

PLANNING POLICY EXECUTIVE ADVISORY PANEL 29 June 2021

Report Title	Housing Land Supply in North Northamptonshire	
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1. Purpose of Report

- 1.1. To consider the approach to maintaining a supply of deliverable housing land in North Northamptonshire.

2. Executive Summary

- 2.1 The local planning authority must maintain a supply of specific deliverable sites sufficient to provide a minimum of 5 years' worth of housing against its housing requirement. In the absence of a 5-year supply, development plan policies may be treated as out-of-date, making the area susceptible to speculative development pressures.
- 2.2 The housing requirements set out in Policy 28 of the Joint Core Strategy (JCS) apply until July 2021, when the plan will be 5 years old and national policy states that they should be superseded by Local Housing Need (LHN) calculated using the Government's standard method. This needs to be kept under review in the light of factors including progress on the NN Strategic Plan and any changes to the standard method for calculating LHN.
- 2.3 For North Northamptonshire, current LHN is similar to the JCS housing requirement in all of the former local planning authority areas. It results in a lower 5-year housing requirement in areas all except East Northamptonshire, where it is only marginally higher.
- 2.4 The choice to be made is between calculating housing land supply, post-July 2021, on a North Northamptonshire-wide basis, or based on the former local planning authority areas (in each case against LHN). Legal advice obtained by the Joint Planning & Delivery Unit confirms that either option is legally robust.
- 2.5 The report concludes that maintaining a 5-year supply of housing land at the North Northamptonshire level (rather than for former council areas) will provide

greatest protection from speculative development proposals for the whole area. In the event of a shortfall in 5-year supply, the Council would have flexibility to determine the most sustainable locations in which to release new sites in line with the spatial strategy of the JCS.

3. Recommendations

3.1 It is recommended that the Advisory Panel recommends that the Executive agrees that:

1. Until 16th July 2021, NNC should continue to measure five-year supply against the (former) local planning authority requirements in JCS Policy 28;
2. From the 17th July 2021, in accordance with national policy, NNC should measure five-year supply against the Local Housing Need (LHN) for the North Northamptonshire Housing Market Area (HMA), calculated using the Standard Method (as confirmed in Ministerial Statement dated 16th December 2020); and
3. This approach should be reviewed annually to take account of changes in circumstances, including progress on the NN Strategic Plan and any changes to the standard method by which LHN is calculated.

3.2 Reason for Recommendations – to agree an approach that is compliant with national policy and guidance and will provide greatest protection from speculative development proposals for the whole of the Council's area.

4. Report Background

4.1 The National Planning Policy Framework (NPPF) requires local planning authorities to maintain a supply of specific deliverable sites sufficient to provide a minimum of 5 years' worth of housing¹ against their housing requirement set out in adopted strategic policies, or against their local housing need (LHN) where the strategic policies are more than five years old. Where there is less than a 5-year supply, relevant development plan policies may be treated as out-of-date, making an area susceptible to speculative development pressures.

4.2 The shadow NNC and WNC Leaders raised concerns with MHCLG over the prospect of speculative development across the whole of a council's area if one part of the area is not able to demonstrate a 5-year supply. In response, MHCLG drew attention to National Planning Practice Guidance on how 5-year housing land supply should be calculated in new local planning authorities which result from a local government reorganisation. This states that "*...strategic housing requirement policies adopted by predecessor authorities can continue to be used as the housing requirement for calculating the 5-year housing land supply*

¹ Paragraph 14 of the NPPF enables the 5-year land supply requirement to be reduced to 3 years in areas which have an up-to-date neighbourhood plan in place (less than two years old), and which contain policies and allocations to meet the identified housing requirement.

in the areas they apply where these are less than 5 years old, or they are older but have been reviewed within the last 5 years and found not to need updating...Where strategic housing requirement policies, covering the predecessor authority area, are older than 5 years and require updating, local housing need should be used, where this is available. Where the data required to calculate local housing need is not available an alternative approach will have to be used.”

- 4.3 This report explores what this means for North Northamptonshire (NN) and recommends an approach that should give greatest protection against speculative development proposals by allowing the local planning authority flexibility in managing the supply of land for housing across its whole area.

5. Issues and Choices

- 5.1 The adopted strategic policies for NN are set out in the Joint Core Strategy (JCS). The housing requirements in JCS Policy 28 are the basis for the housing land supply position set out in the Authorities’ Monitoring Report (AMR) for 2019/20 (2020/21 data is currently being collated). This summarised in Table 1 below². All the former LPAs could demonstrate a 5-year supply, but the position in Corby was marginal.

