

# REPORT TO CABINET

REPORT OF: Head of Planning and Economic Regeneration

REPORT NO. PLA477

DATE: 7<sup>th</sup> February 2005

<b>TITLE:</b>	Urban Capacity Study and Housing Supply Policy statement
<b>FORWARD PLAN ITEM:</b>	Not included
<b>DATE WHEN FIRST APPEARED IN FORWARD PLAN:</b>	N/A
<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b>	Local Development Framework is a Key decision

<b>COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:</b>	Cllr John Smith Economic and Cultural Portfolio
<b>CORPORATE PRIORITY:</b>	Planning and Conservation and Affordable housing
<b>CRIME AND DISORDER IMPLICATIONS:</b>	Minor
<b>FREEDOM OF INFORMATION ACT IMPLICATIONS:</b>	Minor
<b>BACKGROUND PAPERS:</b>	Lincolnshire Structure Plan, Regional Planning Guidance, National Planning Guidance, South Kesteven Urban Capacity Study

## **1. INTRODUCTION OR SUMMARY**

- 1.1 This report outlines the findings of the Urban Capacity Study prepared as background evidence for the Local Development Framework. This study reveals that there is a realistic capacity on brownfield (previously developed) sites within the four towns (of Grantham, Stamford, Bourne and the Deepings) for approximately 2577 dwellings to be built during the 17 year period to 2021. The total number of houses built since April 2001, and those with planning permission at September 2004 in the district is 6571. Taken together these figures total 9148. The Lincolnshire Structure Plan sets a requirement for 9200 dwellings to be built in the district between 2001 and 2021. There is therefore only a very small residual requirement of 52 dwellings.
- 1.2 The conclusion drawn from these findings is that very little new residential development, other than on sites with planning permission and identified through the urban capacity study, needs to be built during the period to 2021. Part of the changes to the planning system introduced by the Planning and Compulsory Purchase Act 2004 is the promotion of a flexible and responsive system in which “plan, monitor and managing” the amount of housing development is a key component. The emerging LDF will need to address this issue with a robust policy framework to ensure that the Structure Plan requirement is met and not exceeded. In the meantime, however, applications will continue to be received for residential proposals across the district. All development proposals must be considered in light of the development plan policy and other relevant material considerations which will include this information on housing capacity.
- 1.3 Currently the development plan policies for the district are provided by the South Kesteven Local Plan (Adopted 1995) and the Approved Lincolnshire Structure Plan which includes Alterations No.1 and 2. Since these documents were approved national and regional policy has developed to give much greater emphasis to the issue of sustainable patterns of development. Whilst Structure Plan policy has changed to reflect this, in the recently published Deposit version (April 2004), work on the local plan review has ceased as we move over to the new Local Development Framework (LDF). National and Regional Planning policy included in PPG1 (General Policy and Principles) and PPS1 (Creating Sustainable communities) consultation draft), PPG3 (Housing), PPG 13 (Transport), PPS7 (Sustainable Development in Rural Areas) and RPG8 (Regional Planning Guidance for the East Midlands) guide the location of new residential development to ensure sustainable development objectives can be met. The advice provided by these documents supersedes some of the policies included in the adopted South Kesteven Local Plan. In particular policies H6 and H7
- 1.4 If the current somewhat permissive local plan policy were to continue the Structure Plan housing requirement will be met and exceeded long before the end of the plan period. It is therefore essential that the current position with

regard to housing numbers is taken into consideration in all new and resubmitted housing proposals. A position statement has therefore been drawn up setting out the situation and providing clear policy guidance for the consideration of all new housing proposals.

1.5 The guidance in this statement is based upon the following principles:

- Urban brownfield sites have preference over all other sites in particular greenfield sites; and
- Development must be in sustainable locations, well served by existing services and facilities with access to good and frequent public transport.

1.6 The Conclusions of this approach are that

- no new greenfield residential development is acceptable in any location
- No new housing development in the rural areas (other than affordable housing or agricultural and forestry workers accommodation where a need is proven.)
- New housing development in the four towns should be restricted to brownfield sites only.

