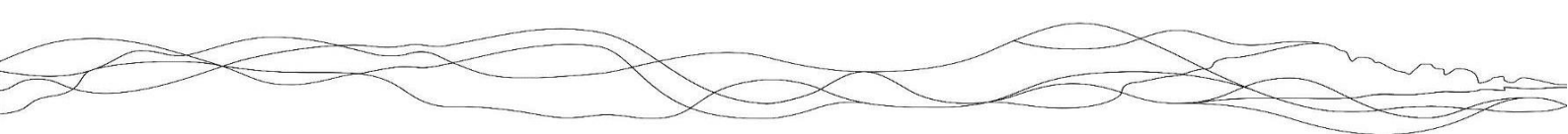


Housing Update (Local Plan submission)

Background Paper

South Downs Local Plan

April 2018



I. INTRODUCTION

1.1 This paper provides an update on the supply of housing over the South Downs Local Plan (SDLP) period (2014-2033). It summarises the latest monitoring information on past delivery of housing, and permissions granted, and provides updated housing trajectories.¹ It also summarises the sources of housing supply expected to contribute to meeting the overall SDLP housing provision, which reflects the most recent South Downs National Park housing trajectory (Appendix I). This paper should be read alongside the Development Strategy Background Paper, and the Supply of Homes Background Paper (both published Sep 2017) which provide information on the overall strategy for addressing the National Park's socio-economic duty.

2. HOUSING COMPLETIONS

Housing completions monitoring

2.1 Figure I shows the number of net new dwellings completed over a 13 year period. It is notable that the number of completions in the last year monitored – 2016/17 – is the same as the draft housing provision set out in the submission SDLP. Overall, completions over the first 3 years of the Local Plan period (2014/15 to 2017/18) total 761 homes which is 15% of the total supply over the whole Plan period.

FIGURE I: NET NEW DWELLINGS IN THE SOUTH DOWNS NATIONAL PARK

Monitoring year	Net new dwellings
2004/05	420
2005/06	339
2006/07	232
2007/08	428
2008/09	433
2009/10	162
2010/11	169
2011/12	211
2012/13	144
2013/14	132
2014/15	249

¹ Detailed information on housing monitoring, including extant planning permissions as of 31 March 2017, is found in the SDNPA Authority Monitoring Report (Dec 2017)

2015/16	262
2016/17	250

Source: SDNPA monitoring data

3. FUTURE HOUSING SUPPLY

Introduction to future housing supply

3.1 The SDNPA has produced a housing trajectory based on the Pre-submission Local Plan (Sep 2017). This is shown in full in Appendix I. It should be noted that there has been a minor corrective update to the trajectory since publication of the AMR, due to a spreadsheet error, therefore the updated figures are reported here.

Net number of dwellings with extant planning permission

1.1 Planning permissions make up a significant proportion of the housing supply for the National Park. There is extant planning permission for **1,840 net dwellings** within the National Park as of 01 April 2017- an increase of 53% on the equivalent figure one year before. A significant number of these permissions relate to large sites at North Street Quarter, Lewes; King Edward VII Hospital, Fernhurst, and sites in Petersfield. It should be noted that the housing trajectory reported below includes discounts on permitted sites, to take account of non-implementation of some permissions.

1.2 It should be noted that, to avoid double counting, a significant number of these permissions have in fact been counted as Local Plan or Neighbourhood Plan allocations in the housing trajectory. The effect of this is that permissions element of the calculated housing supply, as reported below, is actually 1,042 compared with the headline number of 1,840 extant permissions. Furthermore, a non-implementation discount has been applied for the purposes of the housing trajectory, of 10% for large sites and 20% for small sites. This reduces the supply figure used for the housing trajectory to 898 dwellings over the Plan period. This is equivalent to 18% of the overall supply.