Table 1 – Housing Land Supply for former LPAs	A. 5 x JCS housing requirement + shortfall since 2011 + 5% buffer	B. Identified deliverable housing land supply 2020-25	Number of years deliverable housing land supply (B/A x 5)
Corby	2546	2551	5.0
East Northamptonshire	2205	2887	6.55
Kettering	3205	4326	6.75
Wellingborough	2550	3448	6.76

- 5.2 The JCS is five years old on 16th July 2021. From this date, the NPPF (paragraph 73) states that JCS housing requirements should be superseded by LHN. Table 2 shows the annual housing requirements set out in the JCS and using LHN (based on the current standard method). There is little difference between the two, but this may change if the variables used in the standard method alter or if the Government revises the formula³. In accordance with the NPPF, LHN must be used for calculating housing land supply in NN from July 2021⁴ but this should be subject to annual review to take account of changes in circumstances, including progress on the NN Strategic Plan and any changes to the standard method.

² Based on 2019/20 AMR www.nnjpd.org.uk

³ The current standard method uses the latest Office for National Statistics (ONS) household growth projections for the next ten years as a baseline figure. This is then adjusted according to an affordability ratio, which measures the difference between house prices and annual earnings. ONS published updated affordability ratios in March 2021 (see commentary at https://static.turley.co.uk/pdf/file/2021-03/The%20standard%20method%20of%20assessing%20housing%20need_0.pdf)

⁴ In practice, given that housing land supply is measured for a 1st April – 31st March monitoring year, the use of LHN (Table 1 above) for monitoring purposes will need to commence with effect from 1st April 2021.

Table 2 – Housing requirements for NN and former LPAs	JCS Policy 28 annual housing requirement	Local Housing Need (LHN) using Standard Method
Corby	460	479
East Northamptonshire	420	452
Kettering	520	513
Wellingborough	350	340
North Northamptonshire	1,750	1,784

- 5.3 After July 2021, the North Northamptonshire Council (NNC) can choose between calculating housing land supply on a NN-wide basis, or on the former LPA areas, in each case against LHN. Legal advice obtained by the JPDU confirms that both approaches are legally robust. Table 3 shows the housing land supply position, using LHN, across NN and for each of the former LPAs based on the 2019/20 monitoring year. This includes a 5% buffer as required by national guidance⁵ but no longer includes shortfalls in delivery against past JCS requirements, as national guidance⁶ is clear that the standard method factors this in. This has a significant impact on assessed housing land supply which, compared to Table 1, increases in all of the former LPA area except East Northamptonshire.

Table 3 Housing land supply against LHN	Local Housing Need annual requirement	5-year requirement including 5% buffer ⁷	Assessed Housing Land Supply 2020-25 ³	Housing land supply (years) against Local Housing Need
Corby	479	2,515	2,551	5.07
East Northamptonshire	452	2,373	2,887	6.08
Kettering	513	2,693	4,326	8.03
Wellingborough	340	1,785	3,448	9.66
NN	1,784	9,366	13,212	7.05

- 5.4 As noted above, national planning practice guidance explicitly allows a newly formed local planning authority to continue to calculate 5-year housing land supply based on the areas identified in the strategic policies adopted by predecessor authorities (the JCS). It is noted that the Buckinghamshire and Dorset unitary authorities are measuring 5-year supply based on old local authority boundaries, and it is understood that this is also the approach favoured by WNC.
- 5.5 Taking this approach in NN would maintain a fine-grained monitoring of land supply and enable, as far as possible, any shortfall to be addressed within the sub-area that it arises. The four Area Planning Committees would retain the direct link between development management decisions and housing land supply in the same sub-area.
- 5.6 However, as shown in Table 3, LHN (which is heavily influenced by past rates of housing delivery), the identified supply of housing land (which reflects the

