

Cherwell District Council Housing Land Supply Position Statement

Introduction

1. On 6 December 2011, the 2011 Annual Monitoring Report (AMR) was approved by the Council's Executive. The AMR included a comprehensive review of housing land supply which concluded that rather than having a five year supply of deliverable housing land as required by Government policy, the district had a 2.8 year supply for the period 2011-2016 and a 2.9 year supply for the period 2012-2017. This equates to significant shortfalls of 1597 and 1560 dwellings respectively. At the time of writing, no additional deliverable sites have been identified since the AMR was produced.
2. In the absence of a five-year supply, Planning Policy Statement 3 (PPS3) requires planning applications for housing to be considered favourably subject to other policy tests and material considerations. This creates an opportunity for promoters to submit applications for unplanned development that may be contrary to key policies such as those for the protection of the countryside. The Council is looking to ensure that major developments are supported through the Development Plan process and that unplanned, appeal led proposals that are not in the district's interests are rejected.
3. There is therefore a pressing need to manage the release of additional housing land to ensure that development only takes place in 'sustainable' locations and can be delivered within five years. This will enable the district to return to a satisfactory land supply position pending completion of the Council's Core Strategy and will ensure that we avoid unacceptable, cumulative harm from unanticipated development. It will also put pressure on the Council to complete the Core Strategy as soon as possible to secure a viable land supply over the long term.
4. The statement focuses on the return to a five year housing land supply position. It is for the Core Strategy to consider the implications for the district's longer-term housing trajectory.
5. In this context, this position statement seeks to expand upon the monitoring information provided in the AMR, providing a wider understanding of current and future housing land supply, and considers the prospect of additional land releases within the current and emerging policy context.

Objectives

6. The statement's objectives are:
 - i. to assist in monitoring and managing the district's housing land supply position so that the district returns to a five year land supply position;
 - ii. to provide contextual information and policy advice for development management decision-making in the interests of controlling the release of land in a sustainable way which accords with the evidence base for the emerging Core Strategy;

- iii. to provide a clear understanding of the implications of the current land supply position and potential land releases which will contribute to the five year housing land supply and to the longer term housing trajectory where consistent with completion of the Core Strategy.
7. The statement is intended to be a material consideration in development management decision-making, specifically in the determination of planning applications for 10 or more dwellings, until such time that it is superseded by the Core Strategy or until the district returns to a defensible housing land supply position, whichever is the sooner.

Securing a Five Year Housing Land Supply

8. Both Planning Policy Statement 3 (PPS3) and the Draft National Planning Policy Framework require Local Planning Authorities to maintain a continuous five year supply of deliverable housing land. Despite the opportunity to remove this obligation, the Government has not done so. The district is not presently able to demonstrate that it has a five year supply and it is unlikely that it will be able to do so over the coming years without the release of additional land.
9. PPS3 requires the Council to show that it is taking active steps to restore the five year supply.
10. Of 3799 homes required to be delivered from 2012 to 2017 (the five year land supply period from April 2012), it is presently estimated that only 2239 will be constructed. This leaves a shortfall of some 1560 homes. The Draft National Planning Policy Framework proposes that an additional allowance of at least 20% should be added to the five-year requirement of all Local Planning Authorities, to ensure choice and competition in the market for land. This would increase the shortfall to 2320 homes.

a)	South East Plan Requirement 2006-2026	13,400
b)	Completions 2006-2011	2,542
c)	Estimated Completions 2011-2012	222
d)	Remaining Requirement 2012-2026	10,636
e)	Requirement per annum	759.7
f)	Five Year Requirement 2012-2017	3799
g)	Draft NPPF Additional 20%	760
h)	<i>Five Year Requirement Plus 20% 2012-2017</i>	4559
i)	Estimated Supply from Existing Deliverable Sites 2012-2017	2239
j)	Shortfall in Meeting 5 Year Requirement 2012-2017	1560
k)	<i>Shortfall in Meeting 5 Year Requirement Plus 20% 2012-2017</i>	2320

11. In meeting this shortfall, the priority will remain an urban focused approach and, within urban areas, to prioritise housing on previously developed or other appropriate land. Elsewhere, the priority will be the grant of permission for housing on previously developed or other appropriate land within villages having regard to village categorisation and other policies. Remaining identified housing sites from the Non-Statutory Cherwell Local Plan are already included in either the short or longer-term housing projections depending on assessments of deliverability and developability (annex 1). However, under PPS3, all opportunities to bring forward remaining sites need to be taken and shown to be taken. With a falling land supply this is clearly in the interests of Cherwell to avoid growth taking place in less appropriate locations. The potential for securing housing development on other remaining sites identified for mixed use development in the Non-Statutory Plan also need to be examined where appropriate.

