

Interim Statement on Housing Requirements in the North Northamptonshire Housing Market Area

(As agreed by Joint Planning Committee on January 9th 2014)

January 2014



North Northamptonshire
Joint Planning Unit



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Introduction

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).
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 the full objectively assessed needs of the HMA and have proved to be undeliverable due to the recession.
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 The Regional Plan was revoked by the Government on 12th April 2013.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.”*
4. This Interim Housing 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 against the requirements identified in Part A. The majority of the sites identified in part B are existing commitments or have previously been identified in emerging plans. However some are new and will need to be tested further through the preparation of site specific plans or planning applications.
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.
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.

Consultation

7. The Joint Committee consulted on the draft Interim Housing Statement from 16th August to 11th October 2013. Further work was undertaken to address issues raised in representations, before Part A of the Interim Statement was agreed by the Joint Committee on the 9th January 2014. Representations on Part B of the Interim Statement are being considered by the individual planning authorities, who will separately agree their elements. The agreed Part A and Part B documents will be taken into account as material planning considerations in relation to housing requirements.
8. Queries on the draft Interim Statement can be directed to the NNJPU in respect of Part A and the calculation of objectively assessed housing requirements.
 - North Northamptonshire Joint Planning Unit Tel: 01832 742360
Email: info@nnjpu.org.uk

For queries on Part B, notably in respect of identified sites and committee reports, please contact the respective Council using the below details.

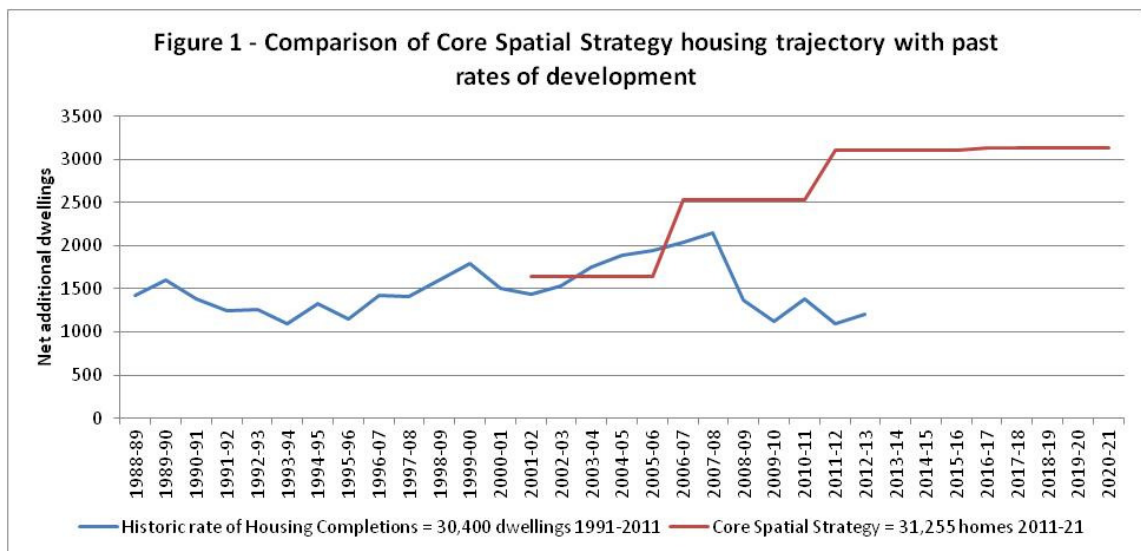
- Corby Borough Council Tel: 01536 463158
Email: planning.services@corby.gov.uk
- Kettering Borough Council Tel: 01536 534316
Email: planning@kettering.gov.uk
- Wellingborough Council Tel: 01933 231926
Email: policyandregeneration@wellingborough.gov.uk
- East Northamptonshire Council: 01832 742142
Email: planningpolicy@east-northamptonshire.gov.uk



PART A

Background

- A1. 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.
- A2. Progress has been made, with 18,940 new homes built in the period 2001-13 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 Core Strategy. 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.
- A3. 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.



