

5 year land supply briefing note – August 2015

Introduction (requirements of Councils)

The National Planning Policy Framework (NPPF) requires Councils to identify and update on an annual basis a supply of specific deliverable sites sufficient to provide for five years worth of housing provision against their identified requirements (paragraph 47). For sites to be considered deliverable they have to be available, suitable, achievable and viable. Paragraph 49 of the NPPF goes on to state that 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 local planning authority cannot demonstrate a five year supply of deliverable housing sites. Where policies cannot be considered up-to-date, the NPPF (paragraph 14) states that planning permission should be granted unless any adverse impacts outweigh the benefits, or other policies indicate otherwise, when assessed against the NPPF as a whole.

How is the 5 year supply calculated

The key components of the 5 year land supply are:

- 1) **Annual dwellings target rate** – taken from the Local Plan targets
- 2) **Identified dwellings under-delivery** – if there is a cumulative shortfall of delivery against the Local Plan targets, this must be added to form an adjusted annual target
- 3) **The (additional) buffer rate** – 5% must be further added to the adjusted target where historic delivery has been good, whilst 20% must be added to the adjusted target where there is a record of persistent under-delivery
- 4) **Land Supply** – the total of the identified supply of dwellings on specific deliverable sites which are expected to be delivered within 5 years. Sites of 10 dwellings or more are specifically identified and listed within the annual BDC/MSDC 5 year supply statement. The bulk of this source comes from sites with planning permission and assumed ‘windfall’ rates. Other sites not yet with planning permission could be included, such as site allocations (within Local Plan documents), schemes agreed in principle subject to a s106 agreement, but the Council must have robust evidence to demonstrate that delivery could occur within the 5 year period. The latter point explains why some sites / developments need to be excluded from the published 5 year land supply position.

A summary of the calculation is set out in the example below:

Row	Description	Figure	Calc formula
a	Total Land supply (2015 – 2020)	-	
b	(Adopted) Core Strategy Base Target (2015 – 2020)	-	
c	CS Plan Undersupply (2014/15)	-	
d	Adjusted 5 year target	-	$(b + c)$
e	5% Buffer	-	$(d \times 0.05)$
f	Total adjusted target + 5% buffer	-	$(d + e)$
g	Adjusted target + 5% (annualised figure)	-	$(f/5)$
h	5 year supply +5% (years)	-	(a/g)
i	20% Buffer	-	$(d \times 0.20)$
j	Total adjusted target + 20% buffer	-	$(d + i)$
k	Adjusted target + 20% (annualised figure)	-	$(j/5)$
l	5 year supply +20% (years)	-	(a/k)

Period for review

It should be noted that the 5 year land supply position will tend to be in a state of flux. It will be subject to change as a result of the supply being drawn on (as homes are completed) or other factors, such as changes in the delivery circumstances of sites and schemes. The nature of these changes may thus vary by timing and frequency or their extent and impact of such changes. On this, the NPPF is clear though in requiring local authorities to 'identify and update a supply of specific deliverable sites annually'. A periodic 'snapshot' (in time) approach is thus accepted practise.

The 5 year land supply is inextricably linked to the Council's ongoing Local Plan monitoring timescales. In the past, Mid Suffolk did not have monitoring systems and procedures in place that are usually found in district councils. However, over the last few years, considerable action has been taken to address that shortcoming and systems are now in place equivalent to those as used within Babergh for a relatively long time. The monitoring principally involves gathering information on changes in planning permissions and dwelling starts and completions. This information is gathered over the course of the financial year from the best available records gathered by various sources such as Building Control, Development Management, Council Tax and external Approved Inspectors (AIs).

Due to the multiple data sources to collate and reconcile, and the often slow (and less reliable) information provided directly by private AIs, agents and developers, the accuracy of data obtained is substantially more reliable at the end of the financial year period. End of year on site checks are used to improve the accuracy of the best available desktop data obtained. In addition, it is important that the Council's published 5 year housing land supply stance is as realistic and robust as possible. Therefore, the Council also gathers evidence from the site agents / landowners, developers etc. with regard to their planned or estimated timescales for housing delivery on the identified sites. This is an important stage recognised in the planning guidance, and gives the Council valuable evidence on which to defend projections and assumptions made within the 5 year land supply. Assessments on the deliverability (or otherwise) of housing schemes may well change over time (sometimes quickly), for example, when different landowners do not co-operate in bringing developments forward. Whilst it is necessary therefore to keep such matters under review, this is a time-consuming and onerous task for the Council's officers to undertake.

