

**Wyre Forest District Site Allocations and
Policies DPD**

Independent Examination

Housing Implementation Strategy

October 2012

Introduction

1.1 The NPPF, published in March 2012, sets out at paragraph 47 that Local Planning Authorities should:

‘for market and affordable housing, illustrate the expected rate of housing delivery through a housing trajectory for the plan period and set out a housing implementation strategy for the full range of housing describing how they will maintain delivery of a 5-year supply of housing land to meet their housing target.’

1.2 The Housing Implementation Strategy (HIS) sets out Wyre Forest District Council’s proposed approach to managing the delivery of both affordable and market housing in order to meet the requirement as set out in the Adopted Core Strategy. One of the Core Strategy’s development objectives is *‘to provide a range of high-quality, highly energy efficient, market and affordable housing options for residents of all ages and needs to achieve sustainable communities.’*

1.3 Policy DS01 of the Core Strategy sets out the overall housing provision for the plan period 2006-26 of 4,000 additional dwellings (net) with the following sequential approach to the allocation and subsequent phased release of sites:

- Key regeneration sites within the Kidderminster Central Area Action Plan boundary
- Other major brownfield sites within Kidderminster and Stourport-on-Severn urban boundaries
- Smaller infill brownfield sites within Kidderminster, Stourport-on-Severn and Bewdley
- Brownfield sites within the rural settlements.

1.4 Since the beginning of the plan period in April 2006, a number of dwellings have been completed. The remaining housing requirement at 1st October 2012 is shown in the table below.

Table 1: Remaining housing requirement

Homes completed 1 st April 2006 – 1 st October 2012	1,347
Homes with planning permission at 30 th September 2012	1,104
Homes required to be found on allocated sites	1,549
TOTAL REQUIREMENT	4,000

1.5 This Housing Implementation Strategy deals with the elements of supply which are yet to be completed. The document’s structure is as follows:

Scenario and contingency planning – this will identify different delivery options in case actual housing delivery does not happen at the expected rate;

A risk assessment to identify obstacles and constraints to housing delivery – plus management strategies to address any risks;

The approach to engaging with housebuilders and other key stakeholders – this will ensure that housing delivery objectives are understood and accepted by all parties and includes positive engagement via the pre-application process;

The approach to regular monitoring and review – actual housing delivery will be carefully assessed against the housing trajectory and policy DS05;

An indication of the circumstances in which specific management actions may be introduced – this would be the case when monitoring and review of delivery shows there are issues.

Scenario and Contingency Planning

- 2.1 Since the start of the plan period in 2006, the average rate of new house building (net of demolitions) has been 209 dwellings a year. This compares with an annual average requirement of 200 dwellings a year to meet the requirement of 4,000 dwellings over the 20 year period to 2026. Net completions have been kept low in recent years by the clearance of a number of blocks of maisonettes and flats in the ownership of Wyre Forest Community Housing. There are no plans in the near future for further large-scale clearance schemes. Although net completions in 2011/12 were only 185 dwellings, gross completions reached 235 units.
- 2.2 The expected rate of housing delivery over the remainder of the plan period is illustrated in the Housing Trajectory. This shows actual numbers of housing completions since 2006 together with projected completions up until the end of the plan period in 2026. This trajectory is updated in April and October each year to take account of new planning permissions, starts and completions. Projected completions for 2012-16 are expected to average over 300 dwellings a year. This increase reflects the high numbers of dwellings now under construction – almost 300 at October 1st 2012. Delivery is then expected to fall back for the next five years to around 250 dwellings until 2021.
- 2.3 Although, at first glance, it would appear that the housing supply has dropped from 6.5 to 5.7 years since April 2012, there are in fact around 300 dwellings with approval subject to section 106 agreements which equates to around 1.5 years' supply. The number of dwellings under construction has raised from 231 to 302 dwellings, mostly due to construction activity at two key sites – Kier Homes at Hurcott Road in Kidderminster and Redrow Homes at Bewdley Road in Stourport-on-Severn.
- 2.4 It is always possible that the high numbers of completions predicted over the next 4 years will not be reached. It is possible that the housebuilding industry will not have the capacity, but more likely an issue will be issues with the market not being able to absorb these levels of completions, especially once the large Greenfield sites in neighbouring authorities come on stream. It is hoped that the draw of canalside and riverside living will encourage house sales.
- 2.5 The identified supply in the housing trajectory contains a mix of sources:
- sites with planning permission (commitments);
 - proposed allocations through the Site Allocations and Policies DPD and
 - proposed allocations through the Kidderminster Central Area Action Plan DPD.

It should be noted that the majority of sites in the housing supply are brownfield which may have higher risks of delivery failure than Greenfield ones. However, there

is a good track record of delivery in Wyre Forest with few lapsed permissions. Since the start of the plan period in April 2006, lapsed planning permissions have averaged 35 dwellings a year (or as low as 19 dwellings if 2010/11 is discounted). This only equates to 2.5% of supply.