Windfalls

12. PPS3 requires the five year supply to only comprise specific deliverable sites. However, upon completion unidentified windfalls contribute significantly to the district's housing supply each year (see para' 69). Projecting forward it is estimated that about 645 dwellings could be completed on such sites over the 5 year period. Not taking account of this supply could lead to an 'over-release' of greenfield land outside the built-up limits of settlements within the 5 years. This ultimately would not be conducive to giving priority to previously developed land as required by PPS3. The potential supply from small, unidentified sites therefore needs to be taken into account in managing housing supply over the next 5 years (para's 68-72) but monitored to ensure delivery occurs at the rate expected.
13. Nevertheless, even with a monitoring allowance for unidentified windfalls, and with all known existing deliverable sites included in the five year land supply, the number of dwellings required to meet the identified shortfall cannot be provided without the release of additional land outside existing built-up areas. New, immediately deliverable sites in the most sustainable locations are required.

Planning Policy for Cherwell

14. Existing and emerging planning policy for Cherwell dictates an urban focused development strategy. The South East Plan, the saved (adopted) Cherwell Local Plan 1996, the Non-Statutory Cherwell Local Plan 2011 and the Draft Core Strategy all have a clear focus on growth at Banbury and Bicester in the interests of providing access to jobs, services, facilities, public transport, minimising the need to travel by private car and protecting the environment and character of rural areas. Development in rural areas is restrained and focused on meeting local needs. In most cases, development in the Green Belt is inappropriate. The focus on the towns is supported by Planning Policy Statement 3: Housing (PPS3) and Planning Policy Statement 7: Sustainable Development in Rural Areas (PPS7) (see policy background from para' 36 below).

Potential Housing Supply

15. The Draft Core Strategy 2010 proposed specific strategic development sites at Banbury and Bicester. It also identified reserve sites which could be brought forward should they be needed to secure sufficient levels of supply over the plan period. Whilst the Draft Core Strategy carries little weight (as a 'Regulation 25' consultation document), it is evidence based, was prepared following issues and options and stakeholder consultation and represents the Council's emerging policy direction. The extent of the land supply shortfall is such that opportunities presented by these sites will need to be considered as they arise. PPS3 makes clear that applications should not be refused solely on the grounds of prematurity. However, the impact on the emerging development strategy would require scrutiny on a case by case basis and a clear relationship to the emerging Core Strategy would be required.
16. The Draft Core Strategy's proposed allocations at Canalside, Banbury and North West Bicester are complex sites involving major issues of land assembly. The North West Bicester Exemplar is permitted, a contractor is in place, and the site is already included in the five year supply. However, at this time further land at North West Bicester, or at Canalside, is unlikely to be delivered within the next five years. This will be monitored and should this position change, the district's land supply will be updated. The proposed phase two to the permitted Bankside development at Banbury similarly could not be relied upon at this stage in view of the main development's lack of progress. There is, however, active developer interest in the proposed allocation for West of Bretch Hill, Banbury and a Screening Opinion (11/00022/SO) has been issued to Bloor Homes confirming that an Environmental Statement would not be required for a proposal for up to 400 dwellings with community infrastructure. Landscape impact and physical and social integration with the adjoining built-up area would be key issues.
17. There are three reserve sites proposed in the Draft Core Strategy. Each has active developer involvement, relatively uncomplicated ownerships and would be relatively straightforward to develop. The proposed phase two to Kingsmere (South West Bicester) has the benefit of housebuilders on-site, a new perimeter road and other new infrastructure, including schools, in the process of being provided. The Bicester Masterplan is actively looking at the possibility of a community woodland between Kingsmere and Chesterton. The site 'North of Hanwell Fields' at Banbury was the subject of an application in 2006 (06/01600/OUT) and an appeal dismissal in 2007 (on housing land supply and other grounds - there being no land supply shortfall at the time). There is active developer interest in this site and in land 'West of Warwick Road'. Both sites are considered to be viable and a desire to develop has been expressed. At 'North of Hanwell Fields' a woodland buffer to the north might also require consideration to avoid coalescence with Hanwell. At 'West of Warwick Road' protecting the historic environment around Drayton/Wroxton and the functioning of the adjoining Drayton golf centre would need to be considered.
18. The promoters of other urban fringe sites have also held discussions with officers about the principle of development. In general terms urban fringe sites, compared to rural sites, have greater potential to create new economic development opportunities, to link into existing infrastructure and to secure sustainable patterns of development.