Local Plan allocations

1.3 The current local plan allocations are expected to total at least 1,133 homes which is approximately 23% of the total supply over the Plan period. This total incorporates a 10% discount. This is a sensible precautionary approach. It recognises that most sites proposed to be allocated are expressed as a range, and it is quite possible that particular constraints identified at the planning application stage may reduce the actual number coming forward to the bottom of this range.

1.4 It should be noted that Lewes North Street Quarter has been granted planning permission for 416 homes, however the site is retained as an allocation as work has not yet started. Some other smaller housing allocations that were proposed to be allocated in the Pre-submission Local Plan have also been granted permission. The Schedule of Changes to the pre-submission Local Plan proposes to delete the following allocations which have been substantially completed:

- Policy SD65: Land east of Warneford Road, Corhampton

- Policy SD70: Land behind The Fridays, East Dean
- Policy SD87: Land at Church Lane, Pyecombe.

1.5 The make-up of the allocations is as shown in Figure 2:

FIGURE 2: LOCAL PLAN SITE ALLOCATIONS

Strategic site and strategic housing allocations	
North Street Quarter, Lewes	416
Old Malling Farm, Lewes	240
West Sussex County Council depot and former brickworks site, Midhurst	76
Holmbush caravan park, Midhurst	60
Strategic sites / allocations total	792
Other local plan allocations total	467
Local plan allocations grand total (no discount)	1,259
Local plan allocations grand total (10% discount applied)	1,133

Neighbourhood plan allocations

1.6 Made Neighbourhood Plan (NDP) allocations are expected to yield at least 948 homes. By far the largest contributor to this is the Petersfield Neighbourhood Plan (PNP), whilst the Fernhurst Neighbourhood Plan includes an allocation for 200 homes at the former Syngenta works. This total again incorporates a 10% discount as a precautionary approach which ensures the robustness of the overall housing trajectory. It includes all made NDPs that deliver housing in the National Park, even where the settlement is not included in Policy SD26 – Supply of Homes (e.g. Clapham and Ringmer). In one cases (Lavant) the NDP will deliver more than the SDNPA has recommended in Policy SD26. It should be noted that this figure does not include NDPs that have been ‘made’ since December 2017 as these post-date publication of the AMR, however these are included in the settlement apportionment figure outlined below.

1.7 In addition, there are a number of NDPs still in progress (or, as explained above, only recently ‘made’). These are assumed to deliver the relevant number of homes apportioned in Policy SD26, albeit it is likely that some (e.g. Fittleworth) will deliver more homes than recommended in Policy SD26. The largest contributor will be the Lewes Neighbourhood Plan, which will deliver at least 220 homes in addition to the 416 to be delivered at North Street Quarter, and 240 at Old Malling Farm. Liss and Petworth will also deliver significant amounts – at least 150 homes in both cases.

1.8 It should be noted that some large sites that have been or will be allocated in Neighbourhood Plans already have planning permission. These are counted in the housing supply as NDP allocations rather than under permissions.

1.9 Overall, NDPs are expected to contribute at least 1,543 homes which is 31% of the overall supply. The make-up of the NDP contributions to the future housing supply is set out in Figure 3:

FIGURE 3: NEIGHBOURHOOD PLAN CONTRIBUTIONS TO HOUSING SUPPLY

Made Neighbourhood Plans	
Petersfield Neighbourhood Plan	727*
Other made Neighbourhood Plans	326
Made Neighbourhood Plans total (no discount)	1,053
Made Neighbourhood Plans total (10% discount applied)	948
Total to be delivered by Neighbourhood Plans in progress	595
Total contribution to housing supply from all Neighbourhood Plans	1,543

*the number for Petersfield is less than the number in Policy SD26 as 81 dwellings have already been completed on sites allocated in the PNP

Windfall development

1.10 Windfall development describes development on sites or in broad areas that have not yet been identified in the development plan, but are expected to deliver housing during the Local Plan period. In the South Downs, it is considered that only the smallest sites of 1 to 4 dwellings should be counted as future windfall development. Whilst larger as-yet unidentified sites may come forward, the uncertainty of this means that it would not be appropriate to build these into the housing supply trajectory. Sites suitable for 5 dwellings or more that have been identified (mostly through the SHLAA process) have either been proposed as a Local Plan allocation, or taken account of in the settlement-specific housing numbers where these are to be delivered via an NDP.