- 2.6 Much of the background work was done as part of the Strategic Housing Land Availability Assessment (SHLAA) during 2009. This helped to identify sites that would be deliverable within 5/6 years or developable up to the end of the plan period in 2026. Work has also been undertaken in producing realistic estimates of housing potential (design consultants looked at a sample of potential sites as part of the process). In a buoyant market, completions on large sites can average 50 dwellings a year. However, during the last few years developments have taken much longer to complete. The 166 dwellings (mostly apartments) at Lichfield Basin in Stourport-on-Severn did not finally complete until late March 2012, although the first block of 15 flats completed in November 2008. However, although construction work has finished, a high number of units remain unsold. It is also possible that some sites will come forward sooner than predicted. These will help to compensate for delays experienced at other sites.

Risk Assessments of Obstacles and Constraints on Housing Delivery

Housing Market

- 3.1 The process of allocating housing land is often seen as a key constraint to the delivery of new housing. However, the recent downturn in the housing market has brought a number of factors to the forefront. These include:
1. willingness of housebuilders to develop sites in a weak market;
 2. availability of finance for housebuilders;
 3. ability of potential homebuyers to borrow money and
 4. unrealistic expectations of land value.
- 3.2 Latest figures from the Land Registry show that in Wyre Forest District house prices have fallen 10% over the 12 months to June 2012 with the average price now being just over £161,000. There were 242 sales in the April-June 2012 quarter. Neighbouring districts are mostly showing a slight rise (apart from Wychavon where prices are much higher). The district remains the cheapest place to buy a house in Worcestershire.
- 3.3 A viability assessment of a sample of the sites in the SHLAA was published in November 2009 by consultants. It looked at the viability and deliverability of the sites for residential uses as envisaged by emerging planning policy. It was concluded that the viability of the sites could be further improved by public sector funding to cover abnormal costs such as contamination and flooding, public sector intervention to assemble sites and undertake remediation and improved market conditions. Viability assessments are now submitted alongside planning applications for large housing developments. In several cases, the results have influenced the level of affordable housing provision or other planning obligations. Policy SAL.DPL3 Financial Viability states that where an applicant considers that there are significant cost constraints

affecting a site which would impede the delivery of 30% affordable housing or other planning gain requirements, then the onus is on the developer to prove that these requirements would jeopardise the proposals. The developer will be required to provide financial information in the form of a full viability assessment to enable the Council to assess the nature, extent and impact of the constraints and the level of affordable housing that could be provided.

- 3.4 Other factors influencing deliverability include front-loading of costs, potential funding cuts (particularly affects viability of affordable housing provision) and the costs of borrowing.
- 3.5 The Strategic Housing Strategy team have brought in a number of measures to help address the downturn in the housing market, including supporting the plans to introduce a Local Authority Mortgage Scheme aimed at helping first-time buyers onto the housing ladder. As part of the scheme the Council proposes to help people who can afford mortgage repayments, but not a large deposit, to secure a house by providing an indemnity for up to 20 per cent of the total value of the mortgage with the lender. It will allow first-time buyers to get a 95 per cent mortgage on similar terms as a 75 per cent mortgage but without the large deposit normally required.
- 3.6 The Strategic Housing Services Team have also encouraged the delivery of new build through supporting bids to the Homes and Communities Agency for new affordable housing up to 2015, utilising internal resources to fund new build developments, including a 19 bed unit Foyer for young people and promoting schemes such as HomeBuy and Mortgage Rescue within the District.

Site Specific Constraints

- 3.6 For sites proposed for allocation in the DPDs, there has been a detailed assessment of potential constraints and the means to overcome these. These have been assessed as part of the sustainability process. The pre-application process undertaken as part of the development management approach is used to discuss constraints to delivery and how they can be removed prior to the determining of the actual planning application.

Infrastructure

- 3.7 Another key risk to consider is the need for infrastructure to enable the delivery of the housing allocation. An Infrastructure Delivery Plan (IDP) has been developed alongside the DPDs. Although this has been coordinated by the Council, the information it contains is the result of collaboration with a number of different providers of services such as transport, education and healthcare. Much of the information comes from the investment programmes of the various infrastructure providers. In Wyre Forest district there is considered to be a low to medium risk from infrastructure delivery to overall housing delivery.

National Policy

- 3.8 A number of reforms to the planning system have been introduced by the Government in recent months but it is unclear as to what impact these might have on housing delivery in the long term. As well as the NPPF, the following new measures have been introduced:

- New Homes Bonus – this is designed as an incentive to local authorities to encourage housing growth. The scheme provides additional funding for each new house built by match funding the Council Tax raised on new dwellings as well as empty homes brought back into use with an extra amount for each affordable unit provided. This funding is for a 6 year period. Funding for the first two years has already been paid.
- Community Infrastructure Levy (CIL) – The Community Infrastructure Levy (CIL) Regulations 2010 (as amended) give local authorities the ability to raise funds from development towards infrastructure projects which are needed to support growth. The six Local Planning Authorities in Worcestershire are working in partnership with Worcestershire County Council to develop the evidence required to enable each authority to develop a CIL charging schedule should they choose to do so.
- The Localism Act 2011 and Neighbourhood Planning (General) Regulations 2012: these introduce neighbourhood plans and the requirements for preparing them. Within the district, the Parish of Chaddesley Corbett has been designated a Neighbourhood Area for the purposes of Neighbourhood Planning.