19. Larger scale urban opportunities have the potential to bring new services and facilities, significant supplies of affordable housing where need is concentrated, and improved public transport infrastructure. Those sites that best fit and add appropriately to the emerging development strategy will warrant close consideration should they emerge but only if they meet the criteria at paragraphs 31 to 35 – the approach to managing supply.
20. The development of the Bicester Masterplan has indicated a number of sites where early development options exist.
21. There are of course other sites on the periphery of Banbury and Bicester not identified in the Draft Core Strategy which may emerge in the context of the district's land supply position. An application is presently with the Council for 1900 homes with employment land at Graven Hill, MoD Bicester in the interests of enabling the consolidation of MoD logistics at Arncott. Were the application to be approved some contribution to the five-year supply is considered likely.
22. It is considered therefore that there are very significant, live and potentially deliverable opportunities for Banbury and Bicester that have the capacity to contribute greatly in meeting the five year land supply requirement and the Draft National Planning Policy Framework's proposal for an additional 20%. It is important that these opportunities are explored before other options to avoid the unnecessary release of land in less sustainable locations. The extent of the five year supply shortfall is such that the cumulative effect of uncoordinated, sporadic development in rural areas is likely to be harmful to the district and would undermine existing and emerging policies for urban led growth. Longer term land supply issues will be addressed in the Core Strategy in an integrated, planned and coordinated way.
23. Housing completions have been very low at Bicester in recent years (annex 2) and at Banbury implementation of the Bankside development has yet to materialise. The appropriate and measured release of new areas of land upon which the Council can have complete confidence that the required number of homes will be delivered would not only help the five-year supply position but could provide a lift to the housebuilding industries in both towns and contribute to wider economic growth.
24. Housing development in rural areas (Bloxham, Adderbury, Ambrosden, Bletchington, Arncott, Gosford, Kirtlington – see annex 1) has assisted overall delivery in recent years often with the benefit of higher land values. Development is continuing at Bloxham and Yarnton and is permitted at Arncott, Milcombe and Caversfield (annex 1). Village categorisation policies allow for appropriate *small* scale developments within villages. The need to gain momentum in the towns and the relatively successful delivery in rural areas to-date further justifies a monitored, town-led approach. Development outside villages should be only secured through the delivery of Rural Exception Sites. As implementation of the NPPF approaches, its proposal for potentially allowing some market housing that would facilitate the provision of significant additional affordable housing to meet local needs will require consideration. This includes the appropriate scale of developments in relation to the size of villages, ensuring that proposals reflect the results of local housing needs surveys and making sure that any proposed market housing is demonstrably necessary to deliver affordable housing. Releasing a

significant amount of rural land on a sporadic basis on the edges of villages would, in addition to cumulative harm and the potential undermining of the emerging development strategy, provide no time to consider the implications of the Localism Act for Neighbourhood Planning which offers communities the opportunity for planned, integrated and coordinated examination of their future needs.

Community Engagement

25. The continuation of growth at the towns is to be expected but community aspirations will be important in shaping specific proposals. PPS1 states that in the course of pre-application discussions “...proposals can be adapted to ensure that they better reflect community aspirations...”. Positive steps will be needed to bring urban sites forward involving detailed discussions with the promoters of appropriate sites that appear to be well-placed to contribute to supply in the near term. Promoters should be expected to demonstrate what engagement has taken place and how their proposals take into account the results.
26. Consideration is underway as to the appropriate steps for a Pre Application (Pre App) process given the importance of taking active management to secure a Land Supply that is deliverable and capable of achieving the Council’s objectives. Experience from elsewhere shows that a Pre App process should be comprehensive and systematic, combining policy and development control advice and will improve the quality of the formal applications received and ultimately speed the decision-making process.

Deliverability

27. A considerable amount of evidence on deliverability should be sought so that the Council and local communities can expect the proposed new homes to be delivered within the specified timescales. The evidence presented by developers would need to be capable of withstanding scrutiny at public inquiries and should consider market conditions and town-wide build rates, sales projections and the potential release of competing sites. Active management will be required to ensure new homes are delivered in the timeframes envisaged. Time limited conditions, the phased release of land and legal agreements may be required to provide certainty.

Implications for the Core Strategy

28. The release of land will have implications for the Core Strategy and the specific impact of each proposal will need to be considered on a case by case basis. Of particular relevance will be the district’s longer term housing trajectory and whether sites could be brought forward or new ones added within total housing requirements. It will not be possible to answer this question until the Proposed Submission Core Strategy is completed (scheduled for April 2012 to Executive and following consultation submission in July 2012) and overall housing requirements are determined.
29. However, the plan period will need to cover at least 15 years from adoption of the Core Strategy meaning that adoption in 2013 would require at least a plan

period to 2028. This will provide more flexibility in terms of phasing options. Furthermore, the Draft Core Strategy anticipated delivery of some 250 dwellings per annum at North West Bicester. At present, this is expected to be nearer the 150 dwellings per annum also assumed for Kingsmere and Bankside (annex 1). There is therefore scope for some additional development to offset this necessary reduction in build rates. However, a cautious approach on the total amount of land to be released will be required pending completion of the Proposed Submission Core Strategy and the finalisation of a housing trajectory for the entire plan period.

