



PLANNING COMMITTEE – 2ND DECEMBER 2020

SUBJECT: CAERPHILLY COUNTY BOROUGH COUNCIL LOCAL DEVELOPMENT PLAN – HOUSING DELIVERY STATEMENT

REPORT BY: INTERIM CORPORATE DIRECTOR - COMMUNITIES

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1. PURPOSE OF REPORT

- 1.1 To provide an update to members on recent changes to planning policy in respect of housing supply and housing delivery.
- 1.2 For Planning Committee to consider the Housing Delivery Statement and endorse the Statement and its recommendations for consideration by Council.

2. SUMMARY

- 2.1 It is a statutory requirement that the Council submits an Annual Monitoring Report (AMR) to Welsh Government (WG) on an annual basis that monitors the strategy and policies of the adopted Caerphilly County Borough Local Development Plan up to 2021 (LDP). The last AMR was approved by Council on 23rd October 2019 and submitted to Welsh Government in accordance with the regulations.
- 2.2 The 2019 AMR recognised the need to identify more land for employment and housing to support local need and regional aspirations and recommended that a review of the Adopted LDP be commenced. It also identified a series of proactive actions focusing on addressing the shortfall in the 5-year housing land supply.
- 2.3 In July 2020, the Minister for Housing and Local Government wrote to Local Authorities in relation to 'Planning and the post Covid-19 recovery'. The letter indicated that, in light of the pandemic and the need to focus on plan preparation, there would be no requirement for an AMR to be submitted for the year 2019-20, although LPAs are strongly encouraged to continue with data collection. The next formal AMR should be submitted in October 2021.
- 2.4 Whilst there was no requirement to submit an AMR for the 2019-20 monitoring year, it is considered that there is a need to prepare a Housing Delivery Statement which will address one area of policy that is normally addressed in the AMR – the matter of housing delivery and housing supply. This is particularly pertinent as there have been significant changes in national planning policy to the way that the amount of land available for housing is considered.

- 2.5 It is now a national policy requirement to monitor the delivery of housing against a housing trajectory as the main way of assessing housing delivery. This approach assesses how many dwellings have been built both per annum and cumulatively against the housing requirements as set out in the Adopted LDP, and forecasts how many will realistically be delivered in the remaining years of a plan period, in consultation with stakeholders. The analysis of housing delivery against the housing trajectory indicates that there continues to be a shortfall in housing delivery.
- 2.6 This report seeks Council endorsement of the Housing Delivery Statement, which explains the housing trajectory and sets out what pro-active actions the Council is taking to address the shortfall in housing. If approved by Council, the Housing Delivery Statement will be a consideration for the Local Planning Authority (LPA) in the determination of future planning applications.

3. RECOMMENDATIONS

- 3.1 That Planning Committee consider the Housing Delivery Statement and endorse the Statement and its recommendations for consideration by Council.
- 3.2 Thereafter, that Council approves the Housing Delivery Statement and its recommendations as the basis for informing future planning decisions by the Local Planning Authority.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To facilitate the delivery of housing in the County Borough.

5. THE REPORT

Changes to national planning policy

- 5.1 In March 2020, changes were made to national planning policy in respect of how the amount of housing being delivered through a development plan was assessed. The key changes included the revocation of Technical Advice Note 1: Joint Housing Land Availability Studies (TAN 1), which set out the methodology on how to calculate a 5-year housing land supply, and the removal of the requirement to provide a 5-year land supply in Planning Policy Wales.
- 5.2 The focus on the 5-year housing supply has been replaced with a consideration of housing completions against a housing trajectory. The adopted LDP does not contain a housing trajectory, as this was not a requirement at the time of the preparation of the adopted LDP. However, in line with guidance set out within Welsh Government's Development Plans Manual, a trajectory has been prepared, in consultation with the Housing Stakeholder Group, which considers past completions on an annual basis compared to the annual LDP housing requirement, and cumulative completions compared to the total LDP housing requirement. Forecast completions for the remainder of the plan period are also included, as well as a further 5 years, which will form part of the evidence base until such time as the 2nd Replacement LDP is adopted.

