

# Five Year Housing Land Supply at December 2019

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# Five Year Housing Land Supply at December 2019

## 1 Introduction

**1.1** Paragraph 73 of the National Planning Policy Framework (NPPF), revised February 2019, requires local authorities to identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against their housing requirement set out in adopted strategic policies, or against their local housing need where the strategic policies are more than 5 years old (unless these strategic policies have been reviewed and found not to need updating).

**1.2** This Five Year Housing Land Supply Statement sets out the housing requirement and the supply of deliverable sites for the five year period 1 April 2019 to 31 March 2024. A further year of deliverable sites, up to 31 March 2025, is also shown to enable a supply for the next five years to be demonstrated until the supply is reviewed. The Council is able to demonstrate a five year supply of deliverable sites. Appendix 1 contains the schedules of the specific sites which have been assessed for deliverability within the five year period.

### The meaning of deliverable

**1.3** The meaning of 'deliverable' is set out in the Glossary of the NPPF. This states:

*"To be considered deliverable, sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. In particular:*

*a) sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (for example because they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans).*

*b) where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years."*

**1.4** It is clear that deliverable means that sites should be realistically capable of being delivered within the next five years. It does not require certainty of delivery.

**1.5** This interpretation was confirmed in the judgement; *St Modwen Developments Ltd v Secretary of State for Communities and Local Government* (October 2017) in paragraphs 35 and 38:

*"Deliverability is not the same thing as delivery. The fact that a particular site is capable of being delivered within five years does not mean that it necessarily will be. For various financial and commercial reasons, the landowner or house builder may choose to hold a site back. Local planning authorities do not control the housing market. The NPPF recognises that." (Paragraph 35)*

*"Sites may be included in the five year supply if the likelihood of housing being delivered on them within the five year period is no greater than a "realistic prospect" - the third element of the definition in footnote 11. This does not mean that for a site properly to be regarded as "deliverable" it must necessarily be certain or probable that housing will in fact be delivered upon it, or delivered to the fullest extent possible, within five years." (Paragraph 38).*

**1.6** Whilst the judgement was made with reference to the preceding NPPF, published March 2012, the key term 'realistic prospect' is unchanged in the revised NPPF.

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## 2 The Five Year Housing Requirement

### Housing Need

**2.1** The first stage in the assessment of the five year housing land supply is the identification of the level of housing provision required. The housing requirement is that sufficient to provide 5 years' worth of housing (and appropriate buffer) against a housing requirement set out in adopted strategic policies, or against a local housing need (LHN) figure, using the standard method, as appropriate in accordance with paragraph 73 of the NPPF.

**2.2** The West Berkshire Core Strategy Development Plan Document was adopted in 2012, and the housing requirement is being reviewed through the Local Plan Review process. The housing requirement for the five year period is therefore based on the LHN, although it is also, for comparison, calculated to show the Core Strategy requirement for the period.

**2.3** The government introduced a standard methodology for calculating LHN in the NPPF of July 2018. This uses a formula to identify the minimum number of homes expected to be planned for, in a way which addresses projected household growth and historic under-supply. The LHN is derived in a number of steps, firstly setting the baseline using the average annual household growth projections (2014-based) for the area of the local authority over a 10 year period. Secondly an adjustment is made based on the affordability of the area, using the most recent median workplace-based affordability ratios. A cap can then be applied which limits the increases an individual local authority can face. Under the standard methodology it is not necessary to factor in previous levels of under delivery into the calculation of LHN, since any such under delivery will be reflected in the affordability adjustment. This is confirmed in the government's Planning Practice Guidance (PPG) - Housing and economic needs assessment, which states:

*"The affordability adjustment is applied to take account of past under- delivery. The standard method identifies the minimum uplift that will be required and therefore it is not a requirement to specifically address under-delivery separately." (PPG, Paragraph 011, Reference ID: 2a-011-20190220).*

**2.4** The LHN for West Berkshire calculates as 520 dwellings per year as set out below. This is very similar to the Core Strategy requirement of an average of 525 dwellings per annum.

