

## For publication

### Housing Supply and Planning Reform

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Meeting: Enterprise and Wellbeing Scrutiny Committee

Date: 1<sup>st</sup> April 2021

Cabinet portfolio: Economic Growth

Report by: Strategic Planning and Key Sites Manager

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#### **For publication**

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<b>Purpose of reviewing the topic</b>	<ul style="list-style-type: none"><li>• To update the committee on the Council's progress in relation to its housing supply targets</li><li>• To discuss the expected impacts of the forthcoming changes to legislation</li></ul>
<b>What are the objectives of the review?</b>	<ul style="list-style-type: none"><li>• To provide an overview of the current situation</li><li>• To identify any barriers to reaching targets</li><li>• To determine any changes to plans in response to new legislation</li></ul>
<b>Progress to date</b>	<ul style="list-style-type: none"><li>• This is the second report to committee</li></ul>

#### 1.0 **Background**

##### Housing Supply and Delivery

- 1.1 The Council is required, through its Local Plan, to identify and plan for its 'objectively assessed need' for housing, calculated using a standard methodology set out in the Planning Practice Guidance (PPG).

- 1.2 For Chesterfield Borough this is found in the newly adopted Chesterfield Borough Local Plan 2018-2033, which sets a minimum housing requirement of 4,080 new homes over the Plan period, or 240 dwellings a year.
- 1.3 The National Planning Policy Framework (NPPF) also requires that Council's maintain a supply of 'specific deliverable sites' sufficient to provide a minimum of five years' housing based on their housing requirement.
- 1.4 As a newly adopted plan the five-year requirement is automatically considered met until 31<sup>st</sup> October 2021 – after which we will again need to demonstrate this supply annually.
- 1.5 The Council monitors housing completions annually at the end of each financial year and provides data on completions to the MHCLG through the DELTA system. This is then used in administering the Housing Delivery Test (HDT).
- 1.6 The Government publishes the results of the Housing Delivery Test (HDT) annually. These are based on reported housing delivery compared to the housing target for the previous three years.
- 1.7 **Planning Reform**
- 1.8 On the 6<sup>th</sup> August 2020 the Government published a White Paper, "Planning for the Future", to consult on changes to the Planning system. The White Paper sets out the basis of a comprehensive review of the planning system that would affect all parts of the current system. Responses to the consultation must be submitted by 29<sup>th</sup> October 2020. The proposed reforms were set out in the previous report to the committee on 1<sup>st</sup> October 2020.

1.9 The Council made representations to this consultation. No comprehensive further details of the reforms have been released, although there has been a consultation on some limited amendments to the National Planning Policy, primarily to enable to the introduction of the National Model Design Code.

## 2.0 **Current position and key milestones**

2.1 The latest Housing Delivery Test results were published in January 2021 and covered the housing delivery period up to 31<sup>st</sup> March 2020. During the three-year period prior to this, housing delivery in the borough was at 91% of the housing requirement.

<b>Table 1</b>	<b>2020 HDT RESULTS</b>			
	<b>Year</b>			
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total</b>
<b>Homes Required</b>	227	240	220	687
<b>Homes Delivered</b>	110	212	304	626
<b>Delivery Measurement</b>				<b>91%</b>

2.2 The result is a significant improvement on previous years (66% in 2018 and 65% in 2019). This is also above the projected performance, which was 88%.

2.3 The result means that we will need to produce a Housing Delivery Action Plan and, from 21<sup>st</sup> October 2021, apply the lower 5% buffer to our five year housing requirement.

2.4 The latest Housing Delivery Action Plan was published in August 2020 and is available on the Council's website: <https://www.chesterfield.gov.uk/planning-and-building-control/planning-policy-and-the-local-plan/housing->

[delivery-test-and-housing-delivery-action-plan.aspx](#). An updated Action Plan will need to be prepared by July 2021.

- 2.5 The borough has seen a significant increase in housebuilding since the last test results. 2019/20 was the first year since 2007 that housebuilding exceeded the councils established housing requirement. The annual monitoring of housing completions for the 2020/21 period will commence on 1st April this year.
- 2.6 Delivery for the next monitoring year (2020/21) is likely to have been affected by the Covid pandemic, although early indications are that both housing demand and delivery remain strong. An additional interim 6 month monitoring exercise was undertaken in the Autumn of 2020 to examine the impact of the pandemic; this revealed that, despite losing approximately three months to the initial lockdown, 93 dwellings had been completed in the first half of the year. If this rate of delivery were replicated for the remaining six months of 2020, delivery would comfortably exceed the Local Plan target of 240 dwellings per year.

