

INFORMATION SHEET

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Subject: Re-calculation of Five Year Housing Land Supply as of 30 September 2014 to reflect increased requirement

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1. This Information Sheet presents a Five Year Housing Land Supply Calculation (5YHLSC) as of 30 September 2014. It has been re-issued following a decision by Council on 15 December 2014 to increase the Core Strategy housing requirement for the period 2011 to 2031 from 10,800 to 11,300. No other changes have been made to the calculation or the assumptions that underpin it as published in the Members Information Sheet 047/2014 on 25 November 2014.
2. The re-calculation updates and rolls forward by six months the calculation published 5 August that set out the previous position as of 31 March 2014. This information sheet provides a summary of the 5YHLSC and as such should be read alongside the latest versions of the following accompanying documents, all of which are available on the Council's website at www.stratford.gov.uk/5yearsupply:
 - Schedule of Housing Sites and Completions
 - Schedule of Additional Quarterly Permissions
 - Policy Advice Note – Five Year Housing Land Supply
3. As well as rolling forward the calculation by six months, the Council has amended its methodology for calculating the 5 year supply following 3 recent appeal decisions at Land off Stratford Road, Hampton Lucy, 2-6 Priory Road, Alcester, and Land off Dovehouse Drive, Wellesbourne¹. Although these appeals came to different conclusions in respect of the 5YHLS, an Appeal Inspector is entitled to reach his or her own conclusions based on the specifics of the particular appeal proposal, the weight that should be afforded to relevant issues and the evidence presented. Further detail on how the Council has taken on board the Inspectors' conclusions is set out in the Policy Advice Note.
4. The 5YHLSC is a comparison between the number of homes required to be built to meet the District housing requirement and the number of homes that are actually likely to be built over a five year period. Having regard to the latest available evidence the Council has agreed to revise upwards the District housing requirement from 10,800 (540dpa) as set out in the Submission Core Strategy (www.stratford.gov.uk/corestrategy) to 11,300 (565dpa). This is considered to be an objective assessment of housing needs for the period 2011 to 2031 and is based on the findings of two updated technical studies; namely, the addendum to the joint Strategic Housing Market Assessment (JSHMA) undertaken for the Coventry and Warwickshire sub-region, and further independent analysis of the JSHMA for Stratford-on-Avon DC to verify that its recommendations on the housing requirement are justified and robust. Whilst it is acknowledged that this figure is yet to be tested via the independent examination process, the JSHMA methodology was identified by the Hampton Lucy Inspector as closely reflecting the approach advocated within Planning Practice Guidance. The requirement figure derived from the JSHMA methodology was accepted by the Inspectors in each of the recent appeal cases as providing a reasonable basis for assessing the issue of housing land supply.

¹ Appeal References APP/J3720/A/14/2215757, APP/J3720/A/13/2209488, and APP/J3720/A/14/2216615, respectively.

5. The 5YHLSC complies with Planning Practice Guidance (PPG) methodology and takes account of homes already built since the start of the plan period (known as completions) and sites expected to be built over the next five years (known as commitments). Any difference between the number of homes already built and the number of homes that should have been built to date (known as the surplus or shortfall) is also included within the 5YHLSC. A percentage 'buffer' has to be applied in order to ensure choice and competition in the market for land. The size of this buffer (5% or 20%) is determined by the past level of delivery. Where there has been a record of persistent under-delivery, a 20% buffer should be applied. Two recent appeal decisions have concluded that a 20% buffer is applicable to Stratford-on-Avon District. Commitments come from a variety of sources including sites with planning permission and other identified sites, and a 10% deduction has been applied, as appropriate, to reflect the fact that not all sites with planning permission will actually get built. The number of commitments is also informed by reasonable assumptions about the likely rate of building. Thus, on very large sites, it should not be assumed that all homes would be built within the five year period.
6. Updating the 5YHLSC provides an opportunity to review the information and assumptions made previously and correct any errors or omissions, as well as to include new sites that have been granted planning permission. The 5YHLSC should reflect any change in the development status of a site, including where this change may affect the likelihood of delivery of homes within the five year period.
7. The 5YHLSC is concerned with the 'net' increase to the housing stock. Homes are classed as any self-contained permanent residential dwelling and can, for example, include mobile homes for agricultural workers and homes for older people known as 'extra care'. Whilst the re-use of empty homes provides an important source to meet housing needs, as with replacement dwellings, bringing empty homes back into use does not normally add to the overall supply of new housing, as there is no 'net' increase in supply. Gypsy and Traveller pitches are not included as they do not form part of the standard housing requirement and are planned for and monitored separately.
8. It should be noted that the base date of the 5YHLS calculation has been rolled forward by 6 months. Whilst the housing requirement for the 5 year period itself does not change (i.e. 5 x 565dpa), provision since the start of the plan period is now based on 3.5 years as opposed to 3 years (i.e. April 2011 to September 2014).
9. In addition to minor corrections and amendments (e.g. change in status of sites), sites granted planning consent between 1 April and 30 September 2014 have been added to the supply. These are summarised in the 'Schedule of Quarterly Permissions' for April to June and July to September which are available on the website at www.stratford.gov.uk/5yearsupply. A total of 1,242 homes achieved planning consent in the 6 months 1 April to 30 September. This is more than 3 times the 5 year requirement figure for the 6 month period. It is evidence that the Council takes seriously the requirement to deliver housing to meet the needs of the District and to proactively remedy the short-term shortfall, thereby boosting significantly the supply of housing.
10. Further changes to the calculation have resulted from the roll-forward itself, which has brought an additional 133 homes into the 5 year period. This has occurred because the dates of the 5 year period have changed, rather than as a result of changes to the delivery assumptions of individual sites. Additional supply is expected from Meon Vale (Long Marston Depot) and the Stratford-upon-Avon Cattle Market. Notwithstanding this, the Council has taken a pragmatic approach and only rolled forward delivery on larger sites. Assumptions regarding smaller sites have not generally changed, since it is more difficult to accurately predict delivery for such sites. The Council has not changed its assumptions regarding delivery of 450 homes within the revised 5 year period on land West of Shottery.

