

<b>TITLE</b>	<b>Five Year Housing Land Supply</b>
<b>FOR CONSIDERATION BY</b>	Overview and Scrutiny Management Committee on 17 March 2022
<b>WARD</b>	None Specific
<b>DIRECTOR</b>	Director, Place and Growth - Steve Moore,

**OUTCOME / BENEFITS TO THE COMMUNITY**

This report provides an explanation of national planning policy around maintaining a supply of deliverable sites for housing, the currently assessed position and risks.

**RECOMMENDATION**

The Committee is requested to note the content of this report.

**SUMMARY OF REPORT**

National planning policy requires local authorities to identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing. This is commonly referred to as requiring a five year housing land supply.

The absence of a five year housing land supply may lead to the application of the presumption in favour of granting development set out in national planning policy.

The council's most recent assessment is the Five Year Housing Land Supply Assessment based at 31 March 2021. The assessment concluded a demonstrable deliverable supply of 5.10 years against the monitoring requirement.

The assessment notes that recent housing delivery in Wokingham Borough has been at a historically high level. This has resulted in the bank of sites with planning permission reducing at a faster rate than may ordinarily be expected. This has resulted in the relatively marginal outcome. Officers have advanced the position that this should be viewed in the context of recent housing growth significantly exceeded the housing need.

By its very nature, the five year housing land supply test creates an opportunity for speculation, which can act to undermine the plan-led principle. A particular issue is the absence of national planning guidance on the situation of over past delivery.

Whilst a recent Inspector found in their opinion that the council was marginally unable to demonstrate a five year housing land supply, the council successfully argued that this should be viewed in the context of significant recent growth with the Inspector giving only moderate weight to the presumption in favour of granting development. The appeal was ultimately dismissed.

The council continues to lobby government for the deletion of the five year housing land supply test and change to national planning guidance on the issue of past over delivery..

## Background

### Five year housing land supply

The National Planning Policy Framework (NPPF) requires local authorities 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. This is commonly referred to as requiring a five year housing land supply.

The supply of specific deliverable sites should, in addition to meeting the housing requirement, include a 5% buffer to ensure choice and competition in the market for land. This rises to 20% where there has been significant under delivery of housing in the preceding three years.

The absence of a five year housing land supply may lead to some local plan policies being deemed out-of-date. Where the basket of most important policies for determining an application is considered out-of-date, the NPPF advises that a presumption in favour of granting development should be applied.

### The meaning of deliverable

It is important at the outset to understand the meaning of 'deliverable'. The definition 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."*

For sites with detailed planning permission, and small sites with outline planning permission, national policy and guidance is clear that these should be assessed as being deliverable. For larger sites with outline planning permission, specific evidence is required for a site to be considered deliverable. It should be noted however that the need for specific evidence falls under the umbrella of a "realistic prospect".

### Monitoring requirement

The council's Core Strategy local plan was adopted in 2010. Being more than five years old, the land supply position for Wokingham Borough stands to be considered against

outcome of the standard method for calculating Local Housing Need, plus the appropriate buffer.

Applying the standard method set out in the national Planning Practice Guide: Housing and economic needs assessments, the Local Housing Need for Wokingham Borough at 1 April 2021 calculates at 768 dwellings per annum.

It should be noted that national planning practice guidance states that under the standard method there is no need to factor in past under delivery. In essence this is taken into account by the calculation itself through the affordability adjustment. The guidance is silent on the situation of past over delivery.

Housing delivery in Wokingham Borough has been significant in recent years, exceeding the outcome of the standard method. As such, the addition of the lower 5% buffer is applied under the NPPF.

Completions 2016/17 – 2020/21	
Monitoring year	Completions (dwellings)
2016/17	967
2017/18	1,528
2018/19	1,284
2019/20	1,555
2020/21	1,167

At 1 April 2021, the monitoring requirement for Wokingham Borough was thus 806.4 dwellings per annum, or 4,032 dwellings over the five year period 1 April 2021 to 31 March 2026.

#### Five year housing land supply assessment

The council's most recent assessment is the Five Year Housing Land Supply Assessment based at 31 March 2021. The assessment concluded a demonstrable deliverable supply of 4,115 dwellings over the five year period. This equates to a deliverable housing land supply of 5.10 years against the monitoring requirement.