Housing Stakeholder Group

- 5.3 In accordance with national planning guidance, a Housing Stakeholder Group has been set up to inform the timing and phasing of sites within the housing trajectory. The group comprises representatives from internal departments (Planning, Housing, Property) as well as external stakeholders representing the development industry – the Home Builders Federation, major housebuilders, Registered Social Landlords, planning agents and utility providers.
- 5.4 A virtual meeting of the Housing Stakeholder Group was held in July 2020, where an informative discussion was held on the impact of the Covid-19 pandemic on housing delivery. The group agreed the housing completions figures for 2019-20, and the forecasts for future completions in the final full year of the plan period, and five years beyond.
- 5.5 The Housing Stakeholder Group have been consulted on the Housing Delivery Statement and their comments have been incorporated.
- 5.6 The Development Plans Manual, which provides guidance on how the Housing Stakeholder Group should operate, indicates that where there are areas of dispute or disagreement between the LPA and members of the Stakeholder Group, this should be recorded in the AMR. However, no group member will have a veto on the content of the AMR, and it will be for the LPA to make a judgement/conclusion on any disagreements. As there is no requirement for an AMR to be prepared this year, these issues have been considered in the Housing Delivery Statement.

Housing Trajectory

- 5.7 The analysis of the housing trajectory as set out in the Housing Delivery Statement indicates that annual completions have been below the average annual requirement of 575 dwellings per annum for every year since 2008-9. The completions figure for 2019-20 is 336 dwellings, which was 41.6% lower than the average annual requirement (AAR). The remaining year of the plan period is also forecast to be below the AAR.
- 5.8 In terms of cumulative completions, there is a shortfall of some 2,879 dwellings compared to what should have been delivered at this point in the plan period.
- 5.9 The Housing Delivery Statement acknowledges that it is difficult to forecast housing delivery for the future, as the full impact of the Covid-19 pandemic on housebuilding is unknown, and the recovery will be influenced by national policy decisions on matters such as the Help to Buy scheme and land transaction tax.
- 5.10 However, it is evident that there is a significant shortfall in housing delivery and the Local Authority has a role in addressing it where possible. Where a housing trajectory shows an under delivery of housing, the LPA must identify what actions it will take to rectify this. These actions would normally be set out within the AMR, but as there is no requirement for an AMR this year, they will instead be addressed within the Housing Delivery Statement.
- 5.11 Notably, the key mechanism to address a shortfall of housing is a review of the LDP. This has already commenced and a consultation on the Delivery Agreement (DA) for the 2nd Replacement Local Development Plan began in March 2020. The public consultation was subsequently cancelled as a result of Covid-19 restrictions and it will be necessary for a consultation to be undertaken on a revised DA in due course.

It is likely that the 2nd Replacement LDP will not be in place until late 2024 at the earliest, and it is important that the housing shortfall is addressed in the interim.

5.12 The Housing Delivery Statement includes the following recommendation:
In the period up to the adoption of the 2nd Replacement LDP, the Council will continue to address the shortfall in housing delivery through proactive action, including:

- **Considering proposals for new residential development on their relative planning merits on a site-by-site basis and having due regard for the need to increase the delivery of housing;**
- **Working with Welsh Government and the Cardiff Capital Region to bid for funding aimed at facilitating the redevelopment of sites with high infrastructure and/or remediation costs for housing;**
- **Utilising the innovative funding model to bring forward Council owned sites with viability issues;**
- **The identification of schemes through the Regeneration Project Board where funding opportunities could be exploited to deliver regeneration projects, including for housing and employment;**
- **Supporting the development of new build Council housing on appropriate sites;**
- **Working to ensure new housing complies with high environmental standards to help address the climate emergency;**
- **Accelerate the development of the Council's own house building plans to offer mixed housing tenure opportunities on appropriate sites across the county borough.**

5.13 This recommendation reflects recommendations included in previous AMRs. The endorsement of this recommendation by Council will ensure that the Council's agreed actions to increase housing delivery will be a consideration in the determination of future planning applications for housing by the Local Planning Authority.

6. ASSUMPTIONS

6.1 The Housing Delivery Statement includes timescales for the delivery of housing on a site-specific basis. Whilst these figures have been agreed by the Housing Stakeholder Group, it is acknowledged in the Housing Delivery Statement that, due to the current Covid-19 pandemic they can only be a 'best guess' at a point in time.

7. LINKS TO RELEVANT COUNCIL POLICIES

Corporate Plan 2018-2023

7.1 The report recommendations contribute towards or impact predominantly on the following Corporate Well-being Objectives:

Objective 3 – Address the supply, condition and sustainability of homes throughout the county borough

Objective 6 - Support citizens to remain independent and improve their well-being.

