



**Tamworth Borough Council
Five year housing land supply
2017 to 2022**

Need for a five year housing land supply

The National Planning Policy Framework (NPPF) was adopted in 2012 and sets out the Government’s planning policies for England and how these are expected to be applied.

Paragraph 47 states that, in order to boost the supply of housing, local planning authorities should ‘*identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of housing against their housing requirements*’ (the five year supply).

The importance of the five year supply is underlined by paragraph 49 of the NPPF which states ‘*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.*’

The five year supply calculation

Local Plan Requirement:	177	dpa is	885	over 5 years
Plan period deficit	235			
20% buffer	224			
Total requirement	1344	or	269	dpa
Extant permitted units (commenced sites)	1081			
Extant permitted units (uncommenced sites)	336			
Historic lapse rate	10%			
Projected Local Plan sites (not yet permitted)	226			
Windfall allowance (2 years)	74			
Total supply	1683			
Net supply (surplus or deficit)	339.4			
Number of years supply	6.3			

Methodology

The following information sets out the methodology used to calculate the five year supply.

Note: For average read mean unless otherwise stated.

Housing requirement

The total housing requirement is calculated as the sum of the Local Plan requirement for the next five years and the deficit of delivery over the plan period to date (2006 – 2017) with an additional buffer applied to ensure choice and competition in the market for land.

During the Local Plan examination in 2016, the inspector concluded that, when assessed against the relevant housing targets at the time¹, the shortfall in delivery amounted to only 52 dwellings or 3.5% of the overall requirement. On this basis it was considered reasonable to apply a buffer of 5% to both the housing land supply requirement for the five year period and the shortfall.

Updating the data in relation to past delivery for the years 2015/16 and 2016/17 shows delivery of a further 251 dwellings against a target of 347, giving a further deficit of delivery of 96 dwellings. Despite 2016/17 seeing the highest rate of completions for a number of years, it still represents a seventh consecutive year of under supply². It is therefore considered appropriate to apply a 20% buffer to both the housing land supply requirement and the plan period deficit.

Applying the Local Plan target of 177 dwellings per year since 2006/07 gives a target of 1,947 dwellings to be provided up to the end of 2016/17. The net supply of dwellings over that period equates to 1,712 resulting in a plan period deficit of 235 dwellings against the Local Plan target. Whilst this is significantly higher than the deficit calculated during the Local Plan examination, the 235 figure has been used for the five year supply calculation to ensure that the full Local Plan requirement is considered.

The Council's housing trajectory anticipates that annual supply will exceed the Local Plan target from 2017/18 onwards, and that there will be a cumulative surplus of delivery by 2019/20, at which point it would be appropriate to revert to the 5% buffer.

2017 – 2022 total requirement

Adopted Local Plan annual requirement: 177

Five year Local Plan requirement: 885

Plan period deficit of delivery since 2006 (using adopted Local Plan requirement):
235

Requirement: 1,105

¹ The Tamworth Local Plan 2001 – 2011 (2006/07); then the submitted RSS Phase 2 Revision (2007/08-2008/09); then the submitted RSS Phase 2 Panel Report (2009/10-2012/13).

² It should however be noted that there has been significant variation in the annual requirement over that period.

Total requirement with 20% buffer applied: 1,344

Housing Supply

The housing supply is the total number of units anticipated to be built within the next five years. This includes extant permissions that have yet to commence, uncompleted units on sites currently under development and an allowance for windfall sites. A lapse rate is also applied to take account of extant permissions that may never be commenced.

Lapse rate

A lapse rate of 10% has been applied to extant permissions where the development has not yet commenced. This figure is based on the number of dwellings granted permission between 01 May 2006 and 31 March 2015 where the planning permission subsequently lapsed. The calculation does not take account of developments where permission was granted in the last two years as those permissions should still be within their three year commencement period.

Taking the total number of dwellings where permission has lapsed as a percentage of the total number of dwellings permitted during that period, the lapse rate would be approximately 7%. However, taking an average of the percentage lapse rate for each of the nine years gives a rate of approximately 10.5%. It was therefore considered that applying a 10% lapse rate would be appropriate to avoid underestimating the number.

Commenced developments

Where development has already been commenced and not yet completed, the remaining number of dwellings expected to be completed in the next five years have been included in the calculation. The lapse rate has not been applied to these dwellings as it was considered that, once the development has commenced, the chance of the permitted number of units not being completed is significantly reduced.

Local Plan sites

The Local Plan sites included in the calculation are those which do not currently have planning permission but where development is anticipated to commence within the five year period. This information is taken from the Local Plan housing trajectory.

The only exception to this is the golf course sustainable urban extension site which has outline consent for the entire site and approved reserved matters for two phases of the development. It was not considered appropriate to include the remaining dwellings as an uncommenced extant permission, and therefore apply the 10% lapse

rate, as this would significantly affect the supply figure when the probability of the development not being fully completed is currently considered to be low.

The two phases with approved reserved matters have commenced and so are included in the commenced sites part of the supply calculation. An allowance of 78 dwellings has been included for the remainder of the site based on the anticipated delivery over the next five years included within the housing trajectory minus the 472 dwellings forming the phases with reserved matters approval.

Windfall sites

The windfall rate has been calculated based on planning permissions granted between 01 May 2006 and 31 March 2017. The rate only takes into account small windfall sites (developments of fewer than 10 dwellings) as these are considered to come forward on a more consistent basis than larger windfall developments.

The average number of dwellings permitted on small windfall sites each year over the 11 year period was 42 dwellings. As this figure is based on dwellings permitted over the period, not completions, the same 10% lapse rate has been applied as for extant permissions. Applying the 10% lapse rate gives a windfall allowance figure of 37 dwellings per year.

As many of the extant permissions included in the calculation are also windfall sites, it would not be appropriate to include five years of windfall allowance as this could result in double counting of some developments. To ensure there is no double counting of extant permissions, the figure is only included for years four and five, when current extant permissions would have either commenced or lapsed.

2017 – 2022 total supply

Extant permitted units (commenced sites): 1081
Extant permitted units (uncommenced sites): 336
Historic lapse rate: 10%
Projected Local Plan sites (not yet permitted): 226
Windfall allowance (2 years only): 74

Total supply: 1683

Five year supply calculation

Taking into account the total requirement and total supply as identified above, the five year supply is expressed as a number of years calculated as follows:

Total supply / (total requirement/5)

This equates to the total anticipated supply of housing over the five year period, divided by the number of units required per year over the five year period.

1683 / 269 = 6.3 years supply