For clarity, the planned housing within the South Wokingham Strategic Development Location was not assessed as deliverable within the current assessment. Whilst the proposal now benefits from a resolution to grant planning permission, the specific information at the time of the assessment was considered insufficient to meet the realistic prospect requirement in national planning policy and guidance.

The assessment notes that recent housing delivery in Wokingham Borough has been at a historical high level. This has resulted in the bank of sites with planning permission reducing at a faster rate than may ordinarily be expected. For example, in the five years from 2016/17 to 2020/21 a total of 6,501 dwellings were completed, resulting in an average of 1,300 dwellings per annum. The timing of completions is not controlled by the council but by house builders. Officers have therefore advanced the position that the current deliverable supply of housing should be viewed in the context of recent housing growth significantly exceeded the housing need.

## **Analysis of Issues**

### Speculation and the impact on the plan-led system

A key principle of the planning system is that it should be plan-led. This is established in legislation and reaffirmed by the NPPF. By its very nature, however, the five year housing land supply test creates an opportunity for speculation, which can act to undermine the plan-led principle.

Whilst every effort is made to assess and demonstrate the deliverability of individual sites, the judgement of decision makers may be to place less weight on the expressed intentions of the controlling landowner / house builder and reduce or remove the scale of projected completions on a site. The non-response of the controlling landowner / house builder to enquiries also means that a site is unlikely to be viewed as deliverable by decision makers, even if general information may be supportive.

The council's assessments are regularly challenged through the planning appeal process. Notwithstanding the challenges, in recent years the council has successfully defended the existence of a five year housing land supply, with Inspectors' finding that a sufficient supply existed. This challenge is increasing however as a result of the speed at which the bank of planning permissions is being built out reducing the headroom above the 5 year requirement. The absence of government planning advice where local authorities have over delivered is a clear risk in this regard.

In a recent appeal process, the Inspector disagreed with the deliverability of several sites in the current assessment and in so doing found the deliverable supply to be 4.84 years, a shortfall of 128 dwellings. The Inspector noted that the shortfall was 'very modest' and the 'strong performance on housing delivery'. The Inspector also noted that in the context of housing delivery that the council is 'meeting the Government's objectives to significantly boost the supply of housing'. For those reasons, whilst the presumption in favour of sustainable development applies, the Inspector concluded this 'weighed only moderately in favour of the development'. Ultimately, this appeal was dismissed.

The council has lobbied for the deletion of the five year housing land supply test, most recently in a letter from Cllr John Halsall to Michael Gove MP in January. If retained, a change to government guidance is required to ensure over delivery is rewarded and that in such circumstances the presumption in favour of granting permission should not apply.

### Local Plan Update

Maintaining a five year housing land supply is a key challenge for the new local plan. The strategy outlined in the Revised Growth Strategy Consultation (2021) identified a range of sites across the borough to enable housing needs to be met. This included the identification of small and medium sized sites across a number of settlements to support strategic growth locations and reducing reliance on a small number of locations.

The consultation has enabled everyone, including residents, landowners and the development industry, the opportunity to express their views on the proposed strategy - what we got right, what we got wrong and where things could be improved. Officers will over the coming months carefully consider everyone's comments and subsequently make recommendations on how to move forward.

## FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the Covid-19 crisis. It is, therefore, imperative that Council resources are focussed on the vulnerable and its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	Nil	Yes	Revenue
Next Financial Year (Year 2)	Nil	Yes	Revenue
Following Financial Year (Year 3)	Nil	Yes	Revenue

### Other financial information relevant to the Recommendation/Decision

No financial implications arise as a result of this report. However, the absence of five year housing land supply may result in increased appeal proceedings with associated costs.

### Cross-Council Implications

No cross-council implications arise as a result of this report.

### Public Sector Equality Duty

The council's duties under the Equality Act have been considered in the drafting of the report.

### Climate Emergency – The Council has declared a Climate Emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham borough by 2030

As an information item, this report will not have any negative impact on carbon neutrality. Actions to limit the impact of new development on the achievement of a carbon neutral future have and will be considered through the local plan update process.

### List of Background Papers

National Planning Policy Framework  
 Planning Practice Guidance: Housing and economic needs assessment  
 Planning Practice Guidance: Housing supply and delivery  
 WBC Five Year Housing Land Supply Assessment at 31 March 2021

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