**Table 2.1 Calculation of Local Housing Need for West Berkshire**

<b>Step 1 - Setting the Baseline</b>	
2014-based Household Growth (yearly average 2019 - 2029)	385
<b>Step 2 - Affordability Adjustment</b>	
Median Workplace-Based Affordability Ratio (2018)	9.16
Adjustment Factor	35%
Step 2 Housing Need Figure	520
<b>Step 3 - Applying the Cap:</b>	
Date of Plan Adoption	16/07/2012
Is the Plan more than 5 years old?	Yes
Housing requirement in last adopted plan	525
Cap @ 40% above Step 2 LHN	728
Cap @ 40% above last adopted plan	735
higher capped figure	735
Housing need subject to Cap	No
<b>Step 4 - Minimum Local Housing Need</b>	520

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**2.5** As outlined above, the LHN already takes account of past under delivery, and as such the number of completions up to March 2019 does not affect the five year requirement when calculated against the LHN. The calculation against the Core Strategy requirement will however, include a shortfall of 275 units which are added to the requirement for the five year period before the addition of the buffer.

### The Five Year Period

**2.6** The period April 2019 to March 2024 is covered in this update of the five year housing land supply. Previous guidance, prior to publication of the NPPF, required a forward looking trajectory. Information is therefore also presented for the period April 2019 to March 2025, to ensure a full five year supply can be demonstrated.

### Buffer

**2.7** To ensure that there is a realistic prospect of achieving the planned level of housing supply, the NPPF requires that an appropriate buffer (moved forward from later in the plan period) be applied to the requirement in the first five years. An authority should add one of the following, depending on circumstances:

- 5% to ensure choice and competition in the market for land; or
- 10% where the local planning authority wishes to demonstrate a five year supply of deliverable sites through an annual position statement or recently adopted plan, to account for any fluctuations in the market during that year; or
- 20% where there has been significant under delivery of housing over the previous three years, to improve the prospect of achieving the planned supply.

**2.8** Currently the Council has made no decision to publish an annual position statement so the buffer of 10% is not applicable.

**2.9** The question of significant under delivery of housing is determined by the Housing Delivery Test (HDT). This defines significant under delivery as provision below 85% of the housing requirement, over the previous three years.

**2.10** The government published the first HDT in February 2019 and has not yet published the results for the year ended 31 March 2019. Nonetheless, as the completions data is available for 2018/19, it is possible to undertake the calculation at the current time. As set out in Table 2.2, the result for West Berkshire is over 100%.

**Table 2.2 Dwelling completions 2016/17 to 2018/19**

Year	Number of net dwelling completions including communal accommodation	Core Strategy requirement	Housing Delivery Test requirement
2016/17	518	525	525
2017/18	539	525	394
2018/19	543	525	551
<i>Total</i>	<i>1,600</i>	<i>1,575</i>	<i>1,470</i>
<i>Average per year</i>	<i>533</i>	<i>525</i>	<i>490</i>
<b>Percentage delivery</b>			<b>109%</b>

**2.11** It is clear from Table 2.2 that under the Housing Delivery Test, West Berkshire is only required to apply the 5% buffer to the LHN.

**2.12** Table 2.3 below shows how the buffer has been applied to arrive at the housing requirement for the five year period.

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Table 2.3 The five year housing requirement

Requirement for April 2019 to March 2024	LHN 520 dwellings per year	Core Strategy 525 dwellings per year
A. Requirement excluding shortfall and buffer	2,600	2,625
B. Shortfall	n/a	275
C. Requirement including shortfall (A + B)	2,600	2,900
D. 5% buffer (C x 0.05)	130	145
<b>E. Requirement including shortfall and buffer (C + D)</b>	2,730	<b>3,045</b>

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## 3 Sources of Housing Supply

**3.1** This section provides an explanation of the sources of land supply that form part of the monitoring of the five year land supply position. Specific sites are set out in the accompanying schedules.

### Allocated Sites

**3.2** Allocated sites comprise both the strategic allocations in the Core Strategy and the allocations within the Housing Site Allocations (HSA) DPD. The Core Strategy allocated two strategic sites, at Newbury Racecourse and at Sandleford, to the south of Newbury. The Newbury Racecourse site is currently under construction, with the first two phases of development already completed. The Sandleford site has not yet been granted planning permission and is not currently included within the five year housing land supply. The HSA DPD sites include a variety of sizes of site at the settlements within the settlement hierarchy outlined in the Core Strategy.

