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1. Introduction

- 1.1 The National Planning Policy Framework (NPPF) requires Local Authorities to boost the supply of housing. To help do this, all Local Authorities are required to identify and update annually a supply of specific deliverable sites sufficient to provide five years' worth of housing against their housing requirement. It further requires an additional buffer of 5% to ensure choice and competition or a 20% buffer where there is a record of persistent under delivery.
- 1.2 This latest report presents the housing land supply position in Bromsgrove District at 1st April 2017 and concerns the 5 year period until 31st March 2022.

Methodology

1.3 There are a number of elements which can be included within the five year housing land supply (5YHLS). These are set out below.

Sites with permission for residential development

1.4 Sites where planning permission had been granted for residential development between 1st April 2016 and to 31st March 2017 were extracted from the Council's Development Management software program. Those involving a net gain or loss of dwellings were entered into the Housing Land Availability database (subsequently referred to as *the database*). Applications for replacement dwellings were also extracted for completeness and are included in the relevant Appendices of permitted sites. However, as there is no net gain in dwellings, their inclusion does not alter the overall supply figure.

Longbridge development sites

- 1.5 As part of the joint working arrangements with Birmingham City Council on the Longbridge Area Action Plan (adopted April 2009), it was agreed that despite falling within Bromsgrove District, development at the former MG Rover East Works site, to the south of Groveley Lane, Cofton Hackett would help to meet the housing needs from the Major Urban Area¹. As such, residential development at this site is counted towards Birmingham City Council's housing supply, and not that of Bromsgrove District Council. Details of the relevant planning application (15/0819) are set out in a separate table in Appendix C.
- 1.6 The database was then reviewed to ensure that residential permissions from previous years were still valid, involving the removal of completed sites and those where planning permission had expired.

¹ See para 3.103 – Proposal H2: Residential and associated development. <u>www.bromsgrove.gov.uk/media/1061758/bdc-planning-ldf-longbridge_aap-longbridge_aap_may_2009_final.pdf</u>

Prior Approvals

- 1.7 Since May 2013, planning rules have been gradually been relaxed for a number of land uses to allow changes of use to be made via permitted development rights. Instead of a full planning application being required, an application can now be made via the Prior Approval method. Prior Approval is now possible for a number of types of Change of Use to residential, namely:
 - Offices (B1(a)) to Residential (C3)
 - Agricultural Buildings to Residential (C3)
 - Retail (A1 or A2) or Mixed Retail to Residential (C3)
 - Amusement Arcades/Centres and Casinos (Sui Generis) to Residential (C3)
 - Launderette (Sui Generis) to Residential (C3)
 - Storage or Distribution (B8) up to 500m² to Residential (C3) Temporary Right for 3 years until 15th April 2018

Therefore this April 2017 update to the 5YHLS includes all dwellings approved via Prior Approvals for the monitoring period 1st April 2016 to 31st March 2017. In addition to this, from 30th September 2017, a new temporary permitted development right will be introduced for Light Industrial (B1c) up to a maximum floorspace of 150m² to Residential (C3). Any such changes of use will therefore be reported in the next monitoring period.

C2 Uses

- 1.8 The publication of the National Planning Practice Guidance (NPPG) gave greater clarity over the types of accommodation that can contribute towards the housing supply target. This states that all student accommodation² and accommodation for the elderly³ (including C2 uses) can be included within the housing land supply calculations. However, there is contradictory case law on the inclusion of such uses within housing land supply. As such, the Council has decided to exclude C2 uses from housing land supply calculations.
- 1.9 The authority has no sites with extant planning permission for student accommodation, but does have a number of valid planning permissions involving a net gain in C2 units (Residential Institutions). The Council keeps a record of planning permissions issued for C2 uses, to monitor the delivery of such uses and for consideration as part of future housing supply, as further guidance and case law is issued. Appendix G provides further detail of extant C2 planning permissions in the district.

³ NPPG Paragraph: 037 Reference ID: 3-037-20140306 "How should local planning authorities deal with housing for older people?"

² NPPG Paragraph: 038 Reference ID: 3-038-20140306 "How should local planning authorities deal with student housing?"

Site visits

- 1.10 Site visits to all sites with a valid planning permission for residential development (those issued in previous monitoring years ending at March 2016 and those issued since 1st April 2016 to 31st March 2017) were carried out during April 2017, to establish whether dwellings had been completed, were under construction or were still awaiting a start on site (classed as Outstanding). Sites where the planning permission expired prior to 31st March 2017 and where construction had not commenced were removed from the database as the permission has not been implemented and is therefore no longer valid.
- Calculating the supply from Sites with Planning Permission
 1.11 Following the site visits, the number of completions, units under construction and units outstanding were then entered onto the database to provide total numbers for future supply purposes.
 - Sites with a Resolution to Grant Planning Permission subject to Section 106 Agreement
- 1.12 Sites which have been before the BDC Planning Committee and have a resolution to grant planning permission, subject to the signing of a Section 106 legal agreement were also analysed and included as a separate category of future housing supply.

