

Craven District Council



Five Year Housing Land Supply Methodology and Report

1 April 2016 to 31 March 2021

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1. Introduction

The National Planning Policy Framework (NPPF)¹ requires local planning authorities to identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of housing against their housing requirements. The NPPF also requires an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the housing market and where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land.

This document provides a full methodology setting out how the 5 year land supply position has been calculated. Appendix 1 provides details of all sites and the predicted delivery rates.

This report will be updated each financial year, based on the Council's annual monitoring of housing commitments.

2. Five Year Housing Land Supply Methodology

This document sets out the Council's methodology for calculating its Five Year Housing Land Supply. There are four stages involved:

- A.** Identify the five years;
- B.** Calculate what the housing requirement is, in terms of the number of dwellings, for which land needs to be made available over the five years;
- C.** Calculate what the supply is, in terms of the number of plots for dwellings, which is available over the five year period
- D.** Compare the supply against the requirement and express this in a way that shows whether there is or is not sufficient supply.

The document explains each of the above stages in more detail, setting out the calculations and what assumptions have been made.

The National Planning Policy Framework (NPPF) and the national Planning Practice Guidance (nPPG) provides some basic information for calculating a five year land supply and has been taken into account in the Council's

¹ Paragraph 47

methodology. A recent Appeal Court judgement² which provided clarification on the proper interpretation of paragraph 47 of the NPPF has also been taken into account in the methodology.

A. Identify the five year period

The first stage in calculating the five year land supply is to establish what period the five years will cover and identify the start date.

This Five Year Housing Land Supply Report covers the period **1 April 2016 to 31 March 2021**. This is because the Council monitors housing sites with planning permissions to identify the number of dwellings completed each year and the number of dwellings under construction. It also monitors planning permissions for change of use or demolition and redevelopment of residential units to other non- residential uses, so that a net figure for housing completions each year can be calculated. The monitoring period runs between 1 April and 31 March, therefore it is logical to start the five year land supply calculation on the same date to ensure that the assumptions made are based on the most up to date data.

The five year period does not start until the following April; this is to ensure that at any point during the current year (2015/16) the Five Year Land Supply Report will include a full five year supply of land. The five year period is shown in the diagram below. This means that the end date is actually six years from the end of the most recent monitoring period.

Monitoring Period	Current Year	Year 1	Year 2	Year 3	Year 4	Year 5
1 April 2014 -31 March 2015	1 April 2015 – 31 March 2016	2016/17	2017/18	2018/19	2019/20	2020/21

B. Calculating the Housing Requirement

The NPPF states in the first bullet point of paragraph 47 that local planning authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the NPPF. Where a local planning authority has an **up to date adopted** local plan, the housing requirement is set out in policy which will have been based on an objective assessment of housing needs and constraints, tested at

² *St Albans City and District Council v (1) Hunston Properties Limited and (2) Secretary of State for Communities and Local Government (2013 EWCA Civ 1610)*

examination and found to be sound. In these circumstances, the five year housing requirement will be derived from the adopted Local Plan.

However, at present Craven District Council is still preparing its new Local Plan and the current Local Plan adopted in 1999 is out of date, so consequently its policy providing for future housing land supply in the area, which is based on out of date data is not “saved”, which means that it has no weight in decisions on planning applications nor is it a consideration for influencing the emerging housing requirement in the new Local Plan.

In the meantime, how will Craven calculate its housing requirement for the purposes of establishing whether or not there is a 5 year supply of housing land ? The National Planning Policy Guidance (nPPG) advocates that “official” statistics should provide a starting point for the analysis of objectively assessed need (OAN), but that baseline projections may need adjustment to reflect factors affecting local demographic and household formation rates which are not captured in past trends (including migration trends and job growth scenarios) and to reflect appropriate market signals of the balance between demand for and supply of dwellings.