Securing Economic Growth

30. In the current economic conditions the slower rate of housing delivery requires us to consider the potential release of land for housing earlier in the plan period and to consider whether economic growth can be delivered alongside housing growth. It will be important to protect existing employment land and to secure infrastructure that will assist delivery of the Core Strategy and longer-term economic sustainability. Proposals that will be of particular interest will be those that address such wider strategic considerations.

An Active Approach to Managing Supply

31. In summary, it is considered that until such time that the Core Strategy supersedes this position statement, or the district returns to a five-year land supply position (whichever is the sooner), the shortfall in housing supply would be most appropriately be met from the following sources:
 - i. development within the built-up areas of Banbury and Bicester
 - ii. development on sites identified for residential development in the Non-Statutory Cherwell Local Plan 2011
 - iii. development on sites identified for other mixed use development in the Non-Statutory Local Plan 2011 (as part of mixed use proposals)
 - iv. extensions to the built-up areas of Banbury and Bicester which are demonstrably in accordance with or complementary to the emerging Core Strategy
 - v. very limited development within the built-up areas of villages having regard to village categorisation policies.
32. The following criteria should also be considered:
 - i. is there a five year supply requirement for additional housing?
 - ii. is sufficient housing demonstrably deliverable by 31 March 2017?
 - iii. would the proposed development undermine the continued preparation of the Core Strategy having regard to the scale of growth, the residual housing requirements, transportation issues, the mix of development and community aspirations?

from PPS 3

- iv. would the development contribute to creating mixed and sustainable communities?

- v. would the development be in a suitable location which offers a range of community facilities and with good access to jobs, key services and infrastructure?
 - vi. would the development be easily accessible and well connected to public transport?
 - vii. would the development make efficient and effective use of land?
 - viii. would the proposal produce high quality housing which is integrated with, and complements, the neighbouring buildings and the local area more generally in terms of scale, density, layout and access?
 - ix. would a mix of housing be achieved, both market and affordable?
 - x. would the development be appropriately designed taking the opportunities available for improving the character and quality of an area and the way it functions?
 - xi. would the proposal create or enhance a distinctive character that relates well to the surroundings?
33. The assessment of whether proposed developments would be in suitable locations should also include consideration of the following:
- i. landscape sensitivity and visual impact;
 - ii. highways and traffic impact;
 - iii. the need to avoid coalescence of settlements and to protect the identity of settlements;
 - iv. settlement patterns;
 - v. the impact of flood risk;
 - vi. the impact on the historic environment;
 - vii. the impact on ecology and biodiversity.
34. Notwithstanding these considerations, the primary requirement will remain whether or not proposals are acceptable having regard to the statutory Development Plan and all other material considerations.
35. The Council will need to carefully and regularly monitor housing supply having regard to any changes in circumstances including any new land releases, providing reports to the Planning Committee and the Executive as appropriate in addition to the Annual Monitoring Report. This will need to include regular updates from the promoters and developers of sites who may need to be asked to provide regular progress reports.

Background

Planning Policy Statement 1: Delivering Sustainable Development (PPS1)

36. PPS1 states that planning should facilitate and promote sustainable and inclusive patterns of urban and rural development by:
- making suitable land available for development in line with economic, social and environmental objectives to improve people's quality of life;
 - contributing to sustainable economic development;
 - protecting and enhancing the natural and historic environment, the quality and character of the countryside, and existing communities;
 - ensuring high quality development through good and inclusive design, and the efficient use of resources; and,
 - ensuring that development supports existing communities and contributes to the creation of safe, sustainable, liveable and mixed communities with good access to jobs and key services for all members of the community.

Planning Policy Statement 3: Housing (PPS3)

37. PPS3's objectives include creating mixed and sustainable communities; achieving housing in suitable locations which offer good access to jobs, key services and infrastructure; securing development that is easily accessible and well connected to public transport; and, giving priority to the use of previously developed land.
38. PPS3 requires Local Planning Authorities (LPAs) to maintain a rolling five year supply of deliverable housing land and to monitor and manage housing supply. To be considered deliverable sites should be *available* (available now), *suitable* (a suitable location for development now and would contribute to the creation of sustainable, mixed communities), and *achievable* (there is a reasonable prospect that housing will be delivered on the site within five years). Once identified, the supply of land is required to be managed in a way that ensures that a continuous five year supply of deliverable sites is maintained, i.e. at least enough sites to deliver the housing requirements over the next five years of the housing trajectory. Allowances for unidentified windfalls (not specifically identified as being available) should not be included in the first 10 years of land supply unless Local Planning Authorities can provide evidence of genuine local circumstances that prevent specific sites being identified.
39. LPAs are required to monitor the supply of deliverable sites on an annual basis, linked to the Annual Monitoring Report review process. Where LPAs cannot demonstrate an up-to-date five-year supply of deliverable sites, paragraph 71 of PPS3 advises that they should consider favourably planning applications for housing having regard to the policies in the PPS including the considerations in paragraph 69:
- achieving high quality housing