Deliverable SHLAA sites

1.13 The Council's Strategic Housing Land Availability Assessment (SHLAA) has been reviewed. Information has been gathered to ensure that the sites included in years 0-5 are deliverable and that they are available, suitable and that development is achievable. The estimated timescales for construction have been carefully considered, to ensure that the phasing of development is realistic, based on the size and constraints of the site.

Windfall allowance

1.14 An allowance has been made for dwellings on small windfall sites, in line with the recommendations of the BDP Planning Inspector.

5YHLS Calculation

1.15 Taking all of the above sources of supply into account, the 5YHLS was calculated, using the housing requirement from the Bromsgrove District Plan (adopted 25th January 2017), using all net completions since the start of the plan period and the associated shortfall to date.

2. The Bromsgrove District Housing Requirement

- 2.1. The Bromsgrove District Plan (BDP) includes a housing requirement of 7,000 dwellings for the 19 year period from 2011-2030. This gives a basic annual requirement of 368.4 dwellings per annum.
- 2.2. Appendix A summarises the number of completions from 1st April 2016 to 31st March 2017, and the sites that have delivered these completions are detailed in full in Appendices B (Completed Sites) and C (Under Construction Sites). In the 12 months from 1st April 2016 to 31st March 2017, 278 net units have been completed.
- 2.3. The table below illustrates the delivery of housing since the start of the BDP plan period. The completions to date leave a residual plan period requirement of **5,449** (7000 less 1551).

Housing delivery performance against emerging BDP 2011-2030							
Year	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Total
Proportionate Target	368.4	368.4	368.4	368.4	368.4	368.4	2210.4
Net Completions	256	130	176	228	483	278	1551
						Shortfall to date	659.4

2.4. Performance during the 12 months since April 2016 has resulted in the delivery of housing being lower than the proportionate requirement of 368.4 dwellings per annum. As housing delivery in previous years has also fallen short of the proportionate requirement, there is an overall shortfall of 659.4 units against the BDP plan period target.

3. What constitutes deliverable housing land?

- 3.1. The NPPF states that to be considered 'deliverable' sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within the next five years and in particular, that the site is viable. Sites with planning permission should be considered deliverable unless there is clear evidence that the schemes will not be implemented within five years⁴. To establish whether there is a five year supply of deliverable housing land in the District, existing commitments and Strategic Housing Land Availability Assessment (SHLAA) sites have been assessed as to whether they are available, suitable and achievable.
- 3.2. For sites to be considered **available** they will:
 - have a valid Outline, detailed (Full), Reserved Matters planning permission, Prior Approval or Certificate of Lawfulness; or
 - have a Resolution to Grant planning permission, subject to the signing of a Section 106 legal agreement; or
 - be sites that have the potential to make a significant contribution to housing delivery during the five year period; i.e. be allocated in the BDP or be identified in the Bromsgrove SHLAA as having potential for development within five years.
- 3.3. For sites to be considered **suitable** the NPPF indicates that they should offer a suitable location for development which would contribute to the creation of sustainable mixed communities. For those sites with planning permission this assessment of suitability will have formed part of the decision making process to grant planning permission. Therefore it is considered that sites with an existing planning permission are suitable. The suitability of SHLAA sites has been assessed as part of the separate SHLAA process (last completed in 2015).
- 3.4. For sites to be considered achievable there should be a reasonable prospect that housing will be delivered on the site within five years. Development on sites is considered achievable if:
 - there are no known ownership constraints; and
 - there are no known physical or environmental constraints;
 and
 - there are no conditions or section 106 agreements precluding or limiting development within the five year period.
- 3.5. The NPPG emphasises that planning permission or allocation in a development plan is not a prerequisite for a site being deliverable in

⁴ NPPF (2012) Footnote 11

terms of the five year land supply⁵. The SHLAA sites that have been included in the five year supply are considered to be suitable, available and will make a significant contribution to the delivery of housing during the five year period. These sites have been robustly assessed within the SHLAA to identify realistic rates of delivery within the 5 year period. Additionally, contact has been made with those proposing the sites for development to gain a greater understanding of the build out trajectory.

⁵ NPPG Paragraph: 031 Reference ID: 3-031-20140306 "What constitutes a 'deliverable site' in the context of housing policy?"