The Council has commissioned Arc4 consultants to carry out a Strategic Housing Market Assessment (SHMA 2015) to establish the OAN for Craven. In accordance with nPPG, the study has considered as a starting point the latest available (2012 based) CLG household projections. The baseline position is a need for 154 additional dwellings each year (including the National Park). The SHMA concludes that there should be an upward adjustment of 13 dwellings per year to reflect alternative headship rate assumptions between 2012 and 2010 population projections, an upward adjustment of 118 dwellings per year to support job-growth and a market signal adjustment of 5 dwellings per year, making the Objectively Assessed Housing Need for Craven District (including the National Park) 290 dwellings per year.

At the meeting of full Council on 1st December 2015, the Council resolved to accept the OAN of 290 dwellings per year for the housing market area of Craven District and agreed a housing target for the next consultation draft of the Craven Local Plan (outside the National Park), based on the objectively assessed need of 5,120 net new dwellings for the 2012-2032 plan period. This is an average of 256 dwellings per year.

Could the emerging housing requirement target of 256 dwellings per year in the new draft Local Plan be used to measure the 5 year housing land supply or the housing requirement target of 250 dwellings per year in the now revoked Regional Spatial Strategy, or some other measure ? This question was addressed in an Appeal Court Judgement in the case of *St Albans and*

City District Council v (1) Hunston Properties Ltd and (2) Secretary of State for Communities and Local Government, released on 12th December 2013. The Appeal Court concluded that where there is **no adopted up to date development plan** setting out housing requirements, that the meaning of the phrase in the first bullet point of paragraph 47 of “*full objectively assessed needs for market and affordable housing*” cannot be construed to mean either previous housing targets in revoked Regional Strategies, nor emerging housing requirement targets in draft Local Plans, but should be the most up to date information on objectively assessed housing need in the Department of Communities and Local Government (DCLG) household projections. In other words, **the baseline position of 154 dwellings per year should form the assessment for a 5 year supply of land in the absence of an adopted up to date development plan.**

Of course, if the emerging Local Plan housing target of 256 dwellings per year is found sound at examination and subsequently forms part of the formally adopted development plan, then it will be this level of housing requirement that will be used as the measure for assessing the 5 year land supply.

The baseline position of 154 dwellings per annum over the plan period 2012-2032 (20 years) would give a total housing requirement of 3,080. This figure relates to the whole of the Craven District, including the National Park Area. Based on work commissioned by the Council from consultants Edge Analytics³ to analyse projected new household growth for sub-areas within the District, the Council estimates that about 13 dwellings per year would be the baseline position for the National Park Area. Applying that dwelling rate, the housing requirement for the National Park area would be about 260 dwellings over the 20 year plan period and the housing requirement for Craven outside the National Park would be **2,820 net additional dwellings** over the 20 year plan period, or an annual average of 141 dwellings per year, or 705 dwellings over a five year period.

However, between 1 April 2012 and 31 March 2015, a net total of **282** new dwellings have been gained (353 dwellings completed minus 71 dwellings lost), which gives an annual average delivery rate over the three years from 1 April 2012 to 31 March 2015 of 94 net additional dwellings per year. This is a shortfall of 47 dwellings per year (or a total of 141 dwellings) in the first 3 years of the plan period. To take account of this shortfall in delivery over the first 3 years, the housing requirement at 31 March 2015, is for **2,538** dwellings (2,820 minus 282 net dwellings completed) over the remaining 17 years of the plan period, which equates to an average of **149 dwellings per year.**

³ Edge Analytics -Craven District – Population Estimates and Projections (March 2012) and Demographics Analysis and Forecasts (January 2015)

At an average of 149 dwellings per year, the five year requirement at 31 March 2015 is **745** dwellings.

Once the five year requirement has been calculated the NPPF (paragraph 47) then requires local authorities to identify a 5% buffer to ensure choice and competition in the market. It is made clear in the NPPF that the 5% buffer is moved from later in the plan period and is not an additional 5% requirement for more housing.

