

Subject: 5 Year Housing Land Supply (as of 30 June 2013)

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1. Introduction

- 1.1 As the local planning authority (LPA), Stratford-on-Avon District Council is required to deliver a continuous 5 year supply of housing to meet its housing requirement for the District. *"Housing applications should be considered in the context of the presumption in favour of sustainable development. Relevant policies for the supply of housing should not be considered up-to-date if the LPA cannot demonstrate a 5 year supply of deliverable housing sites"* (Paragraph 49, National Planning Policy Framework (NPPF), March 2012).
- 1.2 The 5 year supply calculation compares the number of homes expected to be built over the next 5 years against the number of homes that are actually required to be built, based on the Core Strategy housing requirement for the period 2008 to 2028. The calculation also takes account of homes already built from 2008 to date. However, 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) must be taken account of in the 5 year calculation. This method of calculating the supply is known as the 'Sedgefield' approach and it has gained favour because it is considered to be more in line with the spirit of the NPPF to significantly boost housing supply. In addition, in order to ensure choice and competition in the market for land, the NPPF requires LPAs to include a buffer of 5% or 20% (depending on level of past delivery) moved forward from later in the plan period. The calculation is expressed as the number of years' worth of land supply available and it should exceed 5.
- 1.3 This Information Sheet rolls forward the 5 year supply calculation to 30 June 2013 for the period 2013/14 to 2017/18 and reflects the Council's decision to produce a Core Strategy making provision for 9,500 homes for the 20 year period 2008 to 2028. It sets out the Council's latest and most-up-to-date position in respect of 5 year housing land supply.

2. Methodology

- 2.1 As outlined above, the 5 year supply calculation uses the 'Sedgefield' approach and is based on the number of homes already built since the start of the plan period (known as completions) and sites expected to be built over the next 5 years (known as commitments). Homes are classed as any self-contained residential dwelling and can, for example, include mobile homes for agricultural workers and homes for older people known as 'extra care'. The number of commitments is 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 5 year period. An appropriate deduction has been applied to commitments to reflect the fact that not all homes identified will actually be built. In some instances a planning permission may be obtained simply to increase the value of the land, so some sites with planning permission may not be built.

- 2.2 Commitments include sites under construction, sites with full planning permission but where construction has not started, sites with outline planning permission and sites where the Council has made a resolution to grant planning permission. Commitments also include sites that do not have planning permission but which have been identified as being suitable for development over the next 5 years. These include remaining Local Plan allocated sites, sites identified as being available, suitable and achievable in an up-to-date SHLAA, and identified 'Local Choice' schemes. Sites allocated in the Core Strategy and any Neighbourhood Plan can also be included once the respective plans have been agreed. The commitment figure can also include an allowance for homes to be built on unidentified sites that get permission unexpectedly. These are known as 'windfalls'. However, there must be compelling evidence that such sites have consistently become available and councils should be cautious not to overstate the potential supply from windfalls. Analysis suggests an average net supply of windfalls from both large and small sites of 115 dwellings per annum (excluding residential garden land). Notwithstanding this, because of the time it takes for a dwelling to get permission and be constructed, it is not appropriate to include a windfall allowance in the first 2 years of the 5 year period since these erstwhile "windfalls" are likely to already have permission.
- 2.3 It should be noted that updating the 5 year housing land supply provides an opportunity for the Council to review the information and assumptions made previously and correct any errors or omissions. The calculation 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 5 year period. In particular, the 'windfall' assumption needs to be kept under review in order to prevent double counting (e.g. sites identified through other sources) and to take account of the policy approach in the emerging Core Strategy: i.e. if a more flexible policy approach is envisaged (e.g. infilling within Local Service Villages), then a more generous windfall allowance may be appropriate. It should be noted that this update considers the period 2013 to 2018. The approach adopted in previous calculations would have assumed a calculation based on the period 2014 to 2019. Our research suggests that the latter approach, as previously used when preparing annual monitoring reports, has largely been superseded and most councils take the current year as being the first of the relevant 5 year period.

