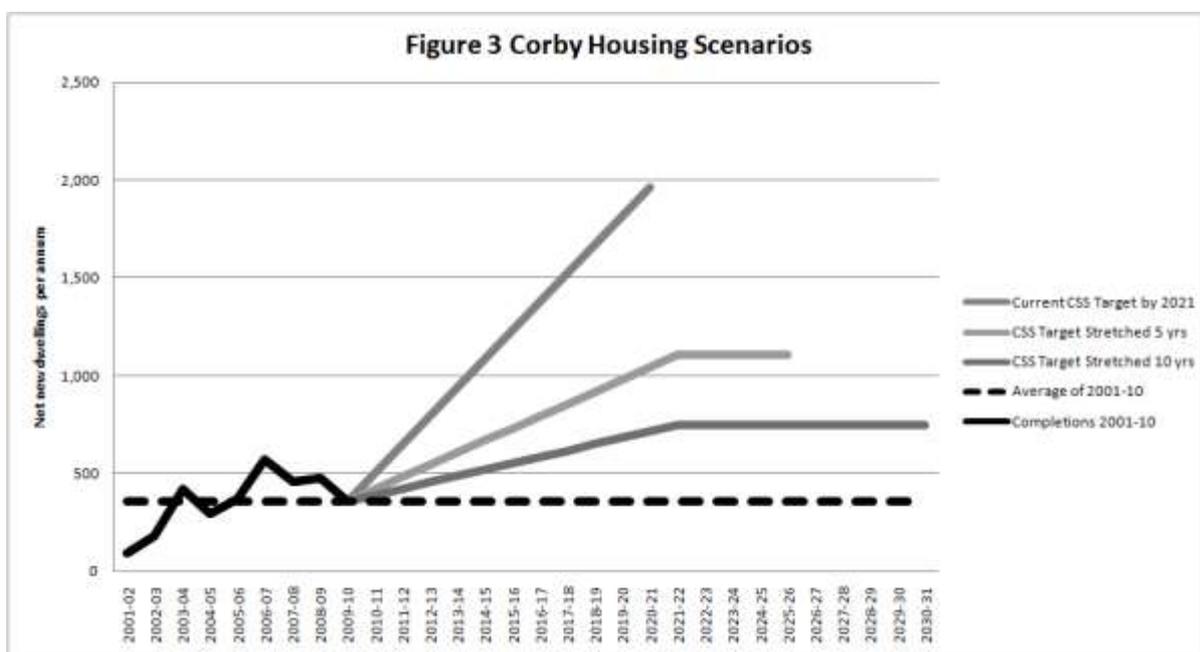
7.3 Rebasings existing targets in this way would thus help put the partner authorities in a more comfortable position on 5 year supply issues, helping them to resist developments that do not accord with the spatial vision set out in the CSS. The Joint Committee's position on this should be a significant material consideration in relation to 5 year supply issues and the preparation of site specific Development Plan Documents. It is proposed that the Statement of Intent set out in this report should be