A 5% buffer would require sites for an additional 37 dwellings to be available during the five year period. This makes the total five year requirement (including the 5% buffer) 782 dwellings.

The NPPF also states that where there has been a record of **persistent** under delivery of housing, local planning authorities should increase the buffer to 20% (again to be moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land.

Whilst, it is clear that there has been under delivery of housing in the last three years, to assess whether there has been persistent under delivery, housing delivery over a longer time frame should also be examined. Table 1 below shows housing completions in the seven years prior to 2012 compared to the relevant development plan housing target for Craven that was in force over that period, namely the Yorkshire and Humber Plan Regional Spatial Strategy (RSS).

Table 1- Completions 2005/6 to 2011/12

Year	Annual Housing Target/Requirement	Net Housing Completions*	Net Average Annual Completion Rate
2005/06	250	155 (gross)	
2006/07	250	196 (gross)	
2007/08	250	147 (gross)	
2008/09	250	281	
2009/10	250	81	
2010/11	250	130	
2011/12	250	266	
Total	1750	1256	179 dwellings pa

*Net housing completions not available for 2005/6 to 2007/08

Examination of completions over a longer timeframe shows that there has been persistent under delivery of housing in Craven, therefore to comply with paragraph 47 of the NPPF, a 20% buffer should be applied to the five year housing requirement. A 20% buffer would require sites for an additional 149

dwellings to be available during the 5 year period. This makes the total five year requirement (including the 20% buffer) **894** dwellings.

C. Housing Land Supply

To calculate the housing land supply, the Council has to identify what land is available and likely to be deliverable during the five year period. The NPPF states that sites should be considered deliverable if the site is available now, offers a suitable location for development now and is achievable with a realistic prospect that housing will be delivered (built) within five years and in particular that development of the site is viable.

Identifying the housing land supply

To meet the NPPF definition of a deliverable site, the Council has included the following types of development in the housing land supply:

- Sites under construction
- Sites with planning permission, but where development has not started.
- Sites where there is a resolution to grant planning permission
- Sites allocated in the adopted Craven Local Plan 1999
- Preferred Sites identified in the new emerging Craven Local Plan
- Office to residential prior approvals
- Agricultural buildings to residential prior approvals.
- Shops (A1) and financial/professional services (A2) to residential prior approvals.

The Council monitors all sites that are under construction or have planning permission or prior approval. The Council also monitors all allocated sites and emerging preferred sites. Information on all these sites is provided in Appendix 1 and this information is used as the starting point to calculate the housing land supply.

The following assumptions have been made about the housing supply for each type of development. The anticipated delivery rate from each site takes account of responses from individual developers/landowners to an annual questionnaire on their intentions to develop sites.

Sites under construction: All dwellings that are under construction are included in the housing supply, as they are clearly deliverable. However, some will not feature in the five year land supply if completion is anticipated before the five year period begins. Some larger sites might take longer than 5 years to be completed, in which case the total number of dwellings will not be delivered in the five year period.

Sites with planning permission: All sites with full or outline planning permission are also included in the housing supply as the nPPG advises that *“deliverable sites for housing could include those that are allocated for housing in the development plan and sites with planning permission (outline or full that have not been implemented) unless there is clear evidence that schemes will not be implemented within 5 years”* A review of planning permissions on sites of 5 or more dwellings will be carried out each year through a developer questionnaire to establish if any individual sites with planning permission are not likely to be implemented within the five year period. For small sites of fewer than 5 dwellings, a discount rate for non-implementation within the five year period will be applied based on past trends.

Sites where there is a resolution to grant planning permission (subject to signing of a section 106 Agreement) :

In some cases, the Council may resolve to grant permission for a site subject to the signing of a legal agreement. These sites will be included in the housing land supply, as it is assumed that they meet the criteria of being available and are in a suitable location for development. If there is a reasonable prospect that the applicant will sign a planning obligation, then the site can be assumed to meet the criterion of being achievable, as the applicant would not sign the obligation if there was going to be a problem with viability or the wrong type of units.

