

ARUN DISTRICT COUNCIL

REPORT TO AND DECISION OF PLANNING POLICY SUB-COMMITTEE ON 27 FEBRUARY 2019

PART A : REPORT

SUBJECT: Authority Monitoring Report 2017/18

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EXTN: 37853

PORTFOLIO AREA: Planning

EXECUTIVE SUMMARY: This report presents the Arun Local Planning Authority's Monitoring Report 2017/18. The full report is provided as Background Paper 1 (to be published on the Council's web site following this meeting – 19 June 2019). As part of the AMR the 5 year housing land supply has been updated and this shows currently, there is a 4.7 year supply.

This has policy and decision making implications which under national policy, provides that the 'presumption in favour of sustainable development will apply to planning applications until the achievement of a 5 year housing land supply is attained.

RECOMMENDATIONS:

That the Local Plan Sub Committee:

1. Notes the Authority Monitoring Report 2017/18.

1. BACKGROUND:

- 1.1. The preparation of an Authorities Monitoring Report (AMR) is a requirement under Regulation 34 of the Town and Country Planning (Local Planning) (England) Regulations 2012. The survey, data collection, validation process and lead time to establish the monitoring report outputs, means that data is presented for the previous monitoring year at publication. The AMR is updated on an annual basis. The current AMR 2018 therefore, covers the financial year 1st April 2017-31st March 2018.
- 1.2. The AMR monitors progress on; plan making (i.e. Development Plan Documents) identified within the local planning authority's Local Development Scheme; and comments on the use of planning policies; and the updated annual housing land supply figures.
- 1.3. The AMR 2018 was drafted in December 2018 but publication was delayed pending Government consultations on components of housing supply to be set out within the revised National Planning Policy Framework (NPPF). The updated NPPF was published in February 2019. The AMR 2018 can now be published and includes a range of updates and progress reports, including the following:-
 - Progress on the Local Plan and Development Plan Documents against the timetable set out in the Arun Local Development Scheme 2016/17
 - Neighbourhood Plan Update
 - Duty to Cooperate Update
 - 5 year Housing Land Supply
 - Local Plan Policy Usage
 - Housing Delivery
 - Commercial Land Delivery
 - Traveller Sites
 - Sussex Biodiversity Annual Monitoring Report
- 1.4. The AMR 2018 will be accessed via the Council's web pages as soon as practicable after the meeting (i.e. Background Paper 1). In particular, the AMR includes a 5 year Housing Land Supply Report, an update on Local Plan and Neighbourhood Plan progress and housing delivery. In particular, it should be noted that:-
 - with the adoption of the Arun Local Plan Arun (July 2018) Arun had a 5.3 year housing land supply (based on monitoring in 2016/17)
 - however, since adoption, monitoring for the period 2017/18 shows delivery rates and housing trajectories for sites has not progressed as anticipated
 - consequently, there is a 4.7 year housing land supply for the period 2018-2023
 - the reasons for the lower projected delivery include; recent planning refusals on some Strategic Allocations; poor quality schemes delaying approvals; developers unable to meet stated and committed timescales; and developer/market factors outside of authority control.