These various processes and checks take some time and, whilst a mid-year interim position can be calculated, the reliability of this data is far less certain for the reasons set out above. Typically, many local authorities around the country undertake an annual update and recalculation to the 5 year land supply only and regard this as adequate for practical purposes.

Actions in response to the current MSDC 5 year land supply position

Initial attention has been given to a range of potential actions in response with a view to restoring Mid Suffolk's 5 year land supply position to a positive state. Early thinking suggests that such responses would need to span actions working to time periods including short term, medium term and longer term actions. These will need thinking through and discussion between relevant officers from different services and Councillors. In particular, consideration will be necessary as to the likely effectiveness of these and to their resource and other implications. This issue is likely to arise from a number of long term factors, including the current circumstances relating to the existing Mid Suffolk planning policy framework. Given such factors, it should be recognised that identifying quick and readily expedient solutions is anticipated to present a number of challenges. In addition it is considered that managing this situation is necessary for the purposes of handling substantial work demands, media enquiries and collective expectations, hence a suggested new, purpose-built protocol (dealt with in final paragraph below).

Developing the planned approach to tackle this situation

It is important to set this issue into its wider context and within reasonable perspective. In essence, it could be stated that whilst 5 year housing land supply is an important NPPF requirement, it is also a short term element of the wider growth agenda and its delivery.

Timetable

- 19 August: political leaders of the administration to consider updated findings on objectively assessed development needs, initial options for how these might be considered and various possible forms of strategic response, together with spatial approaches towards accommodating this growth (and some cross-boundary strategic planning issues). Discussions to also consider remedial actions in response to current absence of 5 year housing land supply
- End August: extend above discussion to leading administration councillors
- September: Widen options discussion to remaining Conservative group councillors
- End September: initial options discussions with opposition groups councillors

Some Common Myths – Key Messages

The policy position of the NPPF in cases where a 5 year housing land supply is not demonstrated, is as stated above (first paragraph). Accordingly it needs to be emphasised that:

- It does not mean that all policies and provisions of existing Local Plans will be set aside and rendered inoperative (in this case the 1998 Local Plan, adopted Core Strategy and its focused review (2008 & 2012 respectively); and the Stowmarket Area Action Plan). The policies that cannot be considered up-to-date are those dealing specifically with housing supply
- What it does mean is that increased weight needs to be attached to the absence of a demonstrated 5 year housing supply. This accords with the clearly stated NPPF objective requiring local authorities 'To boost significantly the supply of housing' (paragraph 47) and need not be incompatible with the Council's strategic objectives on growth delivery, including that of new homes
- Mid Suffolk's Councillors have already given a clear steer to review substantial elements of its existing policy framework, particularly those policies placing substantial restrictions on new development for its villages and rural areas. In this way, it is planned to sustain the existing pattern of rural communities through much needed new development
- Development proposals still need to represent *sustainable development*, as the NPPF makes clear
- To illustrate this, in Mid Suffolk's case, its Planning Committee considered recent proposed developments (at Stowupland and Bacton) unacceptable and chose to refuse these proposals, whilst recognising that a 5 year supply cannot currently be demonstrated
- Mid Suffolk is certainly not unusual (or untypical) in this situation. Recent research by Savills (June 2015)¹ indicates that nationally approximately 40% of LPAs do not have a five year supply – and in the South East this proportion may be higher
- The important outcome to focus on in this context is not a 5 year housing land supply in itself, it is instead the delivery of new homes

Recent Findings on 5 year land supply for MSDC

- May 2014: MSDC councillors briefed on annual update position as at March/April 2014. At this point councillors were advised that at a calculated 5.5 years supply, the position was marginal and would be likely to be seen as open to challenge by external parties

¹ <http://www.planningresource.co.uk/article/1349620/short-supplies-local-plan-delays-affecting-housing-delivery>

- January / February 2015: interim land supply update produced (in response to planning application at Stowupland). Councillors advised that the land supply was not believed to be in place (at 4.3 / 3.7 years depending on assumptions used)
- March / April 2015: annual update produced in May. Latest position was 3.7 / 3.3 years supply identified (depending on use of extra 5% or 20% buffer)

Suggested Future Approach to the above Considerations

Officers recommend developing a new protocol to deal with these matters, to be subject to consultation with Councillors during its preparation. This would be agreed by Executive committee (MSDC) and Strategy Committee (BDC). Much of the content used within this briefing note could usefully be incorporated into that protocol. Accordingly, although some matters it covers may be subject to debate, the volume of work involved is not considered likely to be unacceptably onerous or time-consuming.