Allocated sites:

Residual sites allocated in the adopted Craven Local Plan 1999 that have not yet been granted planning permission or been fully developed have been included in the housing supply. Because the sites have been tested at a planning inquiry, it is assumed that they meet the criteria of being in a suitable location and achievable and their availability within the five year period will be assessed through the annual landowner/developer questionnaire.

Emerging sites:

The Council is currently preparing a new Craven Local Plan, and the 2014 consultation draft identified suitable land for housing in 17 settlements in the District outside the Yorkshire Dales National Park for approximately 2,400 dwellings over a 15 year plan period. The emerging sites have all been included in the potential supply. Whilst they will not have the certainty of being specifically allocated in an adopted local plan, they have been subject to informal consultation and an initial sustainability check and their availability/deliverability within the five year period will be assessed through the annual landowner/developer questionnaire.

Office conversion to residential prior approvals:

On 30 May 2013, the government introduced a new policy (through the Town and Country Planning (General Permitted Development) (Amendment) (England) Order 2013 that gives permitted development rights for the conversion of offices (Class B1a) to dwelling houses (Class C3), without the need for an application for planning permission, through a prior approval system for a three year period. Dwellings arising from this source have the potential to contribute to the supply and have been included as a separate category in Appendix 1 to allow easier monitoring during this period. Development is only permitted under this Order if the conversion to a dwelling is completed on or before 30 May 2016. There will therefore be no supply of dwellings from this source after the first year of the five year period, unless the government makes a decision to extend the time period for these permitted development rights. The amended GPDO 2013 also introduced permitted development rights for the **conversion of agricultural buildings, shops (Class A1), financial and professional services (Class A2) to residential** through a prior approval system. Dwellings arising from this source also have the potential to contribute to the supply, and unlike office conversions, they are not time limited for implementation.

Calculating the Supply

Appendix 1 provides a list of all known sites and sources of supply discussed above. Assumptions are then made about the likely delivery rate of each site over 5 dwellings, identifying when development is likely to start on site and how many dwellings could be delivered each year. The assumptions take into account responses from developers/landowners to an annual questionnaire and any known constraints (which may mean that some sites are unlikely to be available during the five year period) for sites over 5 dwellings that are:-

- under construction;
- with planning permission but not yet started,
- residual allocated sites in adopted 1999 Local Plan;
- emerging preferred local plan sites, and
- prior approvals that have not yet started

For small sites of less than 5 dwellings, assumptions based on previous completion/lapse rates are applied to small sites that are:-

- under construction;
- with planning permission, but not yet started, and
- prior approvals that have not yet started

Evidence of past completion rates on small sites indicate that about 56% are completed within 5 years and of these, about 81% are completed in the first three years of the 5 year period, 12% in year 4 and 7% in year 5. Evidence on lapse rates for small sites indicates that approximately 12% of permissions lapse during the 5 year period. Whilst Appendix 1 lists all small sites for information, the assumptions on the likely annual rate of delivery on small sites are applied to the total number of dwellings on small sites rather than for each individual site.

At 31 March 2015 there were 296 dwellings with planning permission on small sites. Taking account of a 12% lapse rate, it is assumed that about 36 of these dwellings will not be implemented (296 minus 36 = 260). Past trends on small site completions indicate that about 56% of dwellings are completed within five years, so about 146 dwellings are expected to be delivered over the five year period, of which 81% (118 dwellings) is expected to be delivered in years 1 to 3 of the five year period, 12% (18 dwellings) in year 4 and 7% in year 5 (10 dwellings).

