

Five Year Housing Land Supply at December 2021

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1 Introduction

1.1 Paragraph 74 of the National Planning Policy Framework (NPPF), revised July 2021, requires local planning authorities (LPAs) 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 If a LPA is unable to demonstrate a five year land supply, the presumption in favour of sustainable development will apply, as set out in paragraph 11d of the NPPF and the corresponding footnote 8. This is to enable the development of alternative sites to meet the policy requirement.

1.3 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 2021 to 31 March 2026. A further year of deliverable sites, up to 31 March 2027, 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

1.4 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.”

1.5 For sites with full planning permission, and small sites with outline planning permission, the government guidance is clear that these should be assessed as being deliverable unless there is specific evidence to the contrary.

1.6 For sites with outline planning permission only, or allocated sites in the current development plan without planning permission, specific evidence is required. The Planning Practice Guide provides additional guidance (*PPG, Paragraph 007, Reference ID: 68-007-20190722*) on deliverability stating that evidence may include:

- Current planning status – for example, on larger scale sites with outline or hybrid permission how much progress has been made towards approving reserved matters, or whether these link to a planning performance agreement that sets out the timescale for approval of reserved matters applications and discharge of conditions;
- Firm progress being made towards the submission of an application – for example, a written agreement between the local planning authority and the site developer(s) which confirms the developers' delivery intentions and anticipated start and build-out rates;
- Firm progress with site assessment work; or
- Clear relevant information about site viability, ownership constraints or infrastructure provision, such as successful participation in bids for large-scale infrastructure funding or other similar projects.

1.7 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.

1.8 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:

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"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).

1.9 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 according to the result from the Housing Delivery Test) 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 74 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 first introduced the standard method for calculating the LHN alongside the publication of the revised NPPF in 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).

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2.4 The LHN for West Berkshire calculates as 509 dwellings per year as set out below.

Table 2.1 Calculation of Local Housing Need for West Berkshire

Step 1 - Setting the Baseline	
2014-based Household Growth (yearly average 2021 - 2031 of 3,800)	380
Step 2 - Affordability Adjustment	
Median Workplace-Based Affordability Ratio (2021)	9.43
Adjustment Factor = $((\text{Local affordability ratio} - 4) / 4) \times 0.25 + 1$ = $((9.43 - 4) / 4) \times 0.25 + 1$	1.339
Step 2 Minimum annual local housing need figure = (adjustment factor) x projected household growth 1.339 x 380 = 508.96	509
Step 3 - Applying the Cap:	
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 (509 x 1.4)	718
Cap @ 40% above last adopted plan (525 x 1.4)	735
higher capped figure	735
Housing need subject to Cap	No
Step 4 - Minimum Local Housing Need	509

2.5 As outlined above, the LHN already takes account of past under delivery, and as such the number of completions up to March 2021 does not affect the five year requirement when calculated against the LHN. The calculation against the Core Strategy requirement will however, include a shortfall to be added to the requirement for the five year period before the addition of the buffer.

The Five Year Period

2.6 The period April 2021 to March 2026 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 2021 to March 2027, to ensure a full five year supply can be demonstrated. The calculation of the deliverable housing supply for the period to 2027 is shown in Appendix 3.

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

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- 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 the most recent on 14 January 2022. As set out in Table 2.2 the HDT measurement for West Berkshire for the period April 2018 to March 2021 is 117%.

2.11 It should be noted that due to Covid-19 and the subsequent disruption to local authority services and the construction sector, the Government has reduced the 2019/20 housing requirement in the HDT by a month (ie. 31 days) to reflect this disruption. For the 2020/21 housing requirement, the Government has applied a four-month adjustment (ie. 122 days) in order to account for the most disrupted period of April to July 2021 due to the pandemic.

Table 2.2 Housing Delivery Test 2021

Year	Number of net dwelling completions including communal accommodation	Core Strategy requirement	Housing Delivery Test requirement
2018/19	543	525	551
2019/20	439	525	476
2020/21	621	525	342
<i>Total</i>	<i>1,603</i>	<i>1,575</i>	<i>1,369</i>
Average per year	534	525	456
Percentage delivery			117%

2.12 It is clear from Table 2.2 that under the HDT, West Berkshire is only required to apply the 5% buffer to the LHN.

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2.13 Table 2.3 below shows how the buffer has been applied to arrive at the housing requirement for the five year period. The calculation against the Core Strategy requirement includes a shortfall of 310 units. Net completions, excluding units in communal accommodation, were 617 in 2020/21 bringing total completions in the plan period to 7,565 against a target of 7,875.