11. Based on the requirement of 11,300, Stratford-on-Avon District needs to continually deliver at least 565 homes on average every year over the plan period. In the short term, this needs to increase to between 789 and 902 homes (depending on the percentage buffer applied) to rectify the shortfall in delivery over the period 2011 to 2014.
12. It must be stressed that the objective is not just to achieve a five year supply of housing, but to maintain a minimum of five years' worth of housing supply on an on-going basis. The calculation is predicated on a number of assumptions about the deliverability of sites. If sites do not deliver as expected, then the land supply figure will change accordingly. This risk can be mitigated by ensuring a healthy land supply through the granting of planning permissions, although the Council acknowledges that it has little control over the rate at which developments actually get built.
13. The next assessment will be as of 31 March 2015. This will update and roll forward the calculation by 6 months and publication is anticipated in early May.

Five Year Housing Land Supply Calculation for Sept 2014/15 to Sept 2018/19 As of 30 Sept 2014	Requirement to start of 5 year period¹	Completions (in previous years)²	Surplus / Shortfall³	Commitments within 5 year period⁴	5 Year Requirement (inc 5% Buffer)⁵	5 Year Requirement (inc 20% Buffer)⁵	5 Year Annualised Average⁶	Land Supply (Years)⁷
Core Strategy 2011 – 2031 10,800	1,890	1,045	845	4,350	3,722	n/a	744	5.8
	1,890	1,045	845	4,350	n/a	4,254	851	5.1
Core Strategy 2011 – 2031 11,300	1,978	1,045	933	4,350	3,945	n/a	789	5.5
	1,978	1,045	933	4,350	n/a	4,509	902	4.8

Notes:

1. Requirement to Start of Five Year Period

The target number of homes that should have been delivered from the start of the plan period to the start of the 5 year period: i.e. 10,800/11,300 divided by 20 years equals annual average of 540/565 multiplied by 3.5 years April 2011 to September 2014.

2. Completions in Previous Years

The number of homes built from the start of the plan period to the current year:

- Apr-Sept 2011: 53
- Oct 11 - Sept 12: 199
- Oct 12 - Sept 13: 301
- Oct 13 - Sept 14: 492

3. Surplus/Shortfall

The difference between the number of homes that should have been built and have been built i.e. previous requirement minus dwellings completed (including expected completions) i.e. col. 1 – col. 2.

4. Commitments

The number of homes expected to be built within the five year period (avoiding double counting):

- Under construction: 1,559
- Windfall allowance (small sites exc. residential garden land = 3 years x 34pa): 102
- Following sites (including 10% deduction for non-implementation):
 - Full planning permission but not started: 809
 - Outline planning permission: 1,001
 - Resolution to Grant: 861
 - Local Choice schemes: 0
 - Remaining Local Plan allocations: 20
 - SHLAA sites: 0
 - Stalled sites: 0

5. Five Year Requirement

The target number of homes for the five year period i.e. 10,800/11,300 divided by 20 multiplied by 5 plus any shortfall/surplus (column 3), multiplied by 1.05% or 1.2%.

6. Five Year Annualised Average

The 5 Year Requirement (column 5) divided by five years.

7. Land Supply (Years)

The number of years of housing land supply available. Commitments (column 4) divided by Annualised Average (column 6): this should equal or exceed 5.