3 Calculation

- 3.1 Like many districts, Stratford-on-Avon is currently in a transitional period as it seeks to replace the Local Plan Review (2006) with an up-to-date Core Strategy. As such, for comparison purposes, the results of two calculations are shown below based on housing requirement figures for the following: the West Midlands Regional Spatial Strategy Phase 2 Revision (RSS) for the period 2006 to 2026; and the more recently proposed figure for the Core Strategy period 2008 to 2028. For the Core Strategy period it has been assumed that the rate of delivery between 2008 and 2012 should accord with the RSS, with delivery then accelerating to provide the balance of the requirement over the remaining plan period.
- 3.2 Detailed information about completions and commitments used in this calculation can be found in the accompanying 'Housing Sites and Completions Schedule – June 2013' available at www.stratford.gov.uk/planning/annual-monitoring-report.cfm. In addition to minor corrections, the schedule confirms that the key changes in 5 year supply over the past 6 months include:
- 35 additional homes on the 'NC Joseph' site (Phase 4b), Stratford-upon-Avon
 - 45 additional homes at Bramley Way, Bidford-on-Avon
 - 48 additional homes at Waterloo Road, Bidford-on-Avon
 - 48 additional homes as part of a larger mixed-use redevelopment of the 'Victor Hodges' site, Southam
 - 50 additional self-contained 'extra care' homes at Ettington Road, Wellesbourne
 - 112 additional homes at the former IMI Norgren site, Shipston-on-Stour (allowed on appeal)

- 67 fewer homes on remaining Local Plan allocations and local choice schemes following re-appraisal of their likelihood for delivery within the next 5 years
- 101 fewer homes at the Cattle Market site, Stratford-upon-Avon (delivery considered uncertain until later in plan period)

3.3 Different arguments might be constructed to support the contention that the 5 year calculation should be based either on the RSS Review figure or on the emerging Core Strategy figure. Whilst the RSS Review was not formally published, it was subject to independent testing via an Examination in Public (EiP) in 2009. However, the emerging Core Strategy figure is based on more recent evidence and has greater regard to the approach to housing land supply set out under the NPPF. Irrespective of the merits of choosing one approach rather than another, the key issue is that neither calculation demonstrates the availability of a 5 year supply of land. It is clear that additional land is needed (if we assume the use of the Core Strategy figure, for in excess of 1,100 homes) in order to establish at least a 5 year supply of sites to meet the District's housing requirement. Notwithstanding this, it should be remembered that the 5 year supply calculation is always a snapshot in time and the calculations shown below are as of 30 June 2013 for the period 2013/14 to 2017/18.

5 Year Supply Calculation (as of 30 June 2013) for 2013/14 to 2017/18

5 Yr Supply Calculation for 2013/14 to 2017/18 (as of 31 Jun 13)	Requirement to start of 5 year period ¹	Completions (plan start to date) ²	Surplus / Shortfall ³	Commitments within 5 year period ⁴	5 Year Requirement (inc 5% Buffer) ⁵	5 Year Annualised Average ⁶	Land Supply (Years) ⁷
RSS Review 10,250 (2006 – 2026)	2,625	1,829	796	2,466	2,805	561	4.4
Draft Core Strategy 9,500 (2008 – 2028)	2,000	974	1,026	2,466	3,571	714	3.5

Notes

1. Requirement = 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. 31 March 2013). For the RSS this is 7,500 divided by 20 multiplied by 7 years. For the Draft Core Strategy, this is the RSS Requirement of 7,500 divided by 20 multiplied by 4 years 2008-2012 (to reflect the fact that the RSS was in place to 2012) which equals 1,500, plus 1 year of the remaining 8,000 divided by 16 years (i.e. 500).

2. Completions = The number of homes built from the start of the plan period to date. For the RSS Review this is from 2006/07 and for the Draft Core Strategy this is from 2008/09:

- Completions in previous years: 06/07: 454; 07/08: 401; 08/09: 178; 09/10: 237; 10/11: 100; 11/12: 147; 12/13: 246
- Completions in the first quarter of the current year 2013/14: 66

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).

4. Commitments = The number of homes expected to be built within the next 5 years from the following sources:

- Full planning permission but not started: 912 (inc. 5% deduction for non-implementation)
- Local Choice schemes: 33 (inc. 10% deduction for non-implementation)
- Outline planning permission: 446 (inc. 5% deduction for non-implementation)
- Remaining Local Plan allocations: 51
- Resolution to grant: 78 (inc. 5% deduction for non-implementation)
- SHLAA sites: 16 (inc. 10% deduction for non-implementation)
- Stalled: 96
- Under construction: 488
- Windfall allowance (large & small sites exc. residential garden land): 345 (3 yrs x 115pa)

5. 5 Year Requirement = For the RSS this is the total divided by 20 years multiplied by 5 years, plus any shortfall/surplus, multiplied by 1.05%. For the Draft Core Strategy, this is 9,500 minus 1,500 for the first four years (to reflect the fact that the RSS was in place to 2012), which leaves 8,000 to be provided over a 16 year period. Thus, the 5 year requirement is 8,000 divided by 16 multiplied by 5 years, plus any shortfall/surplus, multiplied by 1.05%.

6. 5 Year Annualised Average = The 5 Year Requirement divided by 5 years.

7. Land Supply (Years) = The number of years housing supply available. Commitments divided by Annualised Average; this should equal or exceed 5.