- A4. 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.



- A5. 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.
- A6. Until the review of the JCS is completed (it is planned to be submitted for examination in 2014), 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).
- A7. The weight given to specific policies in the adopted Core Strategy depends on their consistency with the NPPF. The Joint Committee has resolved that the housing requirements in the adopted Core Strategy are out of date and not consistent with the NPPF. This Interim Housing Statement provides a basis for the local planning authorities to take account of up to date evidence of the full objectively assessed need for housing in maintaining a deliverable supply of land for housing development.

Objectively assessed needs

- A8. 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).
- A9. 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.
- A10. The Joint Committee reviewed the most up-to-date evidence base for housing requirements at its meeting on 9th January 2014. In line with national policy and guidance, the starting point for this assessment has been the latest (2011 based) CLG projections of the demand for housing arising from new households, including locally generated needs and the demand arising from in-migration. These have been adjusted upwards following a report by the Cambridge Centre for Housing and Planning Research (CCHPR December 2013), which indicates that official projections underestimate future household formation rates. The adjusted household projection (referred to as the CCHPR “2008 Tracking” projection) has been reviewed against employment projections (to ensure that economic development is not held back by a



limited workforce and to avoid unsustainable commuting patterns) and market signals relating to house prices and affordability.

- A11. Demographic forecasts by CCHPR) indicate that changes in the existing population (births, deaths and household formation) will give rise to a need for around 10,400 additional homes in North Northamptonshire over the period 2011 to 2021.
- A12. As well as meeting locally arising needs, North Northamptonshire has historically accommodated significant levels of in-migration. Official CLG Household Projections (April 2013) for the period to 2021 indicate that, if past trends continue, North Northamptonshire could be home to 15,600 additional households between 2011 and 2021. The CCHPR 2008 Tracking projection indicates that, if household formation rates for young adults start to return to longer-term trends following the recession, this figure would increase to 17,700 additional households. This provides scope for unmet housing need to be addressed and it is not necessary to make a separate allowance for unmet housing need as was done in the draft Interim Statement.
- A13. To calculate the dwelling requirement arising from new households, it is necessary to add an allowance for vacant dwellings. A 3% allowance has been used in this Interim Statement. This is consistent with ONS data (Live Table 615) based on Council Tax records, which indicates that 2.85% of dwellings in the HMA are vacant.
- A14. The NPPF requires housing needs to be assessed for the HMA as a whole. This is important because at a district level, household projections 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). The Core Strategy provides the mechanism for redistributing the overall demand in the HMA, identified in the projections, between the districts in line with policy objectives.
- A15. The demographic evidence for housing requirements is 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

