

Lewes District Council  
South Downs National Park Authority

**Lewes District Local Plan: Part 1**  
**Joint Core Strategy**

**Spatial Strategy (Housing)**  
**(MM01, MM02, and MM03)**

**Proposed Modifications Background Paper**

**August 2015**



## **Justification for Proposed Main Modifications MM01, MM02 and MM03: Spatial Strategy (Housing)**

### Introduction and Background

- 1.1 This paper has been prepared to provide further detail and explanation of the proposed modifications to certain elements of housing supply included in MM01, MM02 and MM03. These modifications have been drafted in response to the Inspector's Initial Findings Letter [ID-05] in light of the examination hearings, held in January 2015.
- 1.2 Spatial Policies 1 and 2 of the Joint Core Strategy (JCS) set out the district's housing delivery and distribution. Evidence supporting the approach to housing delivery was provided in the May 2014 Submission Core Strategy Background Paper; Justification for the Housing Strategy. The paper includes the background evidence on the dwellings per annum windfall allowance and the percentage discount applied to small commitment sites as included in the Submission JCS housing delivery strategy.
- 1.3 The Submission spatial strategy, particularly with regard to housing, was discussed in detail at the Examination hearings. The Inspector raised potential additional sources of housing supply that his initial findings suggested to be reasonable for further consideration and addressing by way of proposed modifications. This included a more generous windfall allowance; reconsidering the percentage discount for small commitment sites; an allowance for rural exceptions delivery; and the appropriate approach to meeting previous housing delivery shortfall in the district.
- 1.4 To take account of emerging conclusions from the Examination Hearings and the Inspector's subsequent Initial Findings letter, the local planning authorities have re-examined the evidence on the: housing completions informing the windfall allowance; actual build outs informing the non-implementation percentage discount for small sites; and level of completions on rural exceptions sites informing the rural exceptions allowance. Each of the above are considered below and have been factored into the proposed modifications.

### Windfall sites

- 1.5 Spatial Policy 2 of the Proposed Submission Core Strategy set out a windfall allowance of 518 net dwellings (37 net dwellings p.a.) to be delivered on unidentified sites. The reasoning and evidence behind this was set out in Section 6 of the May 2014 Justification for the Housing Strategy Background Paper.
- 1.6 During the Hearings the matter of windfall housing delivery in Lewes district, including what would be a reasonable level of windfall allowance, was discussed. The submitted evidence demonstrated that windfalls have

consistently contributed to the district's housing delivery and could be reasonably expected to continue to be reliable source of supply. The Inspector indicated that increasing the total number of houses expected to be delivered through windfall would be reasonable. Given the district's historic windfall delivery performance and a reasonable expectation of a sustained trend in an improving national and local economy, the windfall allowance in the Submission JCS was considered conservative. This opinion was reiterated in the Initial Findings letter.

- 1.7 In light of the Inspector's comments the background evidence has been re-examined. The table below shows small site completions, updated to reflect the latest monitoring data and further assessment of the data undertaken.
- 1.8 The Submission windfall allowance of 37 dwellings per year was calculated on the average small site completion rate achieved between 2006/07 and 2012/13. This period reflected years pre and post- the economic downturn. However, it is now concluded that the rate of windfall completions achieved in the five year period prior to the economic downturn is a more typical reflection of the district's overall performance and potential for the remainder of the Plan period.
- 1.9 Over the five year period 2004/05 to 2008/09, the district achieved an annual average rate of 50 net completions on small sites, excluding garden land. It is therefore considered that an annual windfall allowance of 50 net dwellings (600 net dwellings over the plan period) is realistic and deliverable.

Year	Net completions (large & small)	Total small site net completions	Net windfall exc. garden land	% of small site completions on windfall excl. garden land sites
2004/05	170	65	45	26.47
2005/06	265	85	65	24.53
2006/07	296	65	40	13.51
2007/08	415	88	61	14.70
2008/09	257	49	39	15.18
2009/10	175	62	39	22.29
2010/11	161	47	25	15.53
2011/12	247	45	23	9.31
2012/13	218	46	31	14.22
2013/14	113	44	30	26.55
2014/15	245	72	55	22.45
<b>Total completions</b>	<b>2562</b>	<b>668</b>	<b>453</b>	<b>17.68</b>
<b>Completions in 5 year period pre-recession</b>	<b>1403</b>	<b>352</b>	<b>250</b>	<b>17.82</b>