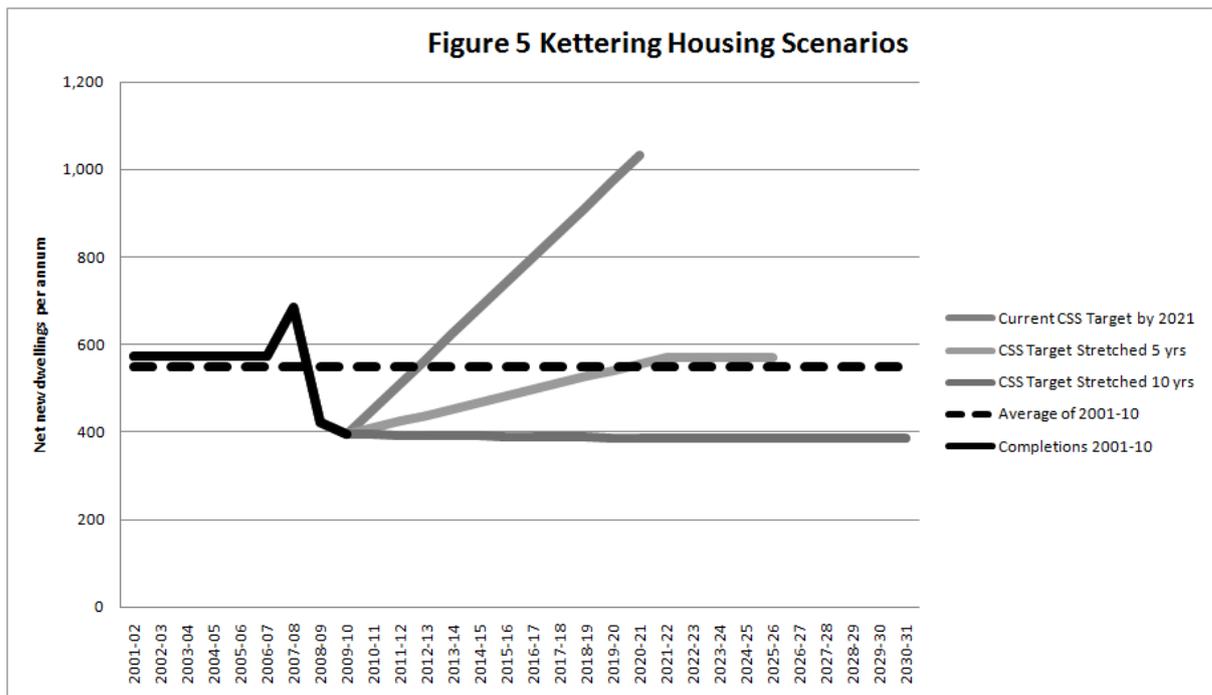
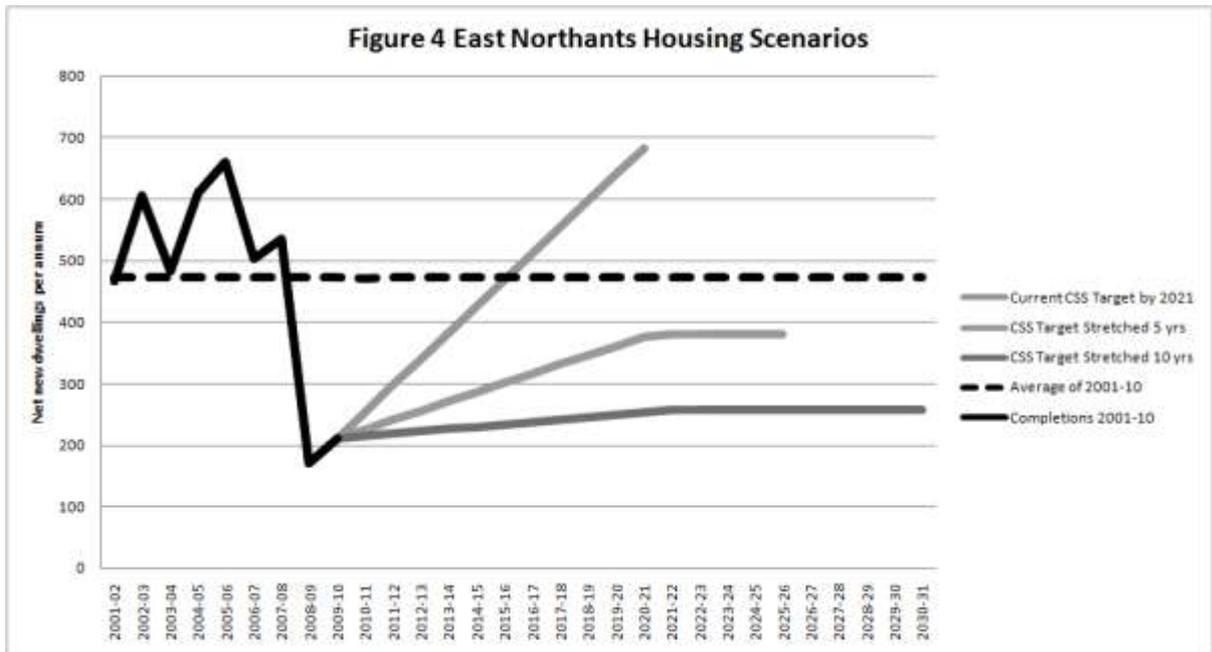
subject to consultation to strengthen the evidence base for the review of the Core Strategy.