- ensuring developments achieve a good mix of housing reflecting the accommodation requirements of specific groups, in particular, families and older people
- the suitability of a site for housing, including its environmental sustainability
- using land effectively and efficiently
- ensuring that development is in line with planning for housing objectives, reflecting the need and demand for housing in, and the spatial vision for, the area and does not undermine wider policy objectives e.g. addressing housing market renewal issues.

Planning Policy Statement 7: Sustainable Development in Rural Areas (PPS7)

40. PPS 7 seeks to achieve thriving, inclusive and sustainable rural communities. It states that Local Planning Authorities should plan to meet housing requirements in rural areas, based on an up-to-date assessment of local need. It requires the focus for most additional housing in rural areas to be existing towns and identified service centres to promote sustainable patterns of development. However, it states that it will also be necessary to provide for some new housing to meet identified local need in other villages.

Planning Policy Guidance note 2: Green Belts (PPG2)

41. PPG2 seeks to protect Green Belts from inappropriate or harmful development. Inappropriate development is considered, by definition, to be harmful to the Green Belt. The construction of new buildings inside a Green Belt is in most circumstances regarded as being inappropriate. The fundamental aim of Green Belt policy is to prevent urban sprawl by keeping land permanently open.
42. The five main aims of Green Belts are to:
- to check the unrestricted sprawl of large built-up areas;
 - to prevent neighbouring towns from merging into one another;
 - to assist in safeguarding the countryside from encroachment;
 - to preserve the setting and special character of historic towns; and
 - to assist in urban regeneration, by encouraging the recycling of derelict and other urban land.

Draft National Planning Policy Framework (Draft NPPF)

43. The Draft NPPF proposes to retain the requirement to identify and maintain a rolling supply of specific deliverable sites sufficient to provide five years worth of housing against housing requirements. To be considered deliverable, it is proposed that sites should be shown to be viable in addition to being available, suitable and achievable (i.e. provide acceptable returns to a willing landowner and a willing developer based on current values and taking account of all likely infrastructure, standards and other costs). It further proposes that the supply should include an additional allowance of at least 20 per cent to ensure choice and competition in the market for land. It also states that there should not be an allowance for windfall sites in the first 10 years of supply, or in the rolling five-year supply, unless compelling evidence

of genuine local circumstances is provided that prevents specific sites being identified. It states that planning permission should be granted where a local authority cannot demonstrate an up-to-date five-year supply of deliverable housing sites.

44. The Draft NPPF states that in rural areas, local planning authorities should be responsive to local circumstances and plan housing development to reflect local requirements, particularly for affordable housing. In particular they should consider whether allowing some market housing would facilitate the provision of significant additional affordable housing to meet local needs. To promote sustainable development, housing in rural areas should not be located in places distant from local services.
45. As a draft policy document the emerging NPPF has limited weight. However, Planning Inspectors regularly refer to it in housing land supply appeal decisions. The proposal to require an additional 20% on top of the five year supply is often referred to where Inspectors are concerned that the supply of deliverable housing sites is deficient, for example as in the case of Talisman Road, Bicester (09/01592/OUT):

“The presumption in favour of sustainable development is an underlying principle of the draft National Planning Policy Framework (NPPF) and there is no dispute that the appeal scheme would comply with this requirement. The key housing objective is to increase the supply of new homes and the need for a rolling 5 year supply of deliverable sites is enhanced by a requirement to identify an additional allowance of 20% to ensure choice and competition in the market for land. In the present case the district does not have a 5 year housing land supply and so the additional requirement is somewhat academic. The draft NPPF is at an early stage and as it may be subject to change it has little weight as a material consideration. Nevertheless the appeal scheme would be in accordance with its objectives insofar as they encourage the expeditious supply and choice of housing in a sustainable manner.” (Inspector’s Decision Letter, para’ 22)

Written Ministerial Statement: Planning for Growth (23 March 2011)

46. The Minister of State for Decentralisation has advised “...*there is a pressing need that the planning system does everything it can to help secure a swift return to economic growth*”. In his statement he sets out the steps the Government expects local planning authorities to take with immediate effect. In so far as they affect housing land supply, the Minister has stated:

“...Government's clear expectation is that the answer to development and growth should wherever possible be 'yes', except where this would compromise the key sustainable development principles set out in national planning policy.”