## Small site commitments - Percentage discount

- 1.10 Small sites (5 or less units) provide a consistent supply of housing sites within the district and can contribute significantly to a settlement's overall housing delivery. As such, Spatial Policy 2 in the Submission JCS included a contribution from large and small commitments of 1,428 dwellings.
- 1.11 Recognising that a small number of permissions expire before they are built out a 35% discount was applied to the Submission JCS small site commitment total to allow for a proportion of non-implemented permissions. The percentage discount was calculated by establishing the actual number of small site permissions delivered to determine an actual build out rate.
- 1.12 During the Core Strategy Examination Hearings the Inspector suggested that the 35% discount figure seemed unusually high. Consequently, the previous work undertaken to establish the build-out rate has been updated to reflect the latest monitoring information for use in reviewing the percentage discount. The data from previous years has also been re-examined. In doing this, applications that were superseded or renewed in later years were removed from the overall number granted planning permission. This ensures that the figures are not double-counted if they re-appear as resubmissions and secondly it rectifies the slight skewing of figures when calculating the number of units built out against the number of units granted permission.
- 1.13 Using the updated data, the average non-implemented units granted permission on small sites in the period from 2004/05 to 2011/12 is 25%. Therefore, a 25% discount has been applied to the small site commitments in the proposed modifications to Spatial Policy 2 (MM02) and the updated housing trajectory<sup>1</sup>.
- 1.14 The contribution from large and small commitments, including 25% discount on small sites, in Spatial Policy 2 as shown in the proposed modifications (MM02) is 1,558 net units. This reflects the position as at 1 April 2015.

<b>Year</b>	<b>Granted</b>	<b>Built</b>	<b>Expired</b>	<b>% Built</b>	<b>% Not Built</b>
2004/05	92	74	18	80.43	19.6
2005/06	84	64	20	76.19	23.8
2006/07	98	71	27	72.45	27.6
2007/08	124	82	42	66.13	33.9
2008/09	75	53	22	70.67	29.3
2009/10	50	36	14	72.00	28.0

<sup>1</sup> The 25% discount is also now applied to the Council's five year housing lands supply calculation.

2010/11	66	57	9	86.36	13.6
2011/12	61	46	15	75.41	24.59

### Rural Exceptions allowance

1.15 The proposed modification to Spatial Policy 2 also sets out rural exception sites as an additional source of housing supply that will contribute to the district's overall housing delivery to 2030. The potential of rural exception sites to contribute to the district's housing delivery was raised and discussed at the examination Hearings. The local planning authorities provided information on previous rural exception site completions<sup>2</sup>. The table below sets out the district's affordable housing completions on rural exception site between 2008/09 and 2014/15.

Year	Units
2008/09	0
2009/10	0
2010/11	16
2011/12	14
2012/13	14
2013/14	0
2014/15	14

1.16 The Inspector's Interim Findings letter stated that "it might also be reasonable in principle to make an allowance for a small number of homes, say 150 in total, principally for local needs/ affordable housing, to continue to come forward on rural exception sites over the plan period".

1.17 As such, we have considered where rural exception schemes have been delivered in recent years and assessed the level of current and likely future affordable housing needs across the district. This helped inform what is considered to be a reasonable delivery rate of rural exception sites over the remainder of the Plan period. A total of allowance of 125 units (8.3 units per year over the remainder of the plan period) is considered to be a reasonable and deliverable contribution to the overall housing requirement figure for the district.

### Addressing previous housing shortfall

1.18 A housing shortfall accrues when there has been an under-provision of housing against a local planning authority's housing target. Two approaches to meeting the shortfall have been established; 1) the 'Sedgefield' approach: meeting the

<sup>2</sup> Between 2000/01 and 2014/15 the Council delivered 66 units, 58 of which were delivered in the last 5 years.

shortfall in the first 5 years, and 2) the 'Liverpool' approach: distributing the shortfall evenly across the remainder of the plan period.

- 1.19 The application of the Sedgefield versus Liverpool approaches was discussed at the examination Hearings. The Inspector advised that, taking into consideration the identified constraints of the district and the emerging conclusions on increasing the housing requirement figure, the Liverpool approach would be appropriate for Lewes District.
- 1.20 In considering the written representations and discussions with participants the Inspector, in his concluding remarks, indicated that the housing requirement figure should increase from 5,600 to 6,900 net additional dwellings with the annualised delivery rate increasing from 280 to 345 homes per year. This increased annual delivery rate, together with a marked increase in the first five years as associated with the Sedgefield approach, would result in an annual housing requirement at such a level that would not be sustainably deliverable in Lewes district on an annual basis for five consecutive years.
- 1.21 Furthermore, delivery of the JCS strategic sites is generally front-loaded in the housing trajectory. This is another reason why applying the Sedgefield approach to an already front-loaded trajectory would result in required delivery levels that would be unachievable in Lewes district.
- 1.22 Given the above, the Liverpool approach has been applied in the updated housing trajectory as shown in the proposed additional modifications (AM57).