- 1.5. The NPPF 2019 has introduced some sweeping changes on how authorities measure their Objectively Assessed Housing Need (OAN), measure past performance on housing delivery against their housing need or requirement, and calculate an adequate 5 year housing land supply looking forward:-
- Objectively Assessed Housing Need (OAN) is now calculated according to the government's Standard Housing Methodology (which establishes a baseline annualised 10 year projection, pro rata for any plan period, uplifted for a local affordability factor (i.e. if above 4 times the local average earnings to house prices ratio) but 'capped' at 40% where there is a recently adopted Local Plan (i.e. within the last 5 years);
 - Housing Delivery Test (HDT) – measures performance over the previous 3 years and is expressed as a percentage of the Local Plan housing target or 'local housing need' (OAN) divided by housing completions. The housing target must be within a Local Plan adopted within the last 5 years and may include a 'stepped housing trajectory' as in the case for Arun District). The HDT is the basis for calculating an authority's 'buffer' for calculating a 5 year housing land supply;
 - Calculating a 5 year housing land supply (5 YHLS) with emphasis on clearly evidenced 'specific deliverable sites' available in the right locations now that can be developed within 5 years.
- 1.6. The HDT test is an additional test to the 5 YHLS and the Council needs to demonstrate that both these tests are passed in order to ensure paragraph 11.d of the NPPF 2019 is not engaged (i.e. the 'presumption in favour of sustainable development' see appendix 1 where applications will have to be positively determined provided that they do not conflict with the policies of the NPPF or that adverse impacts significantly and demonstrably outweigh the benefits assessed against the NPPF as a whole).
- 1.7. Arun's HDT result published for 2018 indicates 91% which triggers the requirement for an 'Action Plan' and a buffer requirement for 5 YHLS calculation purposes, of 5%. If the percentage had been below 85% a 20% buffer would be applied. Below 75% policies would be considered out of date triggering paragraph 11.d of the NPPF 2019.
- 1.8. The Action Plan will contain more evidence on why we are not meeting the requirement and come up with solutions to improve supply and housing completion projection rates. The solutions found as part of the Action Plan should help improve the 5 Year Housing Land Supply as well as the Housing Delivery Test Score. The Action Plan will need to be produced by end of August 2019.
- 1.9. Arun's 5 YHLS is calculated broadly consistent with the government's clarified definition of 'specific deliverable' sites being implemented within 5 years. However, the current level of documented evidence is not sufficiently robust until the next AMR is produced with additional documented evidence on the housing delivery trajectory for each site. In recognition of this Cabinet has approved resource for the recruitment of a senior planning officer to assist with the additional burden of work involved. In the interim, a review of the build out rates and projected delivery rates for strategic allocations has been undertaken.

- 1.10. The housing trajectory for sites has been adjusted to account for the refusal of the application at Paghams (which will push back delivery on the site) and delayed planning status of some housing sites within the other Strategic Allocations which have still not progressed to a submitted planning application or indeed not yet obtained planning approval. This also impacts on the 5 yr HLS and this has been adjusted accordingly. The consequence of this is that instead of a 5.3 year HLS Arun now has a 4.7 year HLS
- 1.11. Paragraph 13.4 of Chapter 4 of the AMR shows how the 4.7 year supply has been calculated based on the housing requirement against projected completions. Overall supply for the rolling 5 year period for calculating the 5 yr HLS has decreased from 6,762 (in 2017) to 5,911 (in 2018) because predicted completion rates have had to be pushed back a year or more on some sites, as explained above. The combined effect of Arun entering a higher housing requirement period on the Local Plan stepped housing trajectory with an increasing shortfall on actual delivery mean that the 5 year housing land supply has fallen.
- 1.12. There are a number of reasons why delivery timescales have slipped. In particular:
- The quality of major applications submitted have not all been of sufficient quality to allow timely approval;
 - Strategic site application P/6/17/OUT had officer recommendation for approval (for 300 dwellings) but was then subsequently refused at committee;
 - Applications were expected on most of the strategic allocations following the LP Examination in 2017 on the assurances and evidence provided by the key developers but for example, Bersted (SD3) and BEW (SD5) have not yet been received as previously promoted and these large yielding sites have had to be pushed back further out of the 5 year period;
 - Developers have not delivered on their previously promoted build out rates (this may be partly due to market issues and or infrastructure issues).
 - The actual rate of completions is highly dependent on the developers, which is largely out of Local Authority control.
- 1.13. The consequence of not having a 5 year HLS means that the authority has not satisfied one of the tests outlined in para 1.5 above. This will trigger paragraph 11.d of the NPPF 2019 and the application of the 'presumption' for DM decisions. It is also more likely that Arun will see speculative applications on sites that are less sustainable. Refusal is more likely to go to appeal and succeed – until a 5 year HLS is retained. The 3 year housing land supply position is 2.4 years. and any made Neighborhood Plans that are more than 2 years old and make housing allocations, will also be subject to the NPPF 2019 paragraph 11d 'presumption' (Planning Policy Guidance para 083).
- 1.14. Arrangements are being made to prioritise land supply monitoring work to ensure that the next AMR 2019 has a robust assessment of deliverable sites with the necessary additional evidence for establishing the 5 yr HLS. Much of the Government's new definition of 'deliverable sites' is already assessed by Arun's

monitoring approach however the evidence burden is greater to document deliverability under the new definition.