1.7 Three levels of policy control will therefore apply, depending on the location.

- Within the built up areas of Grantham, Stamford, Bourne and the Deepings housing proposals are generally considered acceptable where they are for:
  - a) sites identified in the urban capacity study
  - b) windfall sites which meet the definition of “previously developed land” in Annex A of PPG3
  - c) Conversion and re-use of existing buildings
  - d) replacement dwelling
- Within the built up area of main villages which are considered “sustainable” housing proposals are generally considered acceptable where they are for:
  - a) Renewal of an existing permission on a brownfield site
  - b) Rural Exception sites for affordable housing or agricultural and forestry workers accommodation to meet a proven local need
  - c) Replacement dwelling (one for one)
  - d) Conversion of listed building where no other use can be found
- All other villages and the countryside – considered the “rural area” housing proposals will only be considered acceptable if they are for :
  - a) Rural Exception sites for affordable housing or agricultural and forestry workers accommodation to meet a proven local need
  - b) Replacement dwelling (one for one)
  - c) Conversion of listed building where no other use can be found

- 1.8 A number of consequences of this approach are expected which will have an effect on the need for additional policy guidance and explanation. In particular it is expected that additional guidance will be needed for:
- Affordable housing (particularly rural exceptions)
  - Agricultural / forestry workers dwellings
  - Back land development
  - Replacement dwellings

## **2. RECOMMENDATIONS**

- 2.1 Cabinet is asked to:
- i. endorse the Urban Capacity Study (attached at Appendix A) for consultation.
  - ii. approve the new housing policy (shown in bold in the Conclusion of this report) to replace policies H6 and H7 of the adopted South Kesteven Local Plan for use as an interim measure in determining planning applications for new housing proposals.
  - iii. Delegate the preparation and approval of an Interim Housing Policy Statement to explain and justify this new policy to the Head of Planning Policy and Economic Regeneration and the Economic and Culture Portfolio member
  - iv. Publish this policy and supporting statement for public consultation.

## **3. DETAILS OF REPORT**

### **Urban Capacity Study**

- 3.1 To meet the requirements of the Planning and Compulsory Purchase Act the adopted South Kesteven Local Plan is being reviewed and a series of development plan documents are being prepared to form the new Local Development Framework. A fundamental part of the LDF will be the allocation of specific sites for housing development to meet the strategic requirements for the district currently set out in the Lincolnshire structure Plan.
- 3.2 Planning Policy Guidance Note 3 (PPG3) Housing recommends that all potential sources of capacity for housing development in larger settlements is identified as part of the process of identifying housing land supply in the development plan. PPG3 and its companion guides "Tapping the Potential" and "Managing the Release of Housing Land" provide detailed advice and guidance about the process of identifying potential capacity through the preparation of an urban capacity study, and on the need to plan, monitor and manage the supply of land for housing development.
- 3.3 In accordance with this advice an urban capacity study has been undertaken for the four towns in the District. The study has been prepared jointly by the Council's Planning officers and a private sector practitioner from Humberts. This joint approach has enabled a balanced and realistic approach to be given to the identification and consideration of sites. Only sites which are considered suitable and feasible (from both a planning and development point

of view), and which present a realistic opportunity for housing redevelopment have been given a capacity figure in the survey.

3.4 In total some 150 sites were originally identified. However about 60% of these sites have been discounted as it is considered that they are unsuitable or unlikely to come forward for development. The reasons for this discounting can be summarised as follows:

- Market knowledge
- Land value and economic constraints
- Planning / development constraints (eg highway restrictions, existing use and policy restrictions such as Greenfield sites)
- Physical constraints (eg flood risk, land locked)
- Planning history
- Developer interest

3.5 As a result of this work it is considered that there is capacity for about 2580 new dwellings to be built within the 17 year plan period to 2021 on brownfield sites within the four towns of the District. The table below summarises the findings of the urban capacity study:

	Grantham	Stamford	Bourne	Deepings	District
No. sites considered	68	45	21	19	153
No. sites Discounted	31	28	13	14	95
Sites considered now with planning permission	5	4	0	0	9
Remaining sites	32	13	8	5	58
Capacity identified on remaining sites	1614	581	274	108	2577

3.6 The urban capacity study only considered large sites – that is sites of 0.4 ha or greater. Within the towns there are a number of smaller sites with redevelopment potential which will come forward for development within the plan period. These sites are almost impossible to identify and calculate, they are therefore considered as windfall sites. PPG3 advises that provision should also be made in the calculation of housing land supply for windfall sites.

3.7 An example of such a small site windfall would be a house within a large garden. PPG3 provides a definition of what is considered Brownfield land. Included within the definition is the garden of a residential property, therefore a large garden subdivided to accommodate 1-2 new dwellings would be considered acceptable as brown field development. Alternatively the

subdivision of a large housing or its demolition to provide flats would also be considered as a windfall site.

- 3.8 A windfall allowance for the towns has therefore been made as part of the urban capacity study. This allowance is based upon past completion rates for small sites which has been extrapolated for future years.