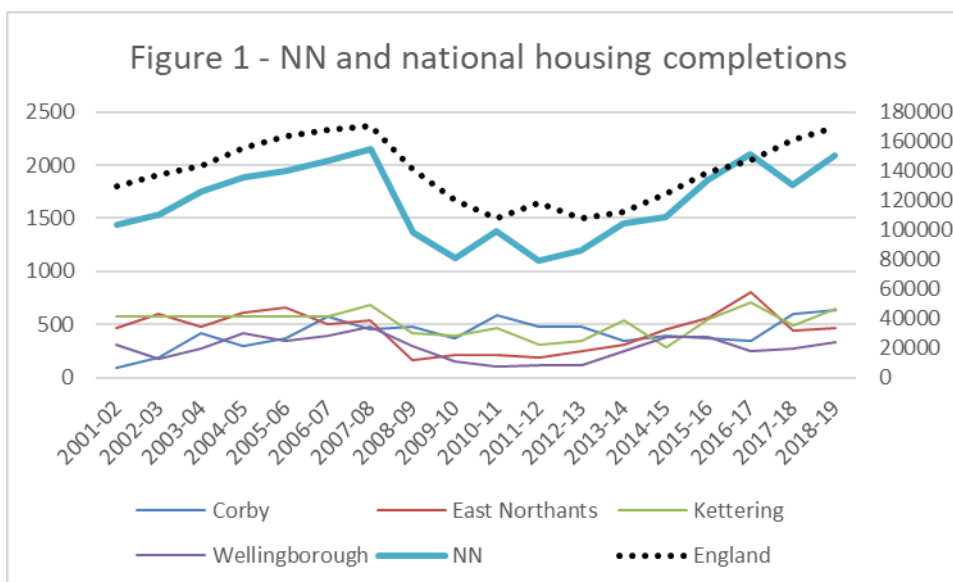
⁵ NPPG Paragraph: 022 Reference ID: 68-022-20190722

⁶ NPPG Paragraph: 031 Reference ID: 68-031-20190722

⁷ 5 x LHN + 5% buffer

progress of sites through planning and development), and the housing land supply measured against LHN, vary significantly between the sub-areas. While it is presently possible to demonstrate a 5-year supply of housing land in all sub-areas, this remains marginal for the Corby area and has been a problem in other sub-areas in recent years. A consequence of dealing with 5-year supply based on four sub-areas rather than the NN Council area is that, at any point in time, one or more sub-areas could have a shortfall, resulting in developers targeting them with speculative proposals for housing development in locations where significant growth is not supported in the JCS.

5.7 Figure 1 illustrates why a more robust approach is to look at the NN Housing Market Area (HMA)⁸ as a whole. The pace of development activity and the availability of sites fluctuates across NN, as evidenced by the significant variations in annual housing completions in the sub-areas (left-hand Y axis). However, the four sub-areas have contributed to total completions for the NN HMA that align closely to the national trajectory of housing completions (right-hand Y axis). Monitoring and maintaining housing land supply for the NN HMA will therefore help to balance out inevitable fluctuations in the pace of development activity and the availability of sites across the Council area.



5.8 As shown in Table 3, NN currently has a 7.05 years' supply of housing land against LHN requirements. Maintaining a 5-year supply of deliverable housing land at this scale will help to protect the whole of NN from speculative development proposals. Conversely, a failure to maintain a 5-year supply could make the whole of NN vulnerable to speculative development pressure, rather than ring-fencing the problem to the sub-area in which the shortfall arises. However, in this event, the Council would have flexibility to determine the most sustainable locations in which to release new sites. This should be in line with the spatial strategy of the JCS, with a focus on the Growth Towns and Market Towns rather than the villages and rural area. Continuing to monitor housing land supply based on a composite of the four sub-areas will allow fine-grained

⁸ A Housing Market Area (HMA) is a geographic area defined by housing demand and preferences and reflects the key functional linkages between places where people live and work.

information to be collected to inform action at the NN level when it is necessary to boost housing land supply.

6. Implications (including financial implications)

6.1 Resources and Financial

A robust 5-year housing land supply position will deter speculative planning applications and appeals that could otherwise require significant staff and consultancy/ legal support.

6.2 Legal

Legal advice was obtained from Josef Cannon, Cornerstone Barristers to clarify the options available to NNC. This confirms the requirement to use LHN as the basis for housing requirements after July 2021. It also states that it is legally robust for the Council to calculate housing land supply on either a North Northamptonshire-wide basis or using the former local planning authority areas.

6.3 Risk

In the absence of a 5-year supply, development plan policies may be treated as out-of-date, making the area susceptible to speculative development pressures.

6.4 Consultation

Planning Policy Managers have helped to formulate the proposed approach.

6.5 Consideration by Scrutiny

N/A

6.6 Climate Impact

No specific impacts arising from this report but the lack of a robust 5-year housing land supply could result in additional pressure for homes in unsustainable locations.

6.7 Community Impact

No specific impacts arising from this report.

7. Background Papers

Referenced in footnotes.