### Large and Medium unallocated sites with planning permission

**3.3** Large sites are defined as sites delivering 10 dwellings (gross) or more, with a site size of at least 1 hectare. Medium sites are those of 10 or more dwellings (gross) but less than a hectare in size. These are sites that have not been allocated in the development plan and would therefore classify as windfalls, according to the definition in the NPPF.

### Prior Approvals

**3.4** Also included in the schedules are sites identified through the prior approval process which do not require planning permission for changes of use to residential development due to permitted development rights. Most of these are changes from office use.

### Engagement with developers/agents

**3.5** Government guidance indicates that authorities should involve those with an interest (in delivery) in assessing the deliverability of sites, and set out up-to-date robust evidence to support assessments of deliverability. The Council therefore produced a site deliverability form that was sent to the agents/developers of large and medium sites and of sites of 10 net dwellings or more identified through the prior approval process. The completed forms as well as any email responses received are included in Appendix 2.

**3.6** The Council considers the information on delivery provided by the landowner / developer as the most robust source and uses this as the starting point for considering what might reasonably be delivered within the five year period. Where necessary, the Council has adjusted the projected delivery to take account of any overly optimistic or pessimistic view. This ensures the figures relied on by the Council within the five year period are as realistic as possible.

**3.7** In cases where the landowner/developer has not responded to approaches by the Council, the Council has assessed deliverability of the site using its knowledge of the developer, its knowledge of the specific site and proposed development.

**3.8** Where a site with planning permission is not considered deliverable within the five year period, it is excluded from the five year land supply calculation but may still be included at a later date if circumstances change.

### Small Sites

**3.9** The smaller sites of under 10 units are also listed in the schedules. These smaller sites have not been assessed for deliverability in the same manner as the larger sites, however the definition of 'deliverable' is clear that sites that are not major development should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within the five year period.

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## Communal Accommodation

**3.10** Communal accommodation can now be included in the five year supply. The PPG (ID: 68-035-20190722) states that housing for older people including care homes (Planning Use Class C2) should be counted against the housing requirement. The HDT measurement rulebook gives the ratio for communal accommodation based on the national average number of adults in all households as 1.8 based on the 2011 Census. Therefore, a 90 bed care home would equate to 50 net dwellings ( $90 \div 1.8 = 50$ ).

## Windfall Allowance

**3.11** The NPPF states that where an allowance is to be made for windfall sites as part of the anticipated supply, there should be compelling evidence that they will provide a reliable source of supply. Any allowance should be realistic having regard to the strategic housing land availability assessment, historic windfall rates, and expected future trends.

**3.12** The definition of windfall sites changed with the publication of the revised NPPF in 2018 and has been retained in the 2019 NPPF. The new definition is:

*"Sites not specifically identified in the development plan."*

**3.13** Previously windfalls were those sites that unexpectedly became available. Sites that had been included in the Strategic Housing Land Availability Assessment (SHLAA) or where there had been a previous planning application were not previously included as windfall, but as identified sites.

**3.14** The Council has included an allowance for windfall in the calculation of the 5 year housing land supply. Analysis of past completions shows that over the plan period to 2019 an average of 378 units per year were completed on sites not allocated in the development plan, primarily on previously developed sites within settlements. According to the current definition these are all windfall sites.

**Table 3.1 Net windfall completions over the plan period (2006/07 to 2018/19)**

Monitoring year	Large non-allocated sites (10 or more units and 1ha or more)	Medium non-allocated sites (10 or more units and under 1ha)	Small non-allocated sites (less than 10 units)	Total non-allocated sites
2006/07	313	159	202	674
2007/08	216	33	198	447
2008/09	100	217	161	478
2009/10	25	99	115	239
2010/11	40	46	113	199
2011/12	5	31	126	162
2012/13	223	211	118	552
2013/14	102	103	125	330
2014/15	-24	135	245	356
2015/16	40	277	125	442
2016/17	122	117	163	402
2017/18	40	139	134	313
2018/19	25	158	139	322
<b>Annual Average 2006/07 to 2017/19</b>	<b>94</b>	<b>133</b>	<b>151</b>	<b>378</b>



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**3.15** Table 3.1 shows the windfall completions by site size. This data forms the basis for the calculation of the windfall allowance. The Council has not included an allowance for large windfall sites in the five year housing land supply. Development of large unallocated sites of 1ha or more tends to vary significantly from year to year. The exclusion of large sites from the windfall allowance introduces some flexibility to the supply.