	Grantham	Stamford	Bourne	Deepings	District
Annual rate	20	15	10	5	50
Windfall allowance 2004- 2021	340	255	170	85	850

- 3.9 The detailed findings of the urban capacity study which includes an information sheet for each site considered and 4 maps showing the location of all sites considered in each town has been prepared. A summary of the detailed study is attached as Appendix 1 to this report and copies of the full study are available for inspection in the Members Room. To give the findings of the study a greater degree of confidence and in the spirit of greater community involvement in the early stages of the plan process it is proposed that the Urban Capacity Study goes out for public consultation before being finalised as a background document to the LDF.
- 3.10 Consultation should begin as soon as practicable. Efforts will be made to ensure that agents and landowners to whom the study relates are aware of the availability of the study and of the consultation period.

### **Housing Land Supply**

- 3.11 The findings of the urban capacity study play an important part in the calculation of housing land supply for the district. National planning policy advises that the supply of housing land should follow a “plan, monitor and manage” approach to ensure that supply is maintained at an appropriate level throughout the plan period.
- 3.12 The District has a duty to meet the strategic housing requirement set by the Structure Plan. The district requirement forms part of the Lincolnshire county requirement which is in turn set by Regional Planning Guidance.
- 3.13 Strategic planning guidance for Lincolnshire has been complicated over recent years by a succession of Structure Plan Alterations and reviews, not all of which have been approved by the Secretary of State. A new Structure Plan was placed on deposit in April last year which reflects the approved regional housing requirements for the County. These figures are lower than the annual rates which have been promoted for the County in the past and represent a shift in policy from “planned growth” towards a more restrictive approach.
- 3.14 This shift in policy and reduction in strategic housing requirements has a serious knock on effect for the districts in Lincolnshire as a whole, and for South Kesteven particularly, because we are still relying upon the old adopted

local plan policies which are in accordance with the more permissive “planned growth” approach of the old Structure Plan. In particular policies H6 and H7 of the South Kesteven Local Plan imply that most housing proposals within settlements in the district will be acceptable. This approach has ensured that over the last 13 years the district has maintained an average completion rate of about 670 per year (for the calendar years 1991 – 2001, and financial years March 2001- April 2004) which is slightly higher than that required by the approved Structure Plan (1988-2001) of 615 per annum.

- 3.15 The deposit Structure Plan (April 2004) covers the next 20 year period from 2001 – 2021. The district requirement in this plan is for 9200 houses to be built during that 20 year period, giving an annual build rate of 460. Almost four years of this period have already passed during which time some 2125\* dwellings have been built and planning permission for a further 4446\* dwellings have been approved. (\*Figures given are at 30<sup>th</sup> September 2004). This represents more than two thirds of the districts requirement for the 20 year period.
- 3.16 If the urban capacity figures are added into the calculation (2577 urban capacity and 850 small site windfall allowance) the total supply for the district will be exceeded by almost 800 dwellings. It appears therefore that no new housing proposals will be required for the period to 2021 other than on sites which already have planning permission and on those sites identified in the urban capacity study.
- 3.17 The timetable for preparing the development plan documents which form the LDF is protracted (see report on the LDS) and will mean that these key policy documents will not be adopted until late 2007. In the meantime however planning applications continue to be made for housing development sites across the district, many of which are not in sustainable locations and which would result in greenfield development. It is therefore essential that action is taken now to ensure that the strategic housing requirement is not grossly exceeded.
- 3.18 An interim policy statement has therefore been prepared to address this issue. The statement clearly shows existing housing supply and that which is predicted by the urban capacity study. The conclusion of this evidence of housing supply is that new housing development within the district must be restricted. The councils policy to restrict development must however reflect national and regional guidance on the location of development and must embrace the concept of sustainable development. Of particular importance to this matter is the sequence of site suitability set out in paragraph 31 of PPG3 and policies 2 and 3 of RPG8.
- 3.19 PPG3 clearly sets out that brown field sites should be developed in preference to greenfield sites, and that where there is sufficient supply of brownfield land available greenfield development should be rejected. The new policy must therefore make it clear that greenfield housing proposals are not acceptable.

- 3.20 National and regional policy also emphasises the need to ensure sustainable patterns of development. New development should be located where it minimises reliance upon the private car, therefore sustainable locations are those where ones daily needs can be met by existing services and facilities within the immediate locality and where public transport is available to facilitate access to larger commercial centres. In a largely rural area such as South Kesteven it is hard to justify the sustainability of many of the rural settlements. Planning applications for new houses have been refused in the more remote locations of the district as being contrary to the principles of sustainable development for over 6 months. Many of these decisions have been successfully upheld at appeal. It is now appropriate to consider extending this approach to all of the villages in the district, concentrating new development on the four towns only.
- 3.21 As an exception to this, affordable housing and accommodation for agricultural and / or forestry workers would be acceptable in the villages where a need can be proven. Also the conversion of listed buildings for residential use would be acceptable in the rural area where other commercial options for the re-use of such a building have been considered.
- 3.22 Renewal of applications. Within the 4446 dwellings which already have planning permission, 850 are located in the rural area. Where such applications lapse they will only be renewed in settlements which are considered sustainable. These settlements have been identified based on the services and facilities provided within them. For example it is considered essential that a village has at least one full time shop, a post office, a primary school, a regular bus service and a public house. At the time of writing, the following settlements are considered “sustainable settlements” by virtue of the range of facilities within them.
- Caythorpe
  - Harlaxton
  - Corby Glen
  - Ancaster
  - Billingborough
  - Long Bennington
  - Barrowby
  - Morton
  - Great Gonerby
  - Colsterworth
  - Baston
  - Thurlby
  - Barkston
  - Langtofy
- 3.23 The housing supply situation is monitored on a regular basis in this district. It is proposed that the annual monitoring of commitments and completions which is usually undertaken at the end of March each year will inform an annual review of this policy. This will allow the assumptions of the urban capacity