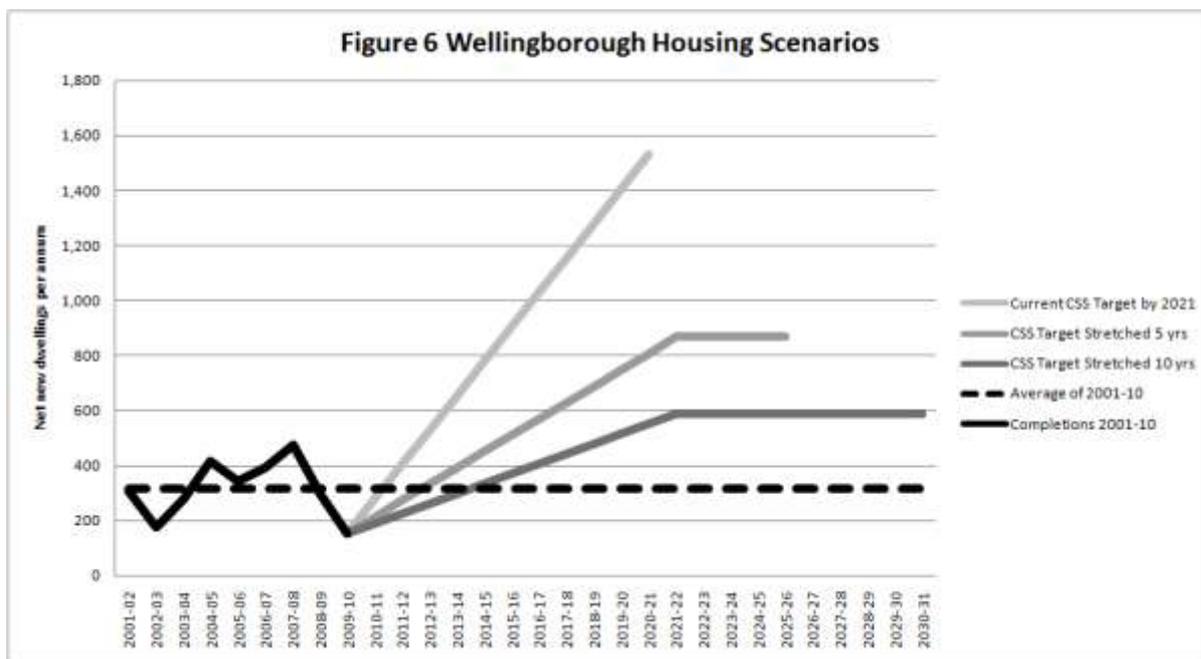
7.4 Figures 3 to 6 below illustrate the trajectories required for each district to meet existing CSS targets (for which there is an established evidence base) by 2021, 2026 or 2031 assuming that completion rates increase in straight line from 2009/10 to 2020/21 and are then maintained thereafter. No assumption has been made as to requirements over and above the adopted CSS as this is a matter for the Core Strategy review. The implications of different levels of housing growth and its distribution between settlements will need to be assessed through consultation and technical work on options; consultation on which is currently programmed for January/ February 2011.

7.5 For reference, Table 3 sets out adopted CSS targets to 2021, completions to date, and firm commitments in terms of planning permissions (other potential sources of housing are set out in Table 2).