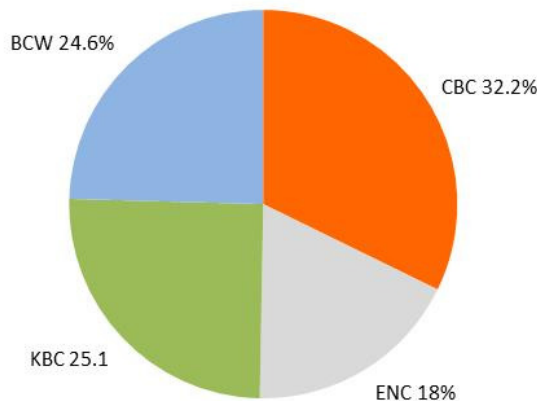


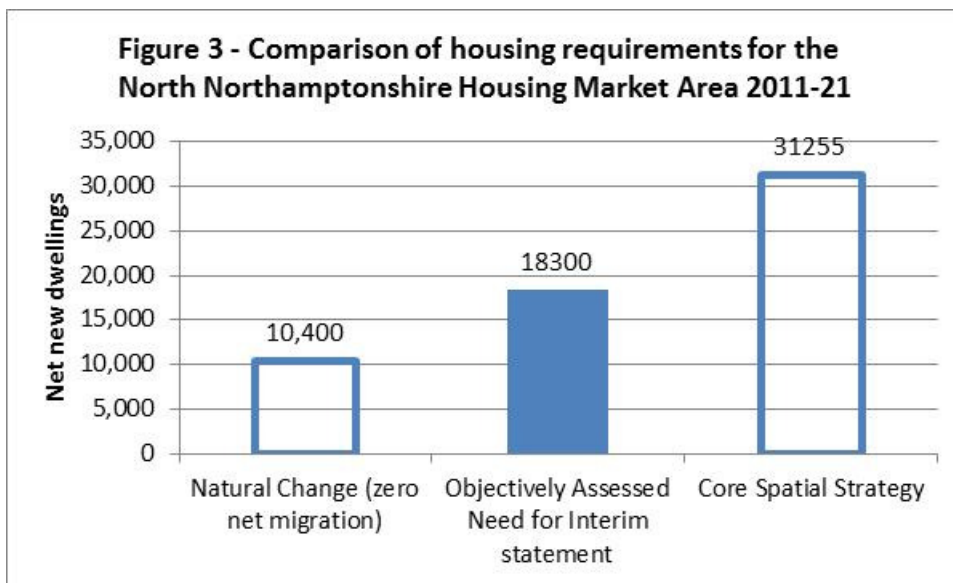
Table 1 – Housing Requirements for Interim Housing Statement (2011-21)		
	Housing requirement based on CCHPR “2008 Tracking” household projection including allowance for vacant dwellings	HMA total housing requirement distributed as per CSS (rounded to 100)
Corby Borough	4,222	5,900
East Northamptonshire	4,584	3,300
Kettering Borough	5,948	4,600
Wellingborough	3,542	4,500
HMA Total	18,295	18,300

- A16. The housing requirements identified in Table 1 have been reviewed against economic forecasts and market indicators (Joint Committee 9th January 2014).
- A17. The East of England Forecasting Model (EEFM) maintained by Oxford Economics is the most up to date and comprehensive currently available. Forecasts produced in August 2013 indicate that net additional jobs in North Northamptonshire over the period 2011-21 could range from a low projection of 9,000 additional jobs to a high of 17,800. Assuming commuting patterns remain constant; this level of job creation is forecast to result in a demand for between 13,600 and 15,700 new dwellings in the HMA. This suggests that revising housing requirements in line with Table 1 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.
- A18. A review of house prices and affordability indicates that Northamptonshire remains relatively affordable in the national context and, in particular, compared to the South East and London. Prices are well below the 2007 peak and have remained fairly stable over the past three years. Significant housing land commitments exist across North Northamptonshire and the rate at which they are built out has historically reflected national economic conditions and the strength of the housing market. Market indicators therefore do not suggest that the housing market in North Northamptonshire is overheating or that increasing housing requirements above the objectively assessed need

