



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

July 2013

1. Introduction

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- 1.3 The Regional Plan was revoked by the Government on 12th April 2013.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

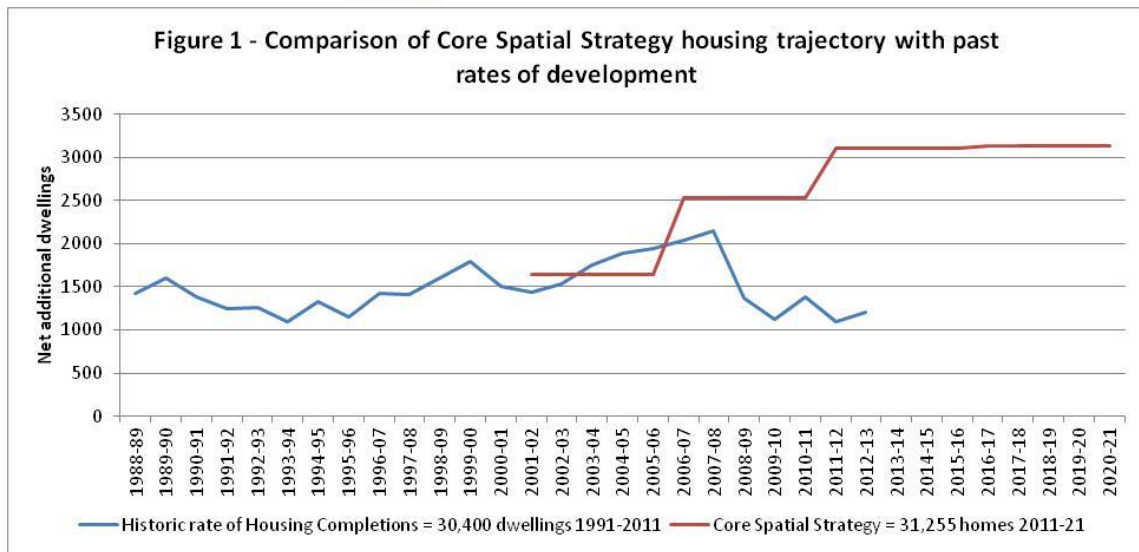


- 1.5 The distribution of the housing requirement identified in Part A between the districts is based on the adopted CSS. In other words it is the same spatial strategy, only delivered over a longer period of time. This is a pragmatic response to current market conditions, proceeding with growth and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

PART A

2. Background

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



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

3. Objectively assessed needs

- 3.1 Although the Government has shifted responsibility for identifying housing requirements to a local level, the National Planning Policy Framework (NPPF) requires planning authorities to plan to boost significantly the supply of housing. It requires an evidence-based approach to identifying and meeting the “*full, objectively assessed needs for market and affordable housing in the housing market area as far as is consistent with the policies in the NPPF*” (para 47).
- 3.2 Housing targets set out in the East Midlands Regional Plan and embodied in the adopted Core Spatial Strategy do not represent an “objectively assessed housing need”. Rather, they were the result of an explicit policy to direct economic and housing growth to North Northamptonshire as part of the now defunct Milton Keynes and South Midlands Growth Area.
- 3.3 The Joint Committee reviewed the evidence base for housing requirements at its meeting on 31st January 2013. In line with *CLG Practice Guidance on Strategic Housing Market Assessments (2007)* an objective assessment of need should take account of:
- Demographic factors, including locally generated needs and the demand for housing arising from in-migration;
 - Economic factors, including the need to align housing and employment strategies (to ensure that economic development is not held back by a limited workforce and to avoid unsustainable commuting patterns).
- 3.4 Demographic forecasts (Edge Analytics 2011) indicate that changes in the existing population (births, deaths and household formation) will give rise to a need for around 8,300 additional homes in North Northamptonshire over the period 2011 to 2021. Analysis of the Councils’ housing registers indicates that, in addition to this need arising from ‘natural change’ in the existing population, there is a current backlog of un-met need for around 1,700 households. This is estimated on the basis of those households which have no permanent home of their own, i.e. they are recorded on 2013 housing registers as living with family/friends/other; of no fixed abode; or in supported housing.
- 3.5 As well as meeting locally arising needs, North Northamptonshire has historically accommodated significant levels of in-migration. New CLG Household Projections (April 2013) for the period to 2021 take account of this alongside locally arising needs. They indicate that, if past trends continue, North Northamptonshire could be home to 15,600 additional households between 2011 and 2021.
- 3.6 The ‘objectively assessed need’ in the Housing Market Area used in this Interim Statement is based on the elements set out below.