1.11 The AMR 2017 (paragraph 7.25) gives a full explanation of the way in which the windfall supply has been calculated for the purposes of the housing trajectory. In short, the starting point is historic windfall rate arising from small sites of 1-4 dwellings, which is 68 dwellings per annum (dpa). This has been discounted by 25% to take account of the greater constraints arising since designation as a National Park in 2010, to give a future windfall supply of 51 dpa. However higher discounts have been applied for the first four years into the future, to allow for extant planning permissions on these.

1.12 As of 1st April 2017, the total supply from windfalls is calculated as 663 dwellings for the remainder of the Local Plan period. This is equivalent to 13% of the overall housing supply.

4. OVERALL HOUSING SUPPLY FOR THE LOCAL PLAN PERIOD

South Downs National Park housing trajectory

4.1 The housing trajectory is updated every year, when the AMR is prepared. The trajectory has been particularly important during the production stages of the Local Plan, as it has informed how the emerging strategy will ensure a supply of housing to address communities' need and desire for a steady supply of homes, to ensure their future sustainability. The full housing trajectory is shown in Appendix 1. A graphical interpretation is also shown as Appendix 2.

Overall housing supply for the Local Plan period

4.2 Taking into account the above, Figure 2 below sets out the overall numbers from the different sources of housing supply. It should be noted that this reflects the current housing trajectory, which in turn reflects the current position with respect to completions and permissions. The position will change on an annual basis, when the Authority Monitoring Report is published in December of each year.

FIGURE 3: ELEMENTS OF HOUSING DELIVERY IN THE SOUTH DOWNS NATIONAL PARK

	Element of Delivery	Dwellings
a	Allocations in the Development Plan, including those to come forward in NDPs and on strategic sites	2,676
b	Implementation of extant planning permissions on sites that have not been proposed for allocation*, or completed *Sites of 5 homes or more that were granted planning permission on or after 1 April 2015 have generally been allocated	898
c	Anticipated windfall development	663
d	Completions in the first 3 years of the Plan period (2014/15 to 2016/17)	761
	Total	4,998

Five year housing land supply ('5YHLS') update

4.3 The NPPF requires that all planning authorities identify and update annually a supply of specific deliverable sites sufficient to provide five years' worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period). The NPPF also requires identification of a supply of specific, developable sites or broad locations for

growth for years 6-10, and, where possible, for years 11-15. The SDNPA presents this evidence on an annual basis when it publishes its AMR.

4.4 The AMR 2017 sets out the 5YHLS, and projections for years 6-15, under Indicator SDLP55. However, there has been a minor corrective update to the housing trajectory since publication of the AMR. This has meant that the figures presented in Table 7.2 in the AMR 2017 have needed to be updated, see below.