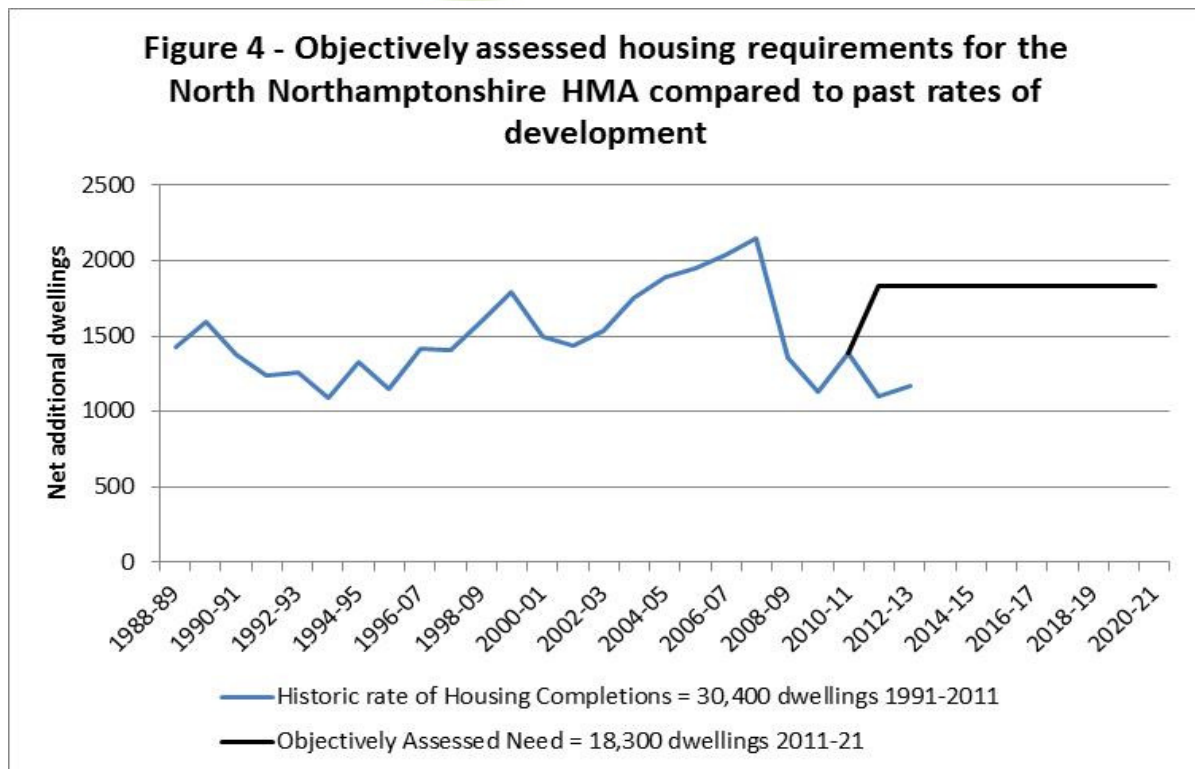


based on demographic factors, would necessarily result in more housing being built or in cheaper house prices and rents.

A19. In view of the above, the Joint Committee has concluded that the full objectively assessed housing need in the North Northamptonshire Housing Market Area is for 18,300 additional dwellings between 2011 and 2021. Figure 3 below shows how this compares 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 more than 70% above locally arising needs.



A20. 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 18,300 homes over the 10 years to 2021 is 20% more than the average of 15,200 homes in the previous two decades. It would therefore provide the significant boost to housing provision sought by the NPPF. It is important to stress that the strategic opportunity remains to deliver still more housing in North Northamptonshire if market demand and investment in infrastructure and job creation supports the delivery of the committed sustainable urban extensions at the Growth Towns and Smaller Towns.



Five year housing requirements

A21. Table 2 (row e) sets out the 5 year housing requirement for each district for the period 2014/15 to 2018/19. This is based on 5 years' worth of the district's share of the objectively assessed housing requirement for the Housing Market Area (row b) plus a proportion of the anticipated shortfall in delivery between 2011/12 and 2013/14, assuming that this shortfall is met over a 7 year period to 2021 (row d). 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 and other sources of supply.

Table 2- Housing Requirements for the period 2014-2019	CBC	ENC	KBC	BCW	HMA Total
a. Objectively Assessed Need for HMA for period 2011-21 distributed as per CSS	5,900	3,300	4,600	4,500	18,300
b. 5 year requirement (before NPPF buffers applied)	2,950	1,650	2,300	2,250	9,150
c. Recorded or estimated completions 2011/12-13/14	1,423	815	1,068	550	3,856
d. Shortfall 2011-13 compared to annual requirement	347	175	312	800	1,634
e. 5 year dwelling requirement 2014-19 if shortfall met by 2021 (Liverpool approach)	3,198	1,775	2,523	2,821	10,317