**3.16** An average 133 dwellings have been completed on unallocated medium windfall sites (10 units or more on sites that are less than 1ha), and 151 dwellings have been completed on small unallocated windfall sites (9 dwellings or less) each year over the plan period to date. There is no reason why this level of development on unallocated sites should not continue in the foreseeable future. Indeed the NPPF at paragraph 68 states that local planning authorities should:

*"...support the development of windfall sites through their policies and decisions - giving great weight to the benefits of using suitable sites within existing settlements for homes..."*

**3.17** The Council has therefore included a windfall allowance for small and medium sites. The calculation of the small and medium site windfall allowances are shown in Tables 3.2 and 3.3 below. To ensure against potential double counting with sites that have been granted planning permission, an allowance has only been made in years 3 to 5 for small windfall sites, and in year 5 for medium windfall sites. The calculations for determining the windfall allowances are also shown in the tables.

**Table 3.2 Medium site windfall allowance (April 2019 to March 2024)**

A. Unallocated sites with planning permission in the 5 year supply	507
B. Sites identified through the prior approval process in the 5 year supply	113
<b>C. Total medium sites identified in the 5 year supply</b>	<b>620</b>
D. Average medium site windfalls per year between 2006/07 and 2017/18	133
E. Allowance for the five year period (D x 5)	665
<b>Windfall allowance for medium sites (E - C)</b>	<b>45</b>

**Table 3.3 Small site windfall allowance (April 2019 to March 2024)**

A. Unallocated small sites in the 5 year supply	411
B. Sites identified through the prior approval process in the 5 year supply	27
<b>C. Total small sites identified in the 5 year supply</b>	<b>438</b>
D. Average small site windfalls per year between 2006/07 and 2017/18	151
E. Allowance for the five year period (D x 5)	750
<b>Windfall allowance for medium sites (E - C)</b>	<b>317</b>

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### 4 The Five Year Housing Land Supply

#### The Five Year Housing Land Supply

4.1 The five year supply at 31 March 2019 was 4,187 dwellings, as set out in Table 4.1 below.

**Table 4.1 The five year supply at 31 March 2019**

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Total April 2019 to March 2024	Total April 2019 to March 2025
Core Strategy Allocated Sites	54	82	207	159	104	2	<b>606</b>	<b>608</b>
Housing Site Allocations DPD Sites	95	129	287	302	173	109	<b>986</b>	<b>1,095</b>
Permitted non-allocated sites of 10 dwellings or more	156	268	495	243	50	50	<b>1,212</b>	<b>1,262</b>
Permitted non-allocated small sites	151	151	136				<b>438</b>	<b>438</b>
Large and medium sites identified through the prior approval process	153	160	179	0	0	0	<b>492</b>	<b>492</b>
Medium site windfall allowance	0	0	0	0	45	133	<b>45</b>	<b>178</b>
Small site windfall allowance	0	0	15	151	151	151	<b>317</b>	<b>468</b>
Communal accommodation	35	9	47	0	0	0	<b>91</b>	<b>91</b>
<b>Total Deliverable Supply</b>	<b>644</b>	<b>799</b>	<b>1,366</b>	<b>855</b>	<b>523</b>	<b>445</b>	<b>4,187</b>	<b>4,632</b>

4.2 Table 4.2 sets out the five year land supply calculation for the period 1 April 2019 to 31 March 2024. The five year supply against the Core Strategy requirement is also included for completeness.

4.3 At 31 March 2019, the Council can demonstrate a 7.6 years housing land supply against a LHN of 520 dwellings per year, including the 5% buffer.

4.4 Against the Core Strategy requirement (which includes a shortfall), a 6.8 years housing land supply can be demonstrated. This is shown for information only. Appendix 3 illustrates how the Council can also demonstrate a supply over the period April 2019 to March 2025.

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**Table 4.2 Housing requirement to 2024 to meet the LHN**

	520 dwellings per year (LHN)	525 dwellings per year (Core Strategy)
A. Requirement including buffer and shortfall	2,730	3,045
B. Total housing supply over 5 year period	4,187	4,187
<b>C. Total deliverable housing supply in years for April 2019 to March 2024 (B ÷ A x 5)</b>	<b>7.67 years</b>	<b>6.87 years</b>