FIGURE 4: HOUSING LAND SUPPLY OVER THE NEXT FIFTEEN YEARS AGAINST SOUTH DOWNS LOCAL PLAN (SDLP) PROVISION

		2017-18	2018-19	2019-20	2020-21	2021-22	Totals over yrs 1-5
a	SDLP housing provision	250	250	250	250	250	1250
a(i)	5% buffer	13	13	13	13	13	65
a(ii)	Total SDLP provision inc buffer	263	263	263	263	263	1315
b	Planning permissions	193	218	229	135	113	888
c	All allocations total	49	163	320	397	330	1259
d	Windfall total	0	0	17	34	51	102
e	Total supply	241	381	565	566	494	2247
f	Cumulative housing supply since 2017	241	622	1187	1753	2247	
g	Surplus/deficit e-a	-9	131	315	316	244	997
g(i)	Surplus/deficit with buffer e-a(ii)	-22	118	302	303	231	932
		2022-23	2023-24	2024-25	2025-26	2026-27	Totals over yrs 6-10
a	SDLP housing provision	250	250	250	250	250	1250
b	Planning permissions	11	0	0	0	0	11
c	All allocations total	248	194	235	145	116	938
d	Windfall total	51	51	51	51	51	255
e	Total supply	310	245	286	196	167	1204
f	Cumulative housing supply since 2017	2557	2802	3088	3284	3451	
g	Surplus/deficit e-a	60	-5	36	-54	-83	-46
		2027-28	2028-29	2029-30	2030-31	2031-32	Totals over yrs 11-15
a	SDLP housing provision	250	250	250	250	250	1250
b	Planning permissions	0	0	0	0	0	0
c	All allocations total	104	118	59	59	59	399
d	Windfall total	51	51	51	51	51	255
e	Total supply	155	169	110	110	132	676
f	Cumulative housing supply since 2017	3606	3775	3885	3995	4127	
g	Surplus/deficit e-a	-95	-81	-140	-140	-118	-574

4.5 Figure 4 shows that there is a very healthy 5YHLS which exceeds the benchmark Local Plan housing provision of 250 dpa (plus 5% buffer) by some 932 dwellings. Indeed there is an oversupply of some 71% above the benchmark, representing 8.5 years' worth of housing supply. This is because the anticipated delivery of development to meet Local Plan requirements is very front-loaded in the early part of the Plan period, reflecting a number of larger sites that are well-progressed, and the significant proportion of homes to be delivered on identified small sites which can be quickly delivered. Figure 4 shows that the rate of delivery is expected to decline from around 2020/21 onwards.

East Hampshire Joint Core Strategy housing trajectory

4.6 The East Hampshire Joint Core Strategy (JCS) was adopted by both East Hampshire District Council (EHDC) and the SDNPA in 2014, and covers the period 2011/12 to 2027/28. Policy CPI0 – Spatial Strategy for Housing was prepared on the premise that whilst most development would be directed to the part of East Hampshire lying outside the National Park, a proportion of the housing need would be met in the towns and villages of the National Park. The precise proportions were subsequently agreed by means of a Memorandum of Understanding agreed between the two authorities in June 2015, and established that some 1,694 dwellings would be delivered in the National Park part of East Hampshire district within the period of the JCS.

4.7 As the basis of these figures relates to the JCS period, and uses the housing trajectory methodology favoured by EHDC, a separate housing trajectory has been prepared specifically for the part of the National Park within East Hampshire district. The different methodology uses different assumptions in respect of the rate of discount applied to extant planning permissions and site allocations, reflecting a historically low lapse rate within the East Hampshire area. These assumptions are equivalent to the EHDC 5 Year Housing Land Supply (as of 1st April 2017) published 28th Aug 2017, meaning that the resulting figures are directly comparable to the trajectory for East Hampshire district outside the National Park and more closely reflect the evidence for East Hampshire. However as a result these figures are not directly comparable to the South Downs AMR 2017 (Indicators JCS2 and JCS3), nor the National Park-wide housing trajectory, which instead used assumptions best suited to the National Park as a whole, and which applied to the whole SDLP period (2014-33) consistent with other areas.

4.8 The East Hampshire JCS-specific housing trajectory, applied to the part of the National Park within East Hampshire, is set out in the Statement of Common Ground with East Hampshire District Council, dated March 2018. It shows that the anticipated supply of homes in this part of the National Park is in line with the JCS and Memorandum of Understanding agreed in June 2015.

