

## **Five Year Housing Land Supply Statement**

**2018 Update**

## 1. Background

- 1.1. The National Planning Policy Framework (NPPF) states that local planning authorities must identify a deliverable five year supply of housing sites as revised in July 2018. Guidance is contained in both the NPPF and the National Planning Policy Guidance (NPPG) for housing and economic land availability assessments published in September 2018.
- 1.2. The preparation of a Strategic Housing Land Availability Assessment (SHLAA) is a requirement of the NPPF with guidance provided in the National Planning Practice Guidance (NPPG). The SHLAA is a technical study that assists in the monitoring of whether there is an adequate supply of deliverable housing land at any point in time.
- 1.3. The Council was adjudged by the Secretary of State in his decisions at Breary Lane, Bramhope, Leeds Road, Collingham and Bradford Road, East Ardsley on 23rd December 2016 not to have a five year housing land supply. That was based on the 2015 Update to the SHLAA.
- 1.4. In moving forward, the Council improved the approach to the SHLAA process in the 2017 Update and has since continued to increase the stock of outstanding planning permissions whilst progressing the Site Allocations Plan towards adoption alongside a range of housing growth initiatives and the adoption of the Aire Valley Leeds Area Action Plan. These actions have strengthened the five year housing land supply position.
- 1.5. The 2017 Update to the SHLAA was tested as part of public inquiries on two Inspector's decisions at *land south of Pool Road, Pool in Wharfedale* and *The Ridge, Linton* and two decisions at *Tingley Station* and *Thorp Arch Trading Estate*. Both recovered appeals were dismissed on 12 July 2018.
- 1.6. The recent findings of the Secretary of State on the land supply in Leeds are upon the conclusions of his Inspectors relate to the evidence tested as part of recent public inquiries at *Thorp Arch Trading Estate* (closed, November 2017) and subsequently updated at *Tingley Station* (closed, January 2018). Both inquiries considered the five year supply picture as sourced from the SHLAA (2017 Update) updated from a base date of 1 April 2017 for the five year period from 2017/18 to 2022/23.
- 1.7. In *Tingley Station* the Secretary of State "*agrees with the Inspector...that the Council's housing land supply is around four years*". As *Tingley Station* involved the updated evidence base, when compared with *Thorp Arch Trading Estate*, it must be treated as taking precedence over the Secretary of State's decision in *Thorp Arch*.
- 1.8. The Secretary of States conclusions set out in *Thorp Arch* notes the confidence in the Council's "*...thorough and proactive approach to land availability*".
- 1.9. The Council has since reflected and updated this position to a base date of 1 April 2018. This statement reflects to up-to-date assessment of sites as part of the 2018 Update of the SHLAA.

## 2. National Policy

### **National Planning Policy Framework**

- 2.1. The NPPF states that the purpose of the planning system is to contribute to the achievement of sustainable development. For housing, this means providing the supply of housing required to meet the needs of present and future generations. Local planning authorities are required to prepare a SHLAA in order to establish realistic assumptions about the availability, suitability and achievability of land to meet the identified need for housing over the plan period.
- 2.2. The NPPF states that local planning authorities must identify a deliverable five year supply of housing sites. The NPPF states that to be considered deliverable, sites 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 and in particular that development of the site is viable.
- 2.3. The NPPF identifies the need to consider:
- A supply buffer – dependent upon performance against the Housing Delivery Test, local planning authorities are required to include an additional allowance or 'buffer' of five percent (moved forward from later in the plan period) in terms of supply to ensure choice and competition in the market for land. Local planning authorities with a record of persistent under delivery of housing should apply a 20 percent buffer (Paragraph 73).
  - Windfall sites - local planning authorities may make an allowance for windfall sites in their five year supply if they have compelling evidence such sites have consistently become available in the local area and will continue to provide a reliable source of supply (Paragraph 70).
- 2.4. Paragraph 11 of the NPPF states that 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.

### **National Planning Practice Framework and Guidance**

- 2.5. The National Planning Policy Framework was published on 27 March 2012 and sets out the government's planning policies for England and how these are expected to be applied. A new version of the National Planning Policy Framework was published on 24 July 2018. In September 2018, the government published planning practice guidance to accompany the NPPF. Guidance on preparing SHLAA documents is contained in both the NPPF and the NPPG for housing and economic land availability assessments. This has been used to determine the approach taken in this document.
- 2.6. The NPPG provides clarity on what constitutes a deliverable site. Annex 2 of the NPPF defines a deliverable site in terms of an assessment of the timescale for

delivery and the planning status of the site and adds further detail as to the evidential requirement needed on sites without a detailed planning permission...*“To be considered deliverable, sites 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. Sites that are not major development, and 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 (e.g. they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans). Sites with outline planning permission, permission in principle, allocated in the development plan or identified on a brownfield register should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years”.*

- 2.7. The Council has produced clear evidence across all sites as part of the SHLAA process, thereby satisfying the revised NPPF approach, just as it had satisfied the previous version. It has always been important to confirm an accurate position of housing land supply by identifying any factors leading to either delay or acceleration of house building on sites. This includes confirmation of any availability or ownership issues that would impact on the delivery of a site. The Council has contacted landowners, developers and agents involved in the delivery of sites in order to collate new evidence and establish a dialogue on delivery in order to make informed decisions as to how sites contribute to the future supply of housing in Leeds.
- 2.8. Paragraph 30 of the NPPG directs authorities to use evidence set out in the SHLAA to identify sites which may be suitable, available and achievable for housing development and also provide some evidence as to their deliverability. This SHLAA Update accords with both the revised NPPF and the NPPG.

### **3. The requirement**

- 3.1. The starting point for establishing a five year supply requirement is the housing target identified in strategic policies for the first five years of the plan. The Core Strategy was adopted on 12 November 2014 and will be five years old in 2019. Paragraph 60 of NPPF instructs the Council that the adopted Core Strategy housing requirement figure is not to be considered in a vacuum but instead must be treated as being *“informed by”* an assessment of local housing need, conducted using the standard method in the NPPG.
- 3.2. The adopted Core Strategy figure has been overtaken evidentially as recognised by the evidence on population, household projections and jobs growth as part of the Core Strategy Selective Review (CSSR) and the government’s local housing need figure. The evidence of both documents acknowledges lower housing requirements going forward, which would change the calculation of Leeds’ five year housing land supply.
- 3.3. It is agreed the adopted Leeds Core Strategy sets the base requirement for housing provision in the District. Policy SP6 informs of a plan requirement of 70,000 dwellings

between 2012 and 2028. For the purposes of monitoring and reporting, the base dates for each year is 1st April.

- 3.4. Whilst the average net additional housing requirement over the Core Strategy plan period is 4,375 dwellings per annum, Policy SP6 contains a 'step up' in the requirement within the first five years of the plan (1st April 2012 to 31st March 2017) being at the lower rate of at least 3,660 dwellings per annum with subsequent years then being at least 4,700 dwellings per annum thereafter.
- 3.5. The five-year period that should be used for calculating both the requirement and supply is the 1st April 2018 to the 31st March 2023. The baseline requirement for this period =  $5 \times 4,700 = 23,500$  dwellings.
- 3.6. The five-year housing land requirement is calculated by considering the average annual Local Plan requirement and rolling over any previous shortfall since the base date of the Local Plan. Any accrued shortfall is to be made up within five years, which is often referred to as the 'Sedgefield' approach. An appropriate buffer is added and then the annual residual