study to be tested, and will also allow consideration to be given to the rate of completions and commitments and whether the number of un-renewed permissions makes any overall difference to the supply calculation.

#### **4. OTHER OPTIONS CONSIDERED AND ASSESSED**

- 4.1 The alternative option would be to maintain the current situation, where policies H6 and H7 of the Local Plan continue to be used to determine planning applications for new houses and await the preparation for the Housing and Economic Development Policy DPD in the LDF. In the draft timetable this plan should be adopted by the end of 2007. If the completion rates continues at a similar level to the previous 4 years (between 550 – 600) during this 2 ½ year period, by the end of March 2007 it is likely that a total of 3200 houses will have been built and that some 4000 dwellings will have planning permission. A number of these permissions will include new greenfield sites which will have gained permission during the two years since 2004. Whilst some of the new permissions are likely to be on identified urban capacity sites it is probable that a large number will also be on sites in less sustainable locations and on greenfield sites.
- 4.2 The consequences of continuing this approach is that the Structure Plan requirement for the district could be met by actual completions and commitments by 2010, some ten years early. Presenting the possibility of a ten year period during which no housing development will be permitted.

#### **5. COMMENTS OF DIRECTOR OF FINANCE AND STRATEGIC RESOURCES**

None

#### **6. COMMENTS OF CORPORATE MANAGER, DEMOCRATIC AND LEGAL SERVICES (MONITORING OFFICER)**

None

#### **7. COMMENTS OF OTHER RELEVANT SERVICE MANAGER**

None

#### **8. CONCLUSIONS**

- 8.1 As part of the background work for the preparation of a housing and economic development plan document an urban capacity study has been carried out. The report of the findings of this study has been prepared and is ready to be published for consultation.
- 8.2 The results of the urban capacity study reveal a realistic capacity for some 2580 dwellings to be built on previously developed sites and for approximately 850 small site windfalls to be built in the four towns during the period to 2021.

- 8.3 The urban capacity figures form part of the calculation of housing land supply in the district, and will contribute towards meeting the Strategic housing requirement proposed by the Deposit Structure Plan (April 2004).
- 8.4 Housing land supply in the district is monitored regularly. Completions since 1<sup>st</sup> April 2001 and the number of houses with planning permission at September 2004 total 6571. Taken together with the identified urban capacity and the estimated windfall allowance, the existing known and predicted supply of new houses in the district already exceeds the Structure Plan requirement of 9200 (2001-2021).
- 8.5 To address this it is proposed that a policy statement is prepared to demonstrate and justify the introduction of a new interim policy to replace policies H6 and H7 of the adopted South Kesteven Local Plan as set out below.

#### New Housing Development in South Kesteven

**New Housing Development will not be permitted on green field sites within the district.**

**In the four towns of Grantham, Stamford, Bourne and the Deepings new housing development will only be permitted which involves:**

- a) a previously developed site (in accordance with the definition included in PPG3 Annex C)**
- b) Conversion and re-use of existing buildings**
- c) replacement dwelling**

**Within the main villages which are considered “sustainable,” housing proposals will only be permitted where they are for:**

- a) Renewal of an existing permission on a brownfield site**
- b) Rural Exception sites for affordable housing or agricultural and forestry workers accommodation to meet a proven local need**
- c) Replacement dwelling (one for one)**
- d) Conversion of listed building where no other use can be found**

**In all other villages and the countryside housing proposals will only be considered acceptable if they are for :**

- a) Rural Exception sites for affordable housing or agricultural and forestry workers accommodation to meet a proven local need**
- b) Replacement dwelling (one for one)**
- c) Conversion of listed building where no other use can be found**

**In all cases planning permission will also be subject to all relevant policies of the “saved” Adopted South Kesteven Local Plan**

**9. CONTACT OFFICER**

9.1 Mike Sibthorp, Head of Planning Policy and Economic Development