- 1.15. The Action plan is being produced and will involve engagement with developers to see whether there are known barriers to development and possible options to overcome them and accelerate planning applications.
- 1.16. Arun will also need to ensure that the Non-strategic Sites Development Plan Document progresses in order to boost potential net additional housing land supply to help maintain the 5 year HLS. This is required to be submitted for examination by July 2021.
- 1.17. Furthermore, paragraph 12.1.12 of the adopted Arun Local Plan 2018 sets out the monitoring regime for assessing progress on delivering the Local Plan housing requirement such that, should the AMR indicate that delivery is below the annualised requirement or projected completion rate (whichever is the lower) over two consecutive years, the Council will undertake a partial review of the Local Plan.
- 1.18. It should be noted that because the AMR monitoring period is retrospective, it largely monitors the previously adopted Local Plan 2003 policies under the Local Development Scheme adopted for 2017. However, there is an exception that the housing land supply and 5 year housing land supply is included within Chapter 4 for the adopted Local Plan 2018 plan period because there need to address national policy requirements and because the AMR 2018 covers a transition year. With the adoption of the Arun Local Plan 2018 the next AMR for 2019 will need to address the adopted policies of the Arun Local Plan 2018 and the LDS adopted in January 2019.

Next Steps

- 1.19. The AMR and HLS will be reported to June PPSC in order for the AMR and HLS to be published.

2. PROPOSAL(S):

That the AMR be agreed as the monitoring evidence base for plan making and policy performance for the period 1st April 2017- 31st March 2018.

3. OPTIONS:

3.1 The following options are available:-

- To publish the AMR and 5 year HLS update 2018 as the Councils position – showing a 4.7 year 5 year HLS which can be used as a basis for determining current applications before the Council with a view to approval where they are appropriate and sustainable in order to secure a 5 year HLS to ensure that speculative applications are not encouraged.
- Not to publish the AMR and 5 year HLS until the new 2019 AMR and 5 year HLS position is compiled after October 2019. This may risk submission of speculative

development and appeals because the Council's position is uncertain or equivocal.

4. CONSULTATION:

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		x
Relevant District Ward Councillors		x
Other groups/persons (please specify)		x

5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)

	YES	NO
Financial	x	
Legal	x	
Human Rights/Equality Impact Assessment	x	
Community Safety including Section 17 of Crime & Disorder Act		x
Sustainability	x	
Asset Management/Property/Land		x
Technology		x
Other (please explain)		x

6. IMPLICATIONS:

The AMR provides an evidence base against which to monitor plan making progress and performance in order that policy formulation and decision making is effective in delivering sustainable development of the planning authority area. Not demonstrating a 5 year housing land supply may trigger paragraph 11 d. of the NPPF 2019 which requires the 'presumption in favour of sustainable development' to be applied to decision making in order to achieve a 5 year housing land supply.

7. REASON FOR THE DECISION:

To ensure that progress is maintained on housing delivery and creation of sustainable communities within Arun.

8. BACKGROUND PAPERS:

The AMR 2018 can be accessed on the Council's Web Site: <https://www.arun.gov.uk/authority-monitoring-report>

Appendix 1: Extract of paragraph 11.d from the NPPF 2019

Appendix 1: Extract of paragraph 11.d from the NPPF

The presumption in favour of sustainable development

11. Plans and decisions should apply a presumption in favour of sustainable development.

For **plan-making** this means that:

a) plans should positively seek opportunities to meet the development needs of their area, and be sufficiently flexible to adapt to rapid change;

b) strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas⁵, unless:

i. the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area⁶; or

ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.

For **decision-taking** this means:

c) approving development proposals that accord with an up-to-date development plan without delay; or

d) where there are no relevant development plan policies, or the policies which are most important for determining the application are out-of-date⁷, granting permission unless:

i. the application of policies in this Framework that protect areas or assets of particular importance provides a clear reason for refusing the development proposed⁶; or

ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.