Caerphilly County Borough Local Development Plan up to 2021

- 7.2 The proposals also align with the key objectives of the Council's Adopted LDP, specifically:
- Accommodate sustainable levels of population growth.
 - Ensure an adequate and appropriate range of housing sites are available across the County Borough in the most suitable locations to meet the housing requirements of all sections of the population.

A Foundation for Success - Regeneration Strategy 2018-2023

- 7.3 The proposals contribute towards the following key priority of A Foundation for Success 2018-2023:

Priority SQL5: Improve the delivery of new housing and diversify housing across all tenures.

Caerphilly Homes Service Plan (2018-2023), Priority Objective 2

- 7.4 The proposal would support Priority Objective 2: Increase the provision of new, affordable homes to meet identified needs, promoting 'Lifetime Homes' principles for grant funded delivery, and, where appropriate, supporting Welsh Government's Innovative Housing Programme (IHP).

8. WELL-BEING OF FUTURE GENERATIONS

- 8.1 The aim of the Well-Being of Future Generations (Wales) Act is to improve the social, economic, environmental and cultural well-being of Wales by changing the way local authorities and public bodies think, act and make decisions with the overall objective being to create a Wales where we want to live, both now and in the future. The Act also sets a duty on public bodies to ensure that everything that they do is in accordance with the sustainable development principle (the needs of the present are met without compromising the ability of future generations to meet their own needs).
- 8.2 The Housing Delivery Statement sets out measures aimed at increasing housing delivery to provide much-needed housing in the County Borough, contributing towards the social and economic well-being of Wales.
- 8.3 The report recommendations are consistent with the five ways of working as defined within the sustainable development principle in the Act. The five ways of working are:
- Long Term – Housing is a long-term asset and the development of additional dwellings will diversify the housing stock and help support communities.
 - Prevention – new dwellings will be required to be of a high standard, which will support positive physical and mental health.
 - Integration – the development of housing will promote new development at a scale that can be well integrated within existing communities.
 - Collaboration – The housing trajectory has been prepared in consultation with the Caerphilly Housing Stakeholder Group.
 - Involvement – Local communities will have the opportunity to comment on any applications for new housing developments as part of the planning process.

9. EQUALITIES IMPLICATIONS

9.1 There are no direct equalities implications in respect of this report.

10. FINANCIAL IMPLICATIONS

10.1 There are no direct financial implications in respect of this report. In respect of the recommendation to work with Welsh Government and the Cardiff Capital Region to bid for funding to facilitate the redevelopment of sites, officers will report to Cabinet as necessary when funding opportunities arise.

11. PERSONNEL IMPLICATIONS

11.1 There are no direct personnel implications in respect of this report.

12. CONSULTATIONS

12.1 All consultation responses are reflected in the report.

13. STATUTORY POWER

13.1 The Planning and Compulsory Purchase Act 2004 requires the Council to prepare and keep under review a Local Development Plan for the County Borough to act as a single framework for the control and use of land within its administrative boundary.

13.2 The Local Government Act 1998. The Local Government Act 2003. The Town and Country Planning (Local Development Plan) (Wales) Regulations 2005. The Planning (Wales) Act 2015

Author: Victoria Morgan, Principal Planner, Strategic and Development Plans,
morgav@caerphilly.gov.uk

Consultees: Cllr. Sean Morgan, Deputy Leader and Cabinet Member for Economy and Enterprise
Cllr. Lisa Phipps, Cabinet Member for Housing and Property
Cllr. Royston Saralis, Chair of Planning Committee
Cllr. Andrew Whitcombe, Chair of Housing and Regeneration Scrutiny Committee
Cllr Mrs Christine Forehead, Vice-Chair of Housing and Regeneration Scrutiny Committee
Christina Harray, Chief Executive
Mark S. Williams, Interim Corporate Director Communities
Dave Street, Corporate Director Social Services & Housing
Stephen Harris, Head of Financial Services and Section 151 Officer
Rhian Kyte, Head of Regeneration and Planning
Sean Couzens, Chief Housing Officer
Robert Tranter, Head of Legal Services/Monitoring Officer
Mark Williams, Interim Head of Property Services
Ryan Thomas, Planning Services Manager
Allan Dallimore, Regeneration Services Manager

Jane Roberts Waite, Strategic Co-ordination Manager, Housing
Anwen Cullinane, Senior Policy Officer, Equalities and Welsh Language
Lynne Donovan, Human Resources Service Manager

Appendices:

Appendix 1 Housing Delivery Statement