4. Components which contribute to the Five Year Supply of Deliverable Housing Land

4.1. The actual components which have been included in the five year land supply at April 2017are summarised below. Further detail is provided in the corresponding Appendix.

Sites Under Construction

4.2. At 1st April 2017 there are **165** net dwellings under construction. It is entirely reasonable to expect all of these dwellings to be completed within the five year period. The sites under construction are detailed in **Appendix C**.

Sites with Outstanding Planning Permissions

- 4.3. There are a total of 900 net dwellings with planning consent of which 517 net units are on sites where development has commenced, and a further 383 net units are on sites where development has not commenced. A schedule of all sites with Outstanding planning permissions are detailed in Appendix D. Sites where some units are Under Construction, but with some dwellings Outstanding are detailed in Appendix C.
- 4.4. Again, there is considerable confidence that the 517 outstanding net units on sites where development has commenced will be completed within the next five years.
- 4.5. With regard to the sites where development has not commenced, Footnote 11 on page 12 of the NPPF states:

"Sites with planning permission should be considered deliverable until planning permission expires, unless there is **clear evidence** that schemes will not be implemented within 5 years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans."

4.6. Neither the NPPF nor the NPPG state that Councils are required to apply a blanket discount rate to planning permissions on Outstanding sites to take account of planning permissions which may not be implemented. This was also the conclusion reached by the BDP Planning Inspector, who found at para 52 of his December 2016 report that:

"I have seen no specific evidence that the developments included in the Council's five year land supply are unlikely to come forward. I therefore agree with the Council that there is no need to apply a broad brush 'lapse rate' discount."

⁶ Bromsgrove District Plan Inspector's Report - <u>www.bromsgrove.gov.uk/council/policy-and-strategy/planning-policies/local-development-plan/the-bromsgrove-district-plan-2011-30/inspectors-report.aspx</u>

- 4.7. To establish the timing of construction of residential sites, BDC uses site specific information by contacting the planning agent/developer of all large sites with extant permission each year. Information is also known through discussions with planning agents/developers, which have taken place on an ad-hoc basis.
- 4.8. For this April 2017 update of the 5YHLS, and in line with the Inspector's view, the Council has no **clear evidence** to justify any housing reductions on committed sites at this time.

<u>Sites with a Resolution to Grant Planning Permission subject to a Legal Agreement</u>

- 4.9. There are currently two sites yielding 30 units where the Council has made a resolution to grant planning permission, subject to the signing of a legal agreement. The site in Hagley (14/0408) yields 26 net units. Discussions with the Development Management case officer indicate that after limited progress in the previous years, work is now progressing and the legal agreement should be signed in the next few months. The second site in Bromsgrove yields four C3 units (16/1056). Planning Committee resolved to grant the application in March 2017 and therefore a legal agreement should be completed shortly.
- 4.10. A schedule of the sites with a resolution to grant planning permission is included at **Appendix E**.

Deliverable SHLAA Sites

- 4.11. Seven sites have been identified within the BDC Strategic Housing Land Availability Assessment (SHLAA 2015) that are expected to contribute to the delivery of housing over the next five years. These sites are those that are capable of delivering 10 or more dwellings which are either current planning applications or at the pre-application stage with planning applications expected in the near future. These sites identified from the SHLAA are considered deliverable in line with Footnote 11⁷ of the NPPF.
- 4.12. The seven SHLAA sites are detailed at Appendix F, and it has been calculated that a total of 1147 units from these sites can be delivered in the next 5 years. This represents 60.3% of the total capacity (1,902 dwellings) of these seven SHLAA sites. The remaining capacity will be delivered in the remainder of the plan period.
- 4.13. A short commentary on the current status of each SHLAA site is included to justify and explain the site's inclusion in the 5YHLS. The

⁷ To be considered deliverable, sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable.

phasing of construction on each of the sites is provided, indicating when the development is likely to commence and the number of completions per year.

4.14. Much of the information has been sourced from the developers/planning agents acting on behalf of the sites. Naturally, the figures used are considered to be a best estimate at the current time taking into account economic conditions and planning permission being granted within a reasonable period of time. It is important to reaffirm that this information does not pre-determine whether planning permission should be granted. Each planning application will be assessed on its individual planning merits.