a) Latest CLG Household Projections

+

b) Backlog of unmet housing need

+

c) Allowance for vacant dwellings

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

Figure 2 - CSS housing distribution

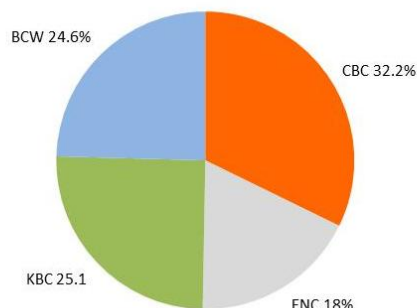
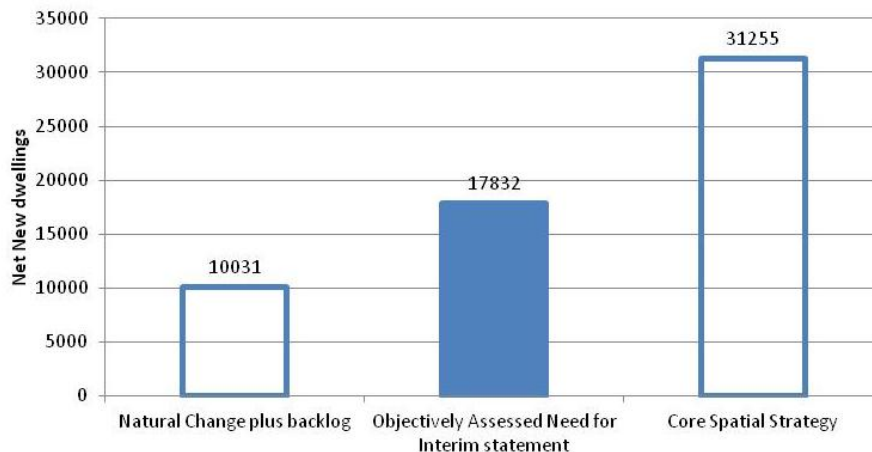


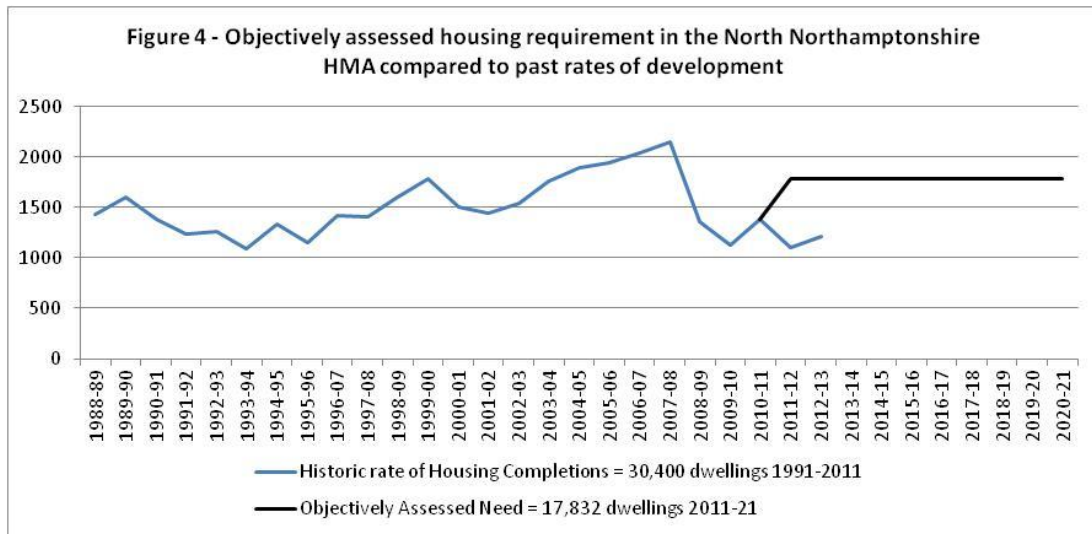
Table 1 – Housing Requirements for Interim Housing Statement (2011-21)					
	a) 2011 based household projection	b) Back-log of unmet housing need	c) Allowance for vacant dwellings	Total a)+b)+c)	Objectively Assessed Need for HMA distributed as per CSS
CBC	3527	179	115	3821	5750
ENC	3789	369	129	4287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

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

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



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



4. Five year housing requirements

- 4.1 Table 2 sets out the 5 year housing requirements for the period 2014/15 to 2018/19. It is against these requirements (with 5% and 20% buffers to be applied depending on past performance) that each planning authority has identified, in Part B, specific deliverable sites.

Table 2 - Housing requirements	CBC	ENC	KBC	BCW	HMA Total
a) 2011 based household projection	3527	3789	5171	3079	15566
b) Back-log of unmet housing need	179	369	589	594	1731
c) Allowance for vacant dwellings (3%)	115	129	178	114	535
d) Total a)+b)+c)	3821	4287	5938	3787	17832
e) Objectively Assessed Need for HMA distributed as per CSS	5750	3217	4484	4381	17832
f) Objectively Assessed Need for 5 years	2875	1609	2242	2190	8916
g) Recorded or estimated completions 2011/12-13/14	1478	864	1134	550	4026
h) Shortfall 2011-13 compared to annual requirement (Liverpool approach)	247	101	211	764	1324
i) 5 year requirement 2014-19 if shortfall met by 2021	3051	1681	2393	2736	9861