Table 3	Core Strategy housing target 2001 - 2021	Completions 2001/02-09/10	Extant planning permissions
Corby	16,800	3,228	8,211
East Northamptonshire	9,400	4,246	1,443
Kettering	13,100	4,934	8,078
Wellingborough	12,800	2,838	6,541
Total	52,100	15,246	24,273







7.6 The deliverability of the scenarios illustrated in Figures 3-6 will vary between the districts due to the scale of their targets and factors including past rates of development, market demands, infrastructure capacity and site specific issues including development viability. The aspirations of the local planning authorities and their ability to proactively bring forward developments will also be important. Consultation on the statement of intent will enable the partner planning authorities to consider their position taking account factors including further details of the Government's 'New Homes Bonus'. Response to this consultation will be reported back to the Committee at its December meeting.

8. Conclusions

8.1 The position varies across the districts but the overall conclusions for the North Northamptonshire Housing Market Area are that:

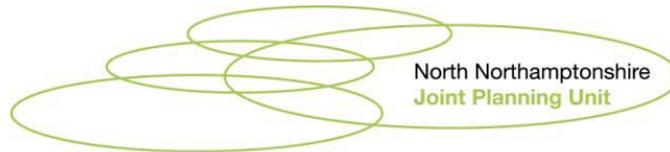
- a. Overall Core Strategy housing requirements cannot be delivered by 2021. This is not because of a shortage of sites but because of the recession and forecast housing market conditions;
- b. Previous RSS growth targets were premised upon levels of job creation and infrastructure investment and market demands that have not been realised and the prospects of them being achieved in the future will be impacted by national policy relating to growth and the availability of public funding;
- c. The Joint Core Strategy review will assess Options for differing levels of housing development to 2031 and its distribution between settlements, taking account of the evidence required by PPS3 but also local aspirations and the relationship between population growth and the achievement of other planning objectives;

- d. This will take account of the established momentum of development in North Northamptonshire and the likelihood that future patterns of development will be shaped to a large extent by existing planning commitments including the Sustainable Urban Extensions.
- e. 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. However, for the reasons set out in this report, adopted housing targets to 2021 will need to be delivered over a longer timescale and the overall level of housing development to 2031 will be lower than the indicative requirement of the previous RSS.

Recommendation

It is recommended that the Joint Committee:

1. Agrees the above conclusions as a statement of intent to reassess housing requirements for North Northamptonshire through the review of the Joint Core Strategy, with reduced overall housing requirements to 2031 and existing CSS targets delivered over a longer timescale;
2. Consults on this statement and report as a means of gauging the partner planning authorities' aspirations for growth and seeking views from the development industry and other stakeholders on delivery issues; and
3. Requests that the partner planning authorities take this position statement and report as material considerations for the purpose of calculating 5 year housing supply and bringing forward site specific plans.



North Northamptonshire Joint Committee September 2010

Draft Statement of Intent on Housing Targets for North Northamptonshire

Introduction

The North Northamptonshire Joint Committee is the planning authority established to prepare the overall strategic plan (the Joint Core Strategy) for the districts and boroughs of Corby, East Northamptonshire, Kettering and Wellingborough. The Core Strategy adopted in June 2008 sets out housing requirements for the period 2001 to 2021 by local authority area and for key settlements.

The Government has abolished regional housing requirements, leaving it to local councils to decide and justify how much new housing should be built. The Government's Chief Planner has indicated that authorities wishing to review housing requirements "should quickly signal their intention to undertake an early review so that communities and land owners know where they stand" (letter of 6th July 2010).

This Statement of Intent responds to this invitation, outlining how housing requirements for North Northamptonshire will be assessed through the review of the Joint Core Strategy and how existing adopted requirements should be treated in the interim period. Further information is contained in the report to the Joint Committee attached as Appendix 1. This statement and supporting evidence will be material to the consideration of planning applications and in the preparation of site specific development plan documents.

The Core Strategy review

The Joint Committee is reviewing the Core Strategy for the period to 2031 and intends to identify housing requirements below the targets in the previous Regional Plan (including the "uncommitted planning assumption" of 28,000 new dwellings in the period 2021 to 2031). This reflects the recession and forecast housing market conditions and will allow for a more measured rate of house building, better aligned with new jobs and infrastructure and with local aspirations for how places should change.

