

BRIEFING NOTE

August 2016



FIVE YEAR HOUSING LAND SUPPLY POSITION AT 1 April 2016

PURPOSE OF BRIEFING NOTE

This briefing note is to notify members that the five-year housing land supply position within the borough is 5.84 years at 1 April 2016.

National Policy Requirements

The National Planning Policy Framework (NPPF) requires local planning authorities to significantly boost the supply of housing. It states that this should be done by:

- Ensuring their Local Plan meets the full objectively assessed needs for market and affordable housing. For Hinckley and Bosworth Borough Council (HBBC) this figure is identified in the Core Strategy 2009 as 9,000 dwellings for the period 2006-2026.
- Identify and update annually a supply of deliverable sites (sites where housing can realistically be built within the next five years) sufficient to provide five years worth of housing, with an additional 5% buffer. This 5% buffer is required to allow choice and competition in the housing market. If a Council has a record of a persistent under delivery of new homes then a 20% buffer is required rather than the 5%.

Five Year Housing Land Supply Monitoring Period

The NPPF requires local planning authorities to update their 5 year housing land supply position annually. Therefore the Council's position is monitored between 1 April and 31 March, allowing an annual figure to be published in the summer.

Table 1 - HBBC's Five Year Housing Land Supply Position 1 October 2015 (Sedgefield method with a 5% buffer).

		Dwellings
a	Borough Housing Requirement (2006-2026)	9,000 450 per annum
b	Completions (1 April 2006 – 31 March 2016)	4307
c	Completions required since the start of the Plan Period (1 April 2006 – 31 March 2016) (450 dwellings per annum x 10 years)	4500
d	Shortfall for the period 1 April 2006 – 31 March 2016 (c – b)	-193
e	Deliverable housing supply required over next 5 years (1 April 2016 – 30 March 2021) $((450 \times 5) + 193)$	2,443 489 per annum
f	Deliverable housing supply required for 5 years with additional 5% buffer (5% of annual requirement of 489 dwellings = 24 dwellings) $(489 + 24) = 513 \times 5$	2,565 513 per annum
g	Housing Supply (1 April 2016 – 30 March 2021) Row 2. Large Site Commitments = 1204 dwellings + Row 3. Small Site Commitments = 416 dwellings + Row 4. Barwell Sustainable Urban Extension = 360 dwellings + Row 5. Earl Shilton Sustainable Urban Extension = 260 dwellings + Row 6. Dwellings allocated = 758 dwellings	2998
h	Overprovision/Shortfall (g - f)	+433
i	Number of years supply (g / 513 dwellings per annum)	5.84 years

Row a – Borough housing requirement

Local planning authorities must use their evidence base to ensure that their Local Plan meets objectively assessed needs for housing. The housing requirement for Hinckley and Bosworth of 450 dwellings per annum is specified in the Core Strategy over the plan period 2006 to 2026. Past performance is assessed against this requirement as the starting point for identifying the number of dwellings required over the next five years.

Rows b and c - Completions

There have been a total of 4,307 (net) dwelling completions within the borough since the start of the plan period. This leaves a cumulative shortfall of 193 dwellings when assessed against the requirement of 4500 dwellings since 2006.

Rows d and e - Dealing with the shortfall

Sedgefield or Liverpool?

If you have been involved in planning decisions before, you may have heard the terms Sedgefield or Liverpool method. These two methods look at how the shortfall is applied to the Council's supply.

Sedgefield – this requires local planning authorities to front load the shortfall over the next 5 years based on the assumption that the NPPF requires houses to be built now and therefore the shortfall needs to be built sooner rather than later in the plan period. This ultimately increases the number of houses required to be built in the five year housing land supply.

Liverpool – this allows local planning authorities to spread the shortfall over the remainder of the plan period (so from now up until 2026), thereby decreasing the number of houses required to be built per year over the next 5 years.

The pros and cons of these methods have been argued at appeals over the years and it has now been determined that the Sedgefield method is the correct method.

The shortfall of 193 dwellings since the start of the plan period has therefore been added to the annual requirement of 450 dwellings over the next five years, equating to 489 dwellings per year.

Row f - The appropriate buffer

As mentioned in the National Planning Policy section of this briefing note, to boost significantly the supply of housing, local planning authorities are required to provide an additional buffer of 5% against their housing supply requirements, increased to 20% where there has been a record of persistent under delivery of housing. The buffer is brought forward from later in the plan period so the overall housing requirement of 9,000 dwellings for 2006-2026 remains. In recent appeal decisions, Planning Inspectors have determined that there had not been a persistent under-supply of housing against the annual requirement and therefore the 5% buffer was sufficient.