5. CONCLUSIONS

- 5.1** This paper has provided an update on the housing supply position across the South Downs National Park, in the context of the emerging South Downs Local Plan. It reflects the detailed monitoring data set out in the AMR 2017, albeit with a correction to the housing trajectory and 5 year housing land supply figures. It summarises the contributions from the different sources of housing supply over the Local Plan period, and provides a detailed year-on-year housing trajectory. It also explains why a different approach has been used specifically for the part of the National Park that falls within East Hampshire district.
- 5.2** The objectively assessed housing need (OAHN) for the National Park is 447 dwellings per annum (dpa) (equivalent to 8,493 homes over the whole Plan period). However, as set out in the Supply of Homes Background Paper, **the presumption that planning authorities should seek to meet the full OAHN in their area does not apply in national parks where it can be shown that this conflicts with the statutory purpose of conserving and enhancing.** The submission SDLP sets a housing provision of 250 dpa which is equivalent to 4,750 homes over the Plan period. This is a shortfall of 197 dpa, or 3743 homes over the Plan period. However current evidence suggests an overall supply of some 4,998 dwellings, which would reduce the total shortfall to 3,495, if realised. The shortfall arising from the National Park is spread across four housing market areas (HMAs), and the duty to cooperate is being engaged to address this important cross-boundary issue.

APPENDIX I: SOUTH DOWNS NATIONAL PARK HOUSING TRAJECTORY AT 1 APRIL 2018

SDLP Housing Trajectory Calculations																					
	Plan Period (Years)																			TOTAL	
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19		
South Downs Local Plan Housing Requirement																					
a Plan: Annualised Local Plan target provision	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	4,750
b Annualised 5 year target supply with 5% buffer				263	263	263	263	263													
c Requirement minus supply	1	-12	0	8.66	-131	-315	-316	-244	-60.3	5,409	-36	54.01	82.81	94.51	81.01	140.4	140.4	140.4	117.9		
d Cumulative deficit	4,501	4,239	3,989	3,748	3,367	2,802	2,236	1,742	1,431	1,187	901	705	538	382	213	103	-6	-116	-248		
Manage: Annual requirement taking account of projected completions																					
e (d / number of years remaining)	250	249	249	250	240	216	186	158	143	132	113	101	90	76	53	34	-3	-116	-248		
South Downs Local Plan Housing Supply																					
f Net new housing completions	249	262	250																		761
g ACTUAL																					
Extant planning permissions on large sites (5+ units)				143	171	183	79	54	12												644
h 10% DISCOUNT																					
Extant planning permissions on large sites (5+ units)				129	154	165	71	49	11												580
i ACTUAL																					
Extant planning permissions on small sites (1-4units)				80	80	80	80	80	0												398
j 20% DISCOUNT																					
Extant planning permissions on small sites (1-4units)				64	64	64	64	64	0												318
k ACTUAL																					
Net dwellings with extant planning permission				223	251	263	159	134	12												1042
l DISCOUNTED																					
Net dwellings with extant planning permission				193	218	229	135	113	11												898
m Local Plan allocations with 10% DISCOUNT	0	0	0	42	127	203	217	97	45	45	158	73	44	23	59	0	0	0	0	1133	
n NDP allocations - MADE with 10% DISCOUNT				6	36	116	180	233	149	95	23	18	18	28	5	5	5	5	27	948	
o (NDP emerging)¹																					
NDP allocations - LOCAL PLAN APPORTIONMENTS				0	0	0	0	0	54	54	54	54	54	54	54	54	54	54	54	54	595
p Total allocations				49	163	320	397	330	248	194	235	145	116	104	118	59	59	59	81	2676	
q Windfall ²				0	0	17	34	51	51	51	51	51	51	51	51	51	51	51	51	51	663
r Total housing supply (annual)	249	262	250	241	381	565	566	494	310	245	286	196	167	155	169	110	110	110	132	4998	
s Cumulative housing supply	249	511	761	1002	1383	1948	2514	3008	3319	3563	3849	4045	4212	4368	4537	4647	4756	4866	4998		

¹ NDP apportionments exclude Local Plan strategic sites (e.g. NSQ, Old Malling Farm)

² Historic windfall rate is 68 dpa. Discounted as follows: Yrs1-2:100%, Yr3:75%, Yr4:50%, Yr5:-75% i.e. 51dpa

APPENDIX 2: SOUTH DOWNS LOCAL PLAN HOUSING TRAJECTORY 2017