Windfall allowance

- 4.15. Paragraph 48 of the NPPF states that local planning authorities may make an allowance for windfall sites in the five year supply if they have compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply.
- 4.16. Windfall development is monitored as part of the Housing Land Availability review process in Bromsgrove each year, and a detailed commentary and calculation method has previously been included in the 2015 SHLAA⁸ and in older 5YHLS reports.
- 4.17. At the examination into the Bromsgrove District Plan, the Inspector considered the appropriateness of the Council's windfall allowance. He found in his Inspector's Report (December 2016), at para 43 that:

 "Justification for the windfall allowance of 40 dwellings per annum, which has been increased from the figure of 30, is set out in the more up-to-date assessment of five year housing land supply, discussed below. This increase is based upon evidence of increased recent windfall rates that take account of dwellings delivered through permitted development rights notably relating to agricultural buildings. Bearing in mind the rural nature of much of the District, a modest increase of 10 dwellings per annum in the windfall estimate appears realistic —and is well below the current rate of delivery."

 He went on to conclude that he was "satisfied that the windfall estimate is robust" (para 47).
- 4.18. Therefore, a small site windfall allowance of 40 dwellings per annum has been applied in this 5YHLS report. This is seen to be a conservative figure and therefore there is confidence that this level of windfalls can be sustained.

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⁸ BDC (2015) Strategic Housing Land Availability Assessment (September 2015). Pages 16 and 17

- 4.19. No windfall allowance is included for large sites, as this may cause double counting with SHLAA sites (the threshold for which is sites of 10 or more dwellings). It is also important to emphasise that the analysis of windfall allowance has excluded dwellings which came forward on Garden Land, in accordance with the NPPF⁹.
- 4.20. For the purposes of the five year calculation, a windfall allowance will not be included in the first year of the housing supply. This is because it is assumed that all windfall sites likely to be completed in the first 12 months will have already been through the planning process and would therefore result in double counting if an allowance was included for Year 1.
- 4.21. A total of **160 windfall units** has therefore been included in the 5YHLS as follows:

Period	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Small Sites Windfall Allowance (inc Prior Approvals)	0	40	40	40	40	160

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⁹ NPPF (2012) Para 48. Windfall allowance should not include development on residential gardens.

5. The Five Year Supply of Housing Land April 2017-March 2022

5.1. Using net housing figures, the assessment demonstrates that there is not a five year supply of housing land in the District at 1st April 2017.

		Dwellings	Average per Annum	
а	BDC Housing Requirement 2011-2030	7,000	368.4	
b	Net Completions 1 st April 2011- 31 st March 2017 (256+130+176+228+483+278)	1551		
С	Undersupply to 31 st March 2017 against BDP target ((368.4 x 6) - b	659.4 (2210.4 – 1551)		
d	Requirement for 5 years 1 st April 2017 – 31 st March 2022 (368.4 x 5) + c + 5% buffer	2626.47	525.29	
e	Net Commitments at 1 st April 2017 (900 Net Outstanding + 165 Net Under Construction)	1065		
f	Net Units with Resolution to Grant Planning Permission subject to S106 Agreement	30		
g	SHLAA Deliverable Sites (April 2017 – March 2022)	1147		
h	Windfall Allowance (40 x 4 years)	160		
i	Total Supply less 5 Year Requirement (e+f+g+h - d)	-224.47 (2402 – 2626.47)		
j	Number of years supply (e+f+g+h / 525.29)	4.57 years supply Equivalent to 4 years, 7 months		

- 5.2. Following the introduction of the NPPG in March 2014 clarity has been provided¹⁰ that where possible, any shortfall should be made good in the following years. This is also known as the 'Sedgefield' method.
- 5.3. The Council has applied an additional buffer of 5% to the five year requirement in line with paragraph 47 of the NPPF. This is because the Council has a good track record of delivery when compared against the previous targets in the adopted Structure Plan and RSS targets. The Bromsgrove District Plan Inspector found in his report from December 2016 that a 5% buffer was justified (para 46). Evidence supporting housing delivery in the BDP at examination provides the background to this.

 $^{^{10}}$ NPPG Paragraph: 035 Reference ID: 3-035-20140306) "How should local planning authorities deal with past under-supply?"

6. Conclusion

- 6.1. The 5 year housing land supply calculation indicates that at 1st April 2017, Bromsgrove District Council can demonstrate **4.57** years of deliverable housing land supply for the period 1st April 2017 to 31st March 2022. This includes making good the shortfall accrued in the Bromsgrove District Plan period since 2011 and the application of a 5% buffer to ensure choice and competition in the market for land.
- 6.2. The delay in considering the two major planning applications at sites in Bromsgrove town at Perryfields Road (16/0335) and Whitford Road (16/1132), is the primary reason for the supply of housing falling below 5 years. It is hoped that these applications, which together deliver 1805 units, will be granted permission in 2017/18 and therefore begin to contribute significantly to housing delivery and the district's 5 year supply figures. The Council has committed significant resources to resolve the outstanding issues with these development proposals in order for them to be determined as soon as possible.



5 Year Housing Land Supply in Bromsgrove District

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