“When deciding whether to grant planning permission, local planning authorities should support enterprise and facilitate housing, economic and other forms of sustainable development...Where relevant - and consistent with their statutory obligations - they should therefore:

...consider fully the importance of national planning policies aimed at fostering economic growth and employment, given the need to ensure a return to robust growth after the recent recession...

...take into account the need to maintain a flexible and responsive supply of land for key sectors, including housing...

...ensure that they give appropriate weight to the need to support economic recovery..."

South East Plan

47. It is understood that the Secretary of State's letter to Local Planning Authorities dated 27 May 2010, which highlighted the Government's intention to "*rapidly abolish regional strategies and return decision making powers on housing and planning to local councils*", can be a lawful consideration but it may often be inappropriate to take it into account. At the present time, the South East Plan continues to be relevant.
48. Policy SP3 states that urban areas should be the prime focus for development. The sub-regional strategy for Central Oxfordshire identifies Bicester as a main location for development (policy CO1). Banbury is identified as having an important role as a small market town in supporting its wider hinterland and is expected to help meet wider housing needs through the provision of new housing.
49. The South East Plan seeks to retain the broad extent of Green Belts (policy SP5) and states that LPAs should positively plan to meet the defined needs of their rural communities for small scale affordable housing and other development (policy BE5). Policy BE5 states that the approach to development in villages should be based on the functions performed, their accessibility, the need to protect or extend key services and the capacity of the built form and landscape setting of the village. All new development should be subject to rigorous design and sustainability criteria so that the distinctive character of the village is not damaged.
50. Policy H1 of the South East Plan requires Cherwell to facilitate the delivery of 13,400 additional homes from 2006 to 2026, an average of 670 per annum. Policy CO3 requires 6,400 of these (an average of 320 per annum) to be provided within the Central Oxfordshire sub-region in which Bicester is located. The Plan assumes (paragraph 22.13) that about 4,900 homes will be built at Bicester. Policy AOSR1 requires 7,000 homes to be provided in the rest of the district (the Banbury and North Cherwell area), an average of 350 per annum. The Panel Report and Secretary of State's changes imply that about 4,800 homes should be provided at Banbury. Paragraph 7.8 of the Plan states that the policy H1 figures should not be regarded as annual targets and the fact that an annual provision or local trajectory number has been met should not in itself be a reason for rejecting a planning application.
51. Policy H2 of the South East Plan requires Local Planning Authorities to work in partnership to allocate and manage a land supply to deliver both the district housing provision and the sub-regional / rest of area provision. In planning for the delivery of the housing provision, LPAs are required to take account of a number of considerations including:

- the scope to identify additional sources of supply elsewhere by encouraging opportunities on suitable previously developed sites;
 - the need to address any backlog of unmet housing needs within the housing market area in the first 10 years of the plan.
52. The policy also requires LPAs to plan for an increase in housing completions to help meet anticipated need and demand.

Local Plans

53. The saved (adopted) Cherwell Local Plan 1996 and the Non-Statutory Cherwell Local Plan 2011 both focus growth at Banbury and Bicester and allow for restrained levels of housing development in rural areas based on village categorisation policies and the availability of appropriate sites. The plans pre-date the South East Plan and do not take into account future growth needs.

Draft Core Strategy

54. The Draft Core Strategy (February 2010) proposes strategic housing growth at Bicester and Banbury in line with the South East Plan. Some additional growth is directed to Bicester to enable some reduction in the level of growth in rural areas and in the interests of accommodating the North West Bicester eco-development. North West Bicester is identified as a location for an eco-town in the Eco-Town supplement to PPS1. The Draft Core Strategy proposes North West Bicester as the only strategic site at Bicester (3000 homes by 2026 with a further 2000 beyond 2026) although a reserve strategic site for up to 750 homes is proposed as a possible second phase of development to the South West Bicester urban extension which is now under construction. At Banbury, three strategic housing sites are proposed: 1200 homes at Canalside, 400 homes at West of Bretch Hill and 400 homes as a phase two to the permitted Bankside urban extension. Reserve sites are proposed at West of Warwick Road (400 homes) and North of Hanwell Fields (400 homes). The total and remaining housing requirements of the Draft Core Strategy are shown in table 4 at paragraph 65.
55. The broad sustainability of the district's villages was reviewed in preparing the emerging Core Strategy. Thirty-three villages (meeting minimum requirements for access to services and facilities) were put forward for detailed assessment in a Cherwell Rural Areas Integrated Transport and Land-Use Study 2009 (CRAITLUS). The study assessed the villages using a set of criteria to determine the most sustainable locations in transport terms for new housing development. The results showed that 14 villages performed well against the criteria and could accommodate new development in a sustainable way (for a rural area) with minimal adverse impact on the transport network.
56. Policy RA2 proposes that 1130 homes be distributed between 24 villages (2009-2026). Although a number of villages among the 14 identified by CRAITLUS were not identified due to their Green Belt locations, additional villages from the original 33 qualified for inclusion due to the additional weighting given to the availability of particular services and facilities.

