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**Courtley Planning Consultants Ltd/
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EXAMINATION OF ASHFORD BC LOCAL PLAN 2030

ISSUE 4

Is the housing required justified and deliverable and has it been calculated in accordance with national policy and guidance?

Submitted by Courtley Planning Consultants Ltd on behalf of Pent Ltd

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1. New Standardised methodology for calculating local housing need

1.1 A number of proposed changes to the NPPF were announced in last year's Housing White Paper (Feb 2017). A consultation published in September 2017 by the Dept for Communities and Local Government (DCLG) sets out details on how it intends the proposed standard methodology for assessing housing need to operate.

1.2 It is intended the new methodology would follow 3 steps.

- Household growth projections would be used as the demographic baseline for every local authority area;
- The methodology would include a multiplier for less affordable areas e.g. in areas where house prices are more than four times average earnings, the multiplier would increase the housing need figure by 0.25% for each one percent the affordability ratio rises above four;
- The methodology would include a cap on the level of any increase.

The cap would mean that for local authorities that have their local plan in the last 5 years, the new annual local housing need figure should be capped at 40% above the annual required set out in their local plan. For those authorities that don't have an up-to-date local plan the government proposes that the new annual local housing need figure should be capped at 40% above whichever is higher of the projected household growth for their area over the plan period, or the annual housing requirement figure set out in their plan.

1.3 The White Paper proposed a housing delivery test which is intended to assess housing delivery- measured using official figures for net additional dwellings over a three-year period- against councils' housing requirements. The White Paper said the test will *“highlight whether the number of homes being built is below target, provide a mechanism for establishing the reasons why, and where necessary trigger policy responses that will ensure that further land comes forward”*

1.4 The White Paper proposed to measure housing delivery using net annual housing additions, assessing the rate of housing delivery in each area as the average over a 3 year rolling period. It said the first assessment period *“will be financial years April 2014- March 2015 to April 2016- March 2017”*. Official net additions data covering this period were published in November 2017.

1.5 Initial sanctions set out in the February white paper would see councils falling beneath thresholds required to produce an action plan(additions below 95% of housing requirement) or plan for an additional 20% buffer on their housing land supply (additions below 85%). Currently, Ashford BC would fall within the 20% buffer requirement.

1.6 An indicative assessment of housing need based on proposed Housing White Paper formula 2016 to 2026 would suggest housing need figure of 989 dwellings per annum for Ashford BC.

1.7 The long awaited proposed changes to the NPPF are to be revealed at an event on the 5th March 2018 organised by MHCLG. The Key NPPF changes that have already been promised by the MHCLG include:

- introducing a new standard method of calculating housing need for local authorities to use;
- a requirement for authorities to produce a “statement of common ground” with neighbouring authorities within 12 months of the NPPF being published;
- a requirement for local authorities to ensure that one-fifth (20%) of their housing supply pipeline involves small sites of under half a hectare;
- policies “ to make efficient use of land and buildings and building at higher densities”;
- provide neighbourhood planning groups with a housing need figure for their plan areas.

1.8 Although there is some debate surrounding the timing for using the new housing methodology and other changes proposed under the NPPF review, the direction of travel of the Government to “**boost significantly the supply of housing**” remains strong as evidenced in the Housing White Paper and NPPF review. This is particularly relevant to the situation at Ashford BC where it has regularly failed to meet its 5 year housing supply obligations whilst sticking with a housing distribution strategy that has led to the Council failing to meet its housing needs. Given this grave position the White Paper and the publication of the NPPF review become material considerations to the soundness of this Local Plan.

2. Is the housing requirement justified and deliverable and has it been calculated in accordance with national policy and guidance?

2.1 We have already discussed above the implications of the new standard method of calculating housing need proposed in the Housing White Paper and the impact this would have on Ashford BC Local Plan i.e. 989 dpa. The PPG advises an adjustment to increase housing supply above the demographic projections in order to improve supply which will also assist affordability and create more competition (to help counter a market undersupply relative to demand as the PPG states at 2a-019-20140306).

2.2 The Council acknowledge they have a high affordable need -368 dpa according to the SHMA (para 5.41) which presents around 44% the total planned supply (which is 849 dpa).

2.3 In support of the White Papers “housing delivery methodology” which would suggest Ashford BC provides 20% housing buffer there is another argument in

favour of the 20% adjustment. Ashford has a long record of poor housing delivery. This will have influenced the rate of household formation in the borough. The PPG says that *“if the historic rate of development shows that actual supply falls below planned supply, future supply should be increased to reflect the likelihood of under-supply of a plan”*.(2a-019-20140306). Therefore in areas where the local authority has performed poorly against its previous targets then it may be necessary to boost supply to ensure enough plots are provided to avoid the possibility of this occurring again. The PPG makes a related point where it states: *“formation rates may have been suppressed historically by under-supply and worsening affordability of housing. The assessment will therefore need to reflect the consequences of past under delivery of housing”* (2a-015-2014140306).

2.4 We consider therefore that the adjustment of 1.6% that has been made to help improve affordability is relatively ineffective base upon past evidence of housing delivery in the borough. It is arguable whether a trend-based projection albeit one that makes an adjustment for migration with London, plus a 1.65% for affordability, would provide an adequate assessment of the future needs in Ashford borough. The trend based projections will only reflect the consequences of the boroughs past under performance.

2.5 It is important to remember the reasons why the Ashford borough was designated a “Growth Area” under the SE Plan remain, namely its international links via the channel tunnel; the M20 motorway connections and the HS1 train link to London still remain. The SHMA update (Jan 2017) Summary & Conclusions stated in paragraph 10.5 the level of demographic-led need would be 786 dpa resulting from the 2014 –based SNPP.

2.6 We consider, consistent with the NPPF, PPG and the Governments direction of travel with the Housing White Paper and NPPF review; that 20% uplift to the demographic figure would be appropriate. This would leave a housing need target of 949 dpa i.e. an Objectively Assessed Need of 18,031 dwellings over the plan period 2011 to 2030. This figure is extremely close the 989 figure calculated under the new housing need methodology set out in the Housing White Paper and current NPPF review.

2.7 The difference between the Local Plan housing target in Table 1: 16,120 and the proposed target of 18,031 is 1911 extremely close to the Local Plan figure of the *“2000 additional new dwellings in the rural area”* referred to in paragraph 3.37.4 needed to rectify the housing shortfall since 2011.

2.8 It is also important to recognise that with the government’s intention to require local authorities to ensure 20% of housing supply pipeline is on small sites (i.e. under half a hectare) the plan would need to make provision for the delivery of 3224 dwellings (based on housing target of 16,120) on small sites over the plan period. With this obligation the importance of a Brownfield Land Register and rural site allocations become increasingly important.