The Approach to Engagement with Housebuilders and Key Stakeholders

- 4.1 There has been ongoing engagement with housebuilders and other key stakeholders throughout the production of the Core Strategy and the Development Plan Documents. At a number of stages there have been opportunities for developers and other stakeholders to put forward housing sites for consideration for allocation starting with the call for sites in February 2008 as part of the SHLAA (Strategic Housing Land Availability Assessment) process, through the Issues and Options consultation into the two site specific DPDs in early 2009 and the Preferred options consultation in May 2011.
- 4.2 The Council encourages developers to submit pre-application enquiries so that discussions can be held about proposals and issues identified at an early stage in the process.
- 4.3 The Council works in partnership with its Preferred Registered Providers (RP) to deliver new affordable housing to meet local housing needs and encourage mixed communities. These are currently Wyre Forest Community Housing, Bromford Housing Group, Jephson Housing Association, Waterloo Housing Group and West Mercia Housing Group. There is a detailed Housing Partnership Agreement in place between the 5 partner organisations and the District Council. This agreement covers amongst other things, homelessness prevention, nomination arrangements, affordability, dwelling space standards and development standards. These standards are publically available in the Affordable Housing Toolkit, which is on the Council's Housing Strategy webpage. The Council also supports the countywide Worcestershire Delivery Group, which includes all Registered Providers with housing stock in the county along with planning and housing colleagues. The Delivery Group aims to encourage and support development and monitors progress against the Local Delivery Plan.

Monitoring and Review of Performance

- 5.1 The monitoring of permissions (on large, medium and small sites) involving residential dwellings has been carried out twice yearly since the late 1990s and thus good historical evidence of delivery exists. The exercise involves visiting all sites with residential permission on an annual basis (late March / early April) and using information from a variety of other sources to track progress each October. For this end, information provided by building control records, estate agents, Council Tax and NHBC is used. Any lapsed permissions are removed from the database. The system also records whether sites are Greenfield or previously developed. As information is received, the database is updated.
- 5.2 This information is fed into the Annual Monitoring Report (AMR) which gives a detailed breakdown of all housing developments by type, size, location and tenure. It also shows the 5 year deliverable supply against the housing target set in the Adopted Core Strategy. There is also an update of the Housing Trajectory included in the AMR which provides for projected housing supply over the plan period to 2026. Although the Localism Act 2011 removes the requirement for AMRs to be formally submitted to the Secretary of State, there is still a requirement for monitoring. The content of the AMR is covered by Regulation 34 of the Town and Country Planning (Local Planning) (England) Regulations 2012. A monitoring report will continue to be produced by the Council on an annual basis.

Circumstances where Specific Management Actions may be introduced and Management Actions that may be Required

- 6.1 Any actions taken should reflect the degree to which actual performance varies from that expected. Adopted Core Strategy policy DS05: Phasing and Implementation, sets out the average annual housing delivery targets (net additions) for the four 5-year periods of the plan period. The suggested phasings of the proposed sites in the Site Allocations and Policies DPD and the Kidderminster Central Area Action Plan DPD aim to release key sites in accordance with this policy. However, if monitoring shows that delivery is running at more than 20% under or over the suggested figures in any of the 5 year periods, then sites will either be held back or brought forward earlier in the plan period. Under Policy DS05 the average net delivery for 2006/07 – 2010/11 was set at 240 dwellings. Actual delivery in that 5 year period averaged 214 dwellings. However, this is still within +/- 20% shown in the Monitoring and Implementation Framework. This reflects the downturn in the economy with the slowing down in housebuilding and poor sales of completed dwellings. The next 5 year period 2011/12 – 2015/16 is expected to see increased output with policy DS05 showing an average build rate of 326 dwellings a year. The latest Housing Trajectory reflects this increased output and at 1st October 2012 there were over 300 dwellings under construction.
- 6.2 The Council will continue to monitor and review performance closely. Where there is evidence that targets are not being met, a number of actions are proposed. These include:

- Engaging with landowners and developers regarding obstacles and constraints to housing delivery.
- A review of the SHLAA to determine whether there are any additional sites which could meet housing land supply. These would have to be in accordance with the Development Strategy in the Adopted Core Strategy.
- Any unidentified sites outside of defined settlement boundaries would have to be looked at in the context of a revision of the development plan.
- Flexibility in negotiations on emerging planning applications and existing commitments to help with removal of obstacles to development.
- Work with developers and landowners to provide site specific development briefs and masterplans to provide further certainty in delivery of larger sites.
- Looking at the possibility of involving Registered Providers (housing associations) in stalled sites.