57. Since the Draft Core Strategy was published, work on a new local housing requirement has been taking place in view of the expected revocation of Regional Spatial Strategies. On 7 March 2011, the Council's Executive considered a report on Population and Household Projections for Cherwell and Key Implications for the Local Development Framework. Members resolved that "...the emerging broad population and household figures for Cherwell District for the period up to 2026 set out in [an appendix to the covering report] be agreed as a basis for further work on the Core Strategy". Paragraph 4.11 of that appendix, repeated in paragraph 1.5 of the covering report to the Executive states:
- "On the basis of the most recent household projections, a figure of approximately 12,750 may be able to be justified in terms of meeting potential need within the district. Any figure less than this would mean that the likely future needs will not be met and the Council will in effect be recognising that not all identified needs would be met. This level of development may achieve a reasonable balance between meeting the identified need indicated in the projections and reducing the impact of development upon local communities to a more satisfactory level. As such this level of growth may reflect the best way of meeting future needs whilst also seeking to protect local communities."*
58. On 23 May 2011 a report on Local Development Framework (LDF) – Next Steps was considered by the Council's Executive. Members resolved to agree a development strategy based on the emerging housing growth scenario of 12,751 homes (2006-2026) which incorporates strategic sites proposed in the Core Strategy (without prejudice to further work to be undertaken). Members also resolved to agree to progress an informal public consultation on a Revised Draft Core Strategy which incorporates locally generated population and household growth projections and the revised development strategy.
59. This suggested housing growth scenario is presently under review in the light of further evidence. It is also now expected that work on the Core Strategy will proceed to a completed Proposed Submission Document to the Executive in April 2012 with a view to 'Regulation 27' consultation in May and June and Submission in July 2012. An Examination is anticipated in Autumn 2012 followed by Adoption in Spring 2013.

Explaining the Five-Year Housing Land Supply Position

60. Maintaining a five-year supply is particularly difficult in challenging economic conditions and to be achieved in Cherwell it relies upon the grant of further permissions and the delivery of the approved homes within the relevant five-year period. There must be realistic expectations that homes will be delivered over the required timeframe.
61. The district's five-year land supply position calculated by comparing the number of new homes expected to be delivered over the next five years with the requirement for that period. The five year requirement is derived from the total housing requirements for the plan period minus completions so far. For example, if the Plan requirement was 10,000 homes over 20 years and 1,000 homes had been built in the first five years, the total remaining requirement for the next 15 years would be 9,000 homes equating to 600 per annum. The

requirement for the next five year period would be 600 x 5 or 3,000 homes in total. If 3000 homes were expected to be delivered over those five years on available, suitable and achievable sites, the district would have a 5.0 year supply (3000 / 600). If however, only 2000 homes were reasonably expected to be delivered over the next five years, the deliverable housing supply would be 3.3 years rather than 5 years (2000 / 600) or two-thirds of the requirement).

62. The district's current five-year supply position for 2011-2016, and the position for the next five-year period (2012-2017) as reported in the 2011 AMR is as shown in table 2 below:

Table 2: Five Year Land Supply Position			
		Five Year Period 2011-2016	Five Year Period 2012-2017
a	South East Plan Requirement (2006-2026)	13,400	13,400
b	Completions (<i>including 1 yr of projections for 2012-2017 calculation only to roll the 5 yr period forward</i>)	2542 (2006-2011)	2542 (2006-2011) Plus 1 yr projection of 222 = 2764 (2006-2012)
c	Remaining Requirement (a-b)	10,858	10,636
d	Annualised requirement over remainder of plan period (c/years)	723.9 (over 15 years)	759.7 (over 14 years)
e	Annualised requirement over next 5 years	3620	3799
f	Supply from deliverable (available, suitable and achievable) sites over the next 5 years	2023	2239
g	Total Years Supply over the next 5 years	2.8	2.9
h	Shortfall (e-f)	1597	1560

63. The Housing Delivery Monitor identifying the sites that contributes to the five year supply is reproduced at annex 1.

Draft National Planning Policy Framework (NPPF)

64. The draft NPPF proposes to retain the five-year land supply requirement and to require an additional supply of 20%. The effect of this is shown in table 3 below:

Table 3: Effect of the Draft NPPF		
	Five Year Period 2011-2016	Five Year Period 2012-2017
Annualised requirement over next 5 years	3620	3799
Draft NPPF +20%	724	760

Total requirement over next 5 years	4344	4559
Supply from deliverable (available, suitable and achievable) sites over the next 5 years	2023	2239
Shortfall	2321	2320

What are the Remaining Draft Core Strategy Requirements?