Table 2	PROJECTED 2021 HDT RESULT			
	Year			
	2018/19	2019/20	2020/21	Total
Homes Required	240	220	240	700
Homes Delivered	212	304	279 <i>(Estimate)</i>	795
<b>Delivery Measurement</b>				<b>114% (estimate)</b>

- 2.7 The Council had already undertaken a number of actions from the previous Action Plan, including adopting the new Local Plan in July 2020. The Housing Delivery Manager who is in regular contact with developers and

landowners, identifying any barriers to delivery and opportunities for the Council to intervene. This has resulted in the Council using right to buy receipts to purchase a number of units on sites that were at risk of stalling, increasing the overall supply of affordable housing, whilst also keeping developers active on sites that would otherwise have been left part completed.

2.8 Officers are also in discussion with Homes England regarding potential opportunities for support in delivering key housing-led regeneration opportunities.

### 3.0 **Barriers/obstacles**

3.1 The most obvious barrier to increasing housing delivery for the Council is simply that we do not deliver most of the new housing in the borough ourselves. For this we are reliant on the private sector and must work with and through them.

3.2 The Housing Delivery Action Plan includes an assessment of the barriers to increasing housing delivery.

Unsurprisingly they are varied and complex, but include:

- A complex legacy of industry and mining affecting both previously developed land and 'greenfield' sites
- Flood risk issues
- Demand issues
- Low viability (sales values are significantly lower in some parts of the borough)
- Competing sites in the wider Housing Market Area
- Reliance on a small number of large sites

3.3 The impact of Covid 19 on the housebuilding is an area of uncertainty. However evidence of completions so far, from an additional 6 month monitoring of site, demonstrates that delivery continues to be strong.

- 3.4 Research undertaken by Derbyshire County Council into the housing market suggests that demand remains strong and there has been no significant sign of a decline in prices.
- 3.5 Housebuilding continued during the second and third lockdowns with social distancing measures in place. This may have an impact on the rate of delivery, but there is no sign of this being significant at this stage.
- 3.6 In the longer-term the uncertainties of the Brexit remain an issue, particularly if this affects the import of materials and skills. This risk is hard to quantify but will be kept under review.
- 3.7 This needs to be balanced against the longer-term benefits of HS2, which may bring additional market interest in housing in the longer term.
- 3.8 There is expected to be a shift in the market to a greater emphasis on houses with gardens, rather than the fledgling apartment market, and sites with good walking and cycling access to amenities (which is a strength of the Chesterfield Local Plan).
- 3.9 National evidence is that growth in rents for flats and apartments has declined. However we have seen a growth in interest in town centre apartment conversions, partly in response to greater Permitted Development Rights, and partly due to retail landlords looking for additional secure sources of rental income. There are concerns over whether this growth is aligned with housing need, and whether the Town Centre currently offers the right environment for an increase in this type of living.
- 3.10 The council's Housing Service has commissioned a piece of work to look at the demand for town centre

accommodation and this is expected to be complete in April 2021

#### 4.0 **Future plans**

4.1 The Council's instalments policy for paying the Community Infrastructure Levy (CIL) of new housing has been amended to make it easier for small and medium sized developers to spread payments. In the longer term a review of CIL will be undertaken to ensure that the charges and charging zones reflect housing values and viability.

4.2 The Local Plan will need to be reviewed by 2025. The government has published proposed new arrangements for calculating housing need in Local Plan reviews, but this is not currently expected to significantly change the council's housing need figure.

4.3 A planning brief for the Allen and Orr timber yard is in preparation, to support the aspiration of the company to relocate to a more modern facility and redevelop the existing site for housing.

4.4 There will be a focus over the next 12 months on updating and reviewing masterplans for Strategic Sites at Waterside and Staveley Works, to ensure that they are aligned with the current and future housing markets.

#### 5.0 **Conclusion**

5.1 Although there continue to be long term unknowns and risks associated with the pandemic and Brexit, the Council is currently in a good position regarding housing delivery. Completions for the previous monitoring year were above the Local Plan target for the first time since 2007 and are expected to continue to be strong the 2020/21 year, despite the impact of the pandemic. The

evidence is that the housing market remains strong of significantly improvements in completion,

## 6.0 **Suggested scrutiny activity**

- 6.1 Future reports on this matter can be brought to Scrutiny on the basis of the annual publication of the Housing Delivery Test results.

### **Document information**

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<b>Background documents</b> These are unpublished works which have been relied on to a material extent when the report was prepared.	
<i>This must be made available to the public for up to 4 years.</i>	
<b>Appendices to the report</b>	