The Joint Core Strategy review will assess Options for differing levels of housing development to 2031 and its distribution between settlements, taking account of the evidence requirements set out in Planning Policy Statement 3 on Housing (PPS3) and also local aspirations and the relationship between population growth and the achievement of other planning objectives.

Consultation on options will take place early in 2011. These will take account of the established momentum of development in North Northamptonshire and the likelihood that future patterns of development will be shaped to a large extent by existing planning commitments including the Sustainable Urban Extensions.

Annex 2: North Northamptonshire Housing Targets – Draft Statement of Intent

Interim position on housing targets

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. However, the adopted strategy, including the housing targets to 2021, will need to be delivered over a longer timescale. This is due to the impacts of the economic recession on the housing market and infrastructure provision, not because of a shortage of sites for house building (there are currently over 24,000 house plots in North Northamptonshire with planning permission or resolutions to grant permission).

Given improved market conditions and adequate funding for infrastructure, it appears that adopted targets for East Northamptonshire and Kettering to 2021 could be delivered by or close to 2026. This is also the aspiration for Corby where infrastructure investment and initiatives such as the Government's 'Kickstart' programme will help speed the recovery in rates of house building. For Wellingborough, relatively low rates of development to date mean that it is unlikely that adopted targets can be met until after 2026.

Revised delivery periods for adopted housing targets will be identified by the Joint Planning Committee in the light of feedback from the local planning authorities, the development industry and infrastructure stakeholders. Pending the submission of the JCS review, the local planning authorities will assess their 5 year supply of deliverable housing land against these longer delivery periods. This delivery of current adopted targets over a longer timescale is a pragmatic response to current market conditions, proceeding with growth and infrastructure provision under a planned approach but at a slower pace. It will allow the planning authorities to maintain a 5-year supply of deliverable housing land against realistic targets, reducing pressures to permit additional sites that are not in line with the spatial vision set out in the Core Strategy.

Comments invited

This statement of intent will be reviewed in the light of consultation feedback. Comments on the interim position on housing targets should relate to the delivery of the adopted Core Strategy in current and forecast market conditions, rather than the promotion of specific sites or alternative spatial strategies.

Comments are invited by Friday 19th November 2010 and should be sent to info@nnjpu.org.uk or to:

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North Northamptonshire Joint Planning Unit
1 Exchange Court
Cottingham Road
Corby NN17 1TY

**Annex 3: Setting housing trajectories – 2011-21 (Option 1); 2011-26 (Option 2)
and 2011-31 (Option 3)**

**Annex 3(a) – Adopted Core Spatial Strategy (CSS)
trajectory: delivery of 4869 dwellings, 2011-21 (Option 1:
delivery of CSS target by 2021)**

Year	CSS Trajectory (Table 3, CSS) (a)	CSS Residual (b)	Revised annual requirement (4869 x (b))		Mean annual delivery rate 2010-21 (4869/ 10 years)	New five year requirement 2011-16
2011-12	500	11.27%	548.93	549	487	549 dwellings/yr Tot 2011-16: 2745
2012-13	500	11.27%	548.93	549	487	
2013-14	500	11.27%	548.93	549	487	
2014-15	500	11.27%	548.93	549	487	
2015-16	500	11.27%	548.93	549	487	
2016-17	387	8.73%	424.87	425	487	425 dwellings/yr Tot 2016-21: 2124
2017-18	387	8.73%	424.87	425	487	
2018-19	387	8.73%	424.87	425	487	
2019-20	387	8.73%	424.87	425	487	
2020-21	387	8.73%	424.87	425	487	
TOTAL (2010-21)	4435		4869.00	4869	4869	4869

**Annex 3: Setting housing trajectories – 2011-21 (Option 1); 2011-26 (Option 2)
and 2011-31 (Option 3)**

Annex 3(b) – Possible trajectory revisions; delivery of 4869 dwellings, 2011-26 (Option 2: delivery of CSS target by 2026)