65. Table 4 below shows the proposed and remaining requirements of the housing distribution set out in the Draft Core Strategy:

	Draft Core Strategy 2010	Built 2006-2011	Existing Supply from Deliverable and Developable Sites (AMR 2011)	Additional Site Specific Housing Potential (under review)	Total Current Supply (2006-2026) without small, unidentified sites	Draft Core Strategy Remaining Requirements
Bicester	5500	158	2877	78	3113	2387
Rest of Central Oxfordshire area	1140	635	462	42	1139	1
Bicester and Central Oxfordshire Total	6640	793	3339	120	4252	2388
Banbury	4800	1240	2048	185	3473	1327
Rest of North Cherwell	1960	509	680	0	1189	771
Banbury and North Cherwell Total	6760	1749	2728	185	4662	2098
District Total	13400	2542	6067	305	8914	4486

66. It can be seen that of the 4,486 dwellings left to identify to meet the current, overall housing requirement to 2026, 2387 are left to allocate to Bicester, 1327 to Banbury and 772 elsewhere. In this table, no allowance is made for small, unidentified sites of less than 10 dwellings.
67. In considering proposals, regard will need to be given to these remaining or residual requirements. However, the total housing requirements and the plan period are being reviewed for the next, Proposed Submission, stage of the Core Strategy. Upon the revocation of the South East Plan, the Council will need to justify a local housing requirement and the two sub-areas defined by the regional plan will cease to be relevant.

Analysis of Supply from Unidentified Sites

68. The five-year supply calculation makes no allowance from supply from small, unidentified sites of less than 10 dwellings. However, it is considered there is presently justification to take account of such supply in addressing the shortfall. Unidentified, small sites make a significant contribution to overall supply in Cherwell and the extent of the land supply shortfall is such that a failure to consider and monitor such potential would lead to over release of greenfield land beyond the built-up limits of settlements ahead of completion of the Core Strategy.

Unidentified Sites - Analysis of Completions

69. The contribution that unidentified small sites make to housing completions is demonstrated below in table 5:

	Total Completions	Completions on Identified, Monitored Sites	Completions on Unidentified Sites (< 10 dwellings)	% of Completions on Unidentified Sites
2006/07	853	648	205	24%
2007/08	455	294	161	35%
2008/09	426	254	172	40%
2009/10	438	314	124	28%
2010/11	370	236	134	36%
TOTALS	2542	1746	796	31%
AVERAGES	508	349	159	33%

Unidentified Sites – Analysis of Permission Expiry Rates

70. As shown in table 6 below, there is presently (at 31/3/11) permission for some 475 homes on unidentified sites and the number of such permissions that expire without being implemented each year is generally low, averaging at 25 per annum over the past five years and equating to 5.2% of remaining, extant permissions.

	Permissions for Unidentified Sites				Lapsed	Lapsed %
	Banbury	Bicester	Elsewhere	Total		
2006/07	124	43	409	576	28	4.9%
2007/08	130	45	402	577	8	1.4%
2008/09	144	33	321	498	23	4.6%
2009/10	103	33	290	426	48	11.3%
2010/11	139	35	301	475	19	4.0%
AVERAGES	128	38	345	510	25	5.2%

Unidentified Sites – Comparison of Completions with Permissions

71. Table 7 below shows completions on small, unidentified sites as a percentage of the previous year's extant permissions for unidentified sites:

Table 7: Unidentified Sites: Completions Compared to Permissions		
Permissions	Unidentified Site Completions (< 10 dwellings)	Unidentified Site Completions as a % of Previous Year's Permissions
05/06 - 699	06/07 - 205	29.3%
06/07 - 576	07/08 - 161	28.0%
07/08 - 577	08/09 - 172	29.8%
08/09 - 498	09/10 - 124	24.9%
09/10 - 426	10/11 - 134	31.5%
10/11 - 475		
AVERAGE		28.7%

Unidentified Sites – Estimating Supply

72. Applying the average lapse rate of 5.2% (table 6) to the extant permissions (475) produces a figure of 450. If 28.7% (table 7) were delivered in 11/12 this would equate to a total of 129. In view of the average number of completions on unidentified sites recorded since 2006 (159 – table 5), a projection of 129 per annum over the five year period 2012-2017 is considered to be reasonable subject to monitoring. This would reduce the land supply shortfall (plus 20%) from 2320 to 1675. In the context of a significant land supply shortfall, not including and monitoring such an allowance would lead to an over release of greenfield land outside the built-up limits of settlements.