The buffer is added to the annual housing requirement plus the shortfall (5% of (450 x 5) + 193 dwellings), equating to an additional 24 dwellings per year. This 5% buffer, added to the annual requirement of 489 dwellings per year to deal with the shortfall, equates to an annual requirement to supply land capable of delivering at

least 513 dwellings per year for the next five years (totalling 2,565 dwellings over this period).

Row g - Sites included in the Five-Year Supply

For a potential development site to be included within the five-year housing land supply it needs to be considered deliverable in terms of the NPPF and Planning Practice Guidance (PPG). The Council has applied a clear and transparent assessment of deliverability for each potential development site in conformity with the national policy and guidance.

Also, with clarification given in the PPG, previously only 50% of the units permitted on care homes and apartment villages (C2 Use Class) were included in the housing figure. However the PPG states local planning authorities should count housing provided for older people, including residential institutions in Use Class C2, against their housing requirement as those that occupy C2 institutions free up residential dwellings. HBBC therefore include 100% of C2 units in our housing supply calculations.

As referred to in Table 1, each element of row g is explained below. For each site with planning permission an initial assumption on its deliverability was made and then combined with any specific site knowledge from Development Management, in addition to a judgement on market conditions, the size of the site and recent build rates to establish the council's initial assessment of delivery for each site. Each initial assessment was then sent to the relevant landowner/developer to give them the opportunity to confirm their agreement of the initial assessment or amend accordingly. This approach gives a realistic picture which is robust at appeal. The initial assessment of delivery for each site was then amended to reflect the responses received with any assumptions made noted, and the housing totals for each site added to the housing trajectory.

A 4.3% discount on large sites and an 8.8% discount on small sites has been applied (based on local evidence) to take into account sites where the planning permission may expire.

Row 2 – Large site commitments

These sites include extant planning permissions for sites of 10 dwellings or more, including conversions as well as new build permissions that realistically will come forward for development.

Row 3 – Small site commitments

These sites included extant planning permissions for sites of 9 dwellings or fewer, including conversions as well as new build permissions that realistically will come forward for development.

Row 4 – Barwell Sustainable Urban Extension

Not all of the dwellings to come forward have been included in the five year supply. A realistic assumption was made that work would commence within the 2018/19 monitoring year. The trajectory used was considered acceptable by the Inspector in the recent Site Allocations Examination, and as such 360 dwellings have been included in the five year housing land supply figure.

Row 5 – Earl Shilton Sustainable Urban Extension

The same principle has been applied here as Row 4. The assumption is that work would commence on the site within the monitoring year 2018/19, and this has been confirmed by the developer. A total of 260 dwellings out of the allocated 1600 dwellings are included within the five year housing land supply.

Row 6 – Dwellings allocated

This row includes sites that have been included in the Site Allocations and Development Management Policies DPD based on information supplied by the relevant land owners / agents. However those sites that have already been granted planning permission would have been counted in either Rows 2 or 3 depending on the number of dwellings permitted to avoid double counting.

Overall Position at 1 April 2016

As stated in Table 1 there is a supply of 2,998 deliverable dwellings within the borough, equating to an over provision of 433 dwellings when compared to the housing requirement of 2,565 dwellings over the next five years. **This equates to a five-year supply of 5.84 years (2998 / 513).**

Therefore the Council can demonstrate that it does have a five year housing land supply.

The housing supply requirement of 513 dwellings per year for the next five years is a rolling requirement applicable for each year. In order to address this number and attempt to maintain a five-year housing land supply the Council must react positively and enact the following measures:

- Grant planning permission for housing on sites where it can be demonstrated that the proposed development is sustainable;
- Use available mechanisms to overcome site limitations and assist in getting housing developments off the ground to improve site delivery;
- Housing delivery from the Barwell and Earl Shilton SUE's must be accelerated by the signing of the section 106 agreement for Barwell SUE and encouraging a planning application for the Earl Shilton SUE; and

- Work, where possible, to ensure the delivery of the Site Allocations contained within the recently adopted Site Allocations and Development Management Policies DPD. This document has allocated land across the borough to meet the remaining housing requirement specified in the Core Strategy up to the end of the plan period, with a significant proportion of the sites to be allocated considered deliverable within five years.

Unless all of these measures are undertaken it is unlikely that the Council will continue to be able to demonstrate a five-year housing land supply moving forward, thereby opening up the opportunity for unplanned development.

Background Papers:

National Planning Policy Framework (NPPF) – March 2012;

National Planning Practice Guidance (PPG) – March 2014;

1 October 2015 Housing Trajectory – March 2016;

Housing Trajectory Methodology Paper – July 2014; and

Five-Year Housing Land Supply Method Paper – July 2014.

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