Appendix 1 sets out in a table the sites that are considered to be deliverable during the five year period. The sites are categorised as follows:

Planning Permissions on Unallocated Sites of more than 5 dwellings	All sites of more than 5 dwellings that have either outline or full planning permission
Planning Permissions on Unallocated Small Sites of less than 5 dwellings.	All sites of less than 5 dwellings with either outline or full planning permission
Residual Allocated Sites in adopted Craven Local Plan 1999	Sites allocated in the adopted Craven Local Plan 1999 where planning permission has not yet been granted.
Sites where there is a resolution to grant planning permission	This includes sites where the Council has resolved to grant planning permission subject to the signing of a S106 Agreement.
Emerging Preferred Sites in draft Craven Local Plan	This includes preferred sites identified in the emerging Craven Local Plan.
Office Conversion to residential	Includes sites identified through the prior approval system
Agricultural building conversion to residential	Includes sites identified through the prior approval system
Shops (A1) and financial/personal services (A2) conversion to residential	Includes sites identified through the prior approval system

Appendix 1 sets out the estimated predicted number of dwellings that could come forward each year from the available supply of sites. It identifies that **729** dwellings could be delivered between 1 April 2016 and 31 March 2021.

Table 2 below provides a summary of the Council's five year supply of deliverable housing sites. The information is correct at 31st March 2015 and is based on the Council's annual monitoring of planning permissions for housing and housing completions.

The five year period runs between **1 April 2016 to 31 March 2021**. It excludes the current year 2015/16, to ensure that at any point during this year there will be a full five year supply position in respect of deliverable sites.

Appendix 1 provides details of all sites and potential housing numbers that could be delivered each year; this is summarised below .

Table 2 Summary of all sites in 5 year supply

Site Category	Current Year 2015/16	Five Year Supply					Total Five Year
		Yr 1 2016/17	Yr 2 2017/18	Yr 3 2018/19	Yr 4 2019/20	Yr 5 2020/21	
Dwellings with planning permission on unallocated large sites ⁴	179	150	155	126	114	35	580
Dwellings with planning permission on unallocated small sites ⁵	39	39	39	40	18	10	146
Sub Total with planning permission	218	189	194	166	132	45	726
Dwellings from residual allocated sites	0	0	0	0	0	0	0
Dwellings from sites where there is a resolution to grant planning permission	0	0	0	0	0	0	0
Dwellings from sites in the emerging Craven Local Plan	3	0	0	0	0	0	0
Office, agricultural building, shops(A1) and financial/personal services (A2) conversion to residential	41	3	0	0	0	0	3
Total	262	192	194	166	132	45	729

⁴ Sites of more than 5 or more dwellings

⁵ Sites of less than 5 dwellings

D. Comparing the housing requirement against the supply

The Five Year Land Supply Report sets out the results of the five year land supply calculations. The five year requirement (excluding any buffer) is 745 dwellings and the identified supply is 729 dwellings. This shows that the Council does not have a 5 year housing land supply in accordance with the NPPF.

In summary, the five year land supply has been calculated as follows:

Five Year Land Supply Calculation		
a	Baseline Position Requirement from 2012 based household projections for Craven outside Yorkshire Dales National Park 1 April 2012 to 31 March 2032(20 year period)	2,820
b	Net completions 1 April 2012 to 31 March 2015 (3 year period)	282
c	Remaining baseline position requirement from 2012 based household projections for Craven outside YDNP 1 April 2015 to 31 March 2032 (17 year period)	a-b 2,538
d	Average per year	c /17years 149
e	Five year requirement	d x 5 745
f	Five percent buffer	e x 0.05 37
g	Total five year requirement including five percent buffer	e + f 782
h	Twenty percent buffer	e x 0.20 149
i	Total five year requirement including twenty percent buffer	e + h 894
j	Estimate supply over five year period	(see Appendix 1) 729
k	Five year land supply as a percentage of requirement (excluding any buffer)	(j /e) x 100 97.85%
l	Five year land supply expressed in years	j /d 4.89 years