Year	CSS Trajectory (Table 3, CSS) (a)	Setting new trajectory stage 1 (4435/15 years)	Trajectory divided into 5 year blocks (b)	CSS Residual (c)	Revised annual requirement (Residual/ outstanding balance (4869) x (c))		Mean annual delivery rate 2010-26 (5154/16 years)	New five year targets
2011-12	500	295.67	242	5.46%	265.68	266	325	266 dwellings/yr Tot 2011-16: 1328
2012-13	500	295.67	242	5.46%	265.68	266	325	
2013-14	500	295.67	242	5.46%	265.68	266	325	
2014-15	500	295.67	242	5.46%	265.68	266	325	
2015-16	500	295.67	242	5.46%	265.68	266	325	
2016-17	387	295.67	300	6.76%	329.36	329	325	329 dwellings/yr Tot 2016-21: 1647
2017-18	387	295.67	300	6.76%	329.36	329	325	
2018-19	387	295.67	300	6.76%	329.36	329	325	
2019-20	387	295.67	300	6.76%	329.36	329	325	
2020-21	387	295.67	300	6.76%	329.36	329	325	
2021-22		295.67	345	7.78%	378.76	379	325	379 dwellings/yr Tot 2021-26: 1894
2022-23		295.67	345	7.78%	378.76	379	325	
2023-24		295.67	345	7.78%	378.76	379	325	
2024-25		295.67	345	7.78%	378.76	379	325	
2025-26		295.67	345	7.78%	378.76	379	325	
TOTAL (2011-26)	4435	4435.00	4435		4869.00	4869	4869	4869

**Annex 3: Setting housing trajectories – 2011-21 (Option 1); 2011-26 (Option 2)
and 2011-31 (Option 3)**

Annex 3(c) – Possible trajectory revisions; delivery of 4869 dwellings, 2011-31 (Option 3: delivery of CSS target by 2031)

Year	CSS Trajectory (Table 3, CSS) (a)	Setting new trajectory stage 1 (4435/20 years)	Trajectory divided into 5 year blocks (b)	CSS Residual (c)	Revised annual requirement (Residual/ outstanding balance (4869) x (c))		Mean annual delivery rate 2010-31 (5154/ 21 years)	New five year targets
2011-12	500	221.75	200	4.51%	219.57	220	243	220 dwellings/yr Tot 2011-16: 1098
2012-13	500	221.75	200	4.51%	219.57	220	243	
2013-14	500	221.75	200	4.51%	219.57	220	243	
2014-15	500	221.75	200	4.51%	219.57	220	243	
2015-16	500	221.75	200	4.51%	219.57	220	243	
2016-17	387	221.75	215	4.85%	236.04	236	243	236 dwellings/yr Tot 2016-21: 1180
2017-18	387	221.75	215	4.85%	236.04	236	243	
2018-19	387	221.75	215	4.85%	236.04	236	243	
2019-20	387	221.75	215	4.85%	236.04	236	243	
2020-21	387	221.75	215	4.85%	236.04	236	243	
2021-22		221.75	236	5.32%	259.09	259	243	259 dwellings/yr Tot 2021-26: 1295
2022-23		221.75	236	5.32%	259.09	259	243	
2023-24		221.75	236	5.32%	259.09	259	243	
2024-25		221.75	236	5.32%	259.09	259	243	
2025-26		221.75	236	5.32%	259.09	259	243	
2026-27		221.75	236	5.32%	259.09	259	243	259 dwellings/yr Tot 2026-31: 1295
2027-28		221.75	236	5.32%	259.09	259	243	
2028-29		221.75	236	5.32%	259.09	259	243	
2029-30		221.75	236	5.32%	259.09	259	243	
2030-31		221.75	236	5.32%	259.09	259	243	
TOTAL (2011-31)	4435	4435.00	4435		4869.00	4869	4869	4869