Table 2.3 The five year housing requirement

Requirement for April 2021 to March 2026	LHN 509 dwellings per year	Core Strategy 525 dwellings per year
A. Requirement excluding shortfall and buffer	2,545	2,625
B. Shortfall	n/a	310
C. Requirement including shortfall (A + B)	2,545	2,935
D. 5% buffer (C x 0.05)	127	147
E. Requirement including shortfall and buffer (C + D)	2,672	3,082

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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. Only sites that are allocated within the development plan or had planning permission at March 2021 are included within the supply.

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. Some allocated sites with outline permission have been excluded from the five year land supply due to the strict definition of deliverable, though it is anticipated that delivery will commence within the period to 2027.

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 agents/developers of large and medium sites and of sites of 10 net dwellings or more identified through the prior approval process. Responses have been used to both assess deliverability of the site and to phase dwelling completions. It also takes into account opinion on the impacts of the COVID-19 pandemic in the consideration of realistic prospect. 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 view, ensuring that 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. For example, 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 2021 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 Housing and Economic Land Availability Assessment (HELAA) 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 2021 an average of 378 units per year were completed on sites not allocated in the development plan, primarily on previously developed sites within settlements. These are all windfall sites.

Table 3.1 Net windfall completions over the plan period

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
2019/20	27	113	109	249
2020/21	347	71	87	505
Annual Average 2006 to 2021	107	127	144	378

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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 or medium sized windfall sites in the five year housing land supply. Development of large, and to a more limited extent, medium sites tends to vary significantly from year to year. The exclusion of this potential from the windfall allowance shows a cautious approach and introduces some flexibility to the supply.

3.16 An average of 144 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 small unallocated sites should not continue in the foreseeable future. Indeed the NPPF at paragraph 69 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 sites. The calculation of the windfall allowance is shown in Table 3.2 below, using an average of 140 small site windfalls per annum (reduced slightly to exclude prior approvals for permitted development). To ensure against potential double counting with sites that have been granted planning permission, these current permission are deducted from the total allowance for the five year period and the resultant allowance for windfalls applied only in the later years of the five year period.

Table 3.2 Small site windfall allowance (April 2021 to March 2026)

A. Unallocated small sites with planning permission in the 5 year supply	432
B. Sites identified through the prior approval process in the 5 year supply	29
C. Total small sites identified in the 5 year supply	461
D. Average small site windfalls with planning permission completed per year between 2006/07 and 2020/21	140
E. Allowance for the five year period (D x 5)	700
Windfall allowance for small sites (E - A)	268

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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 2021 was 3,925 dwellings, as set out in Table 4.1 below.

Table 4.1 The five year supply at 31 March 2021

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total 1 April 2021 to 31 March 2026	Total 1 April 2020 to 31 March 2027
Core Strategy Allocated Sites	77	67	152	150	66	0	512	512
Housing Site Allocations DPD Sites	240	295	239	208	69	32	1,051	1,083
Permitted non-allocated sites of 10 dwellings or more	491	458	119	104	57	0	1,229	1,229
Permitted non-allocated small sites	140	140	152	0	0	0	432	432
Large and medium sites identified through the prior approval process	61	159	141	0	0	0	361	361
Small sites with prior approval	10	10	9	0	0	0	29	29
Small site windfall allowance	0	0	0	128	140	140	268	408
Total Deliverable Supply excluding communal accommodation	1019	1129	812	590	332	172	3,882	4,054
Communal accommodation (dwelling equivalent)	7	36	0	0	0	0	43	43
Total Deliverable Supply including communal accommodation	1026	1165	812	590	332	172	3,925	4,097

4.2 Table 4.2 sets out the five year land supply calculation for the period 1 April 2021 to 31 March 2026. The five year supply against the Core Strategy requirement is also included for completeness.

4.3 At 31 March 2021, the Council can demonstrate a 7.3 years housing land supply against a LHN of 509 dwellings per year, including the 5% buffer.

4.4 Against the Core Strategy requirement (which includes a shortfall and excludes communal accommodation), a 6.3 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 to March 2027.

Table 4.2 Housing requirement to 2026 to meet the LHN

	509 dwellings per year (LHN)	525 dwellings per year (Core Strategy)
A. Requirement including buffer and shortfall	2,672	3,082
B. Total housing supply over 5 year period	3,925	3,882 (excluding communal accommodation)
C. Total deliverable housing supply in years for April 2020 to March 2025 (B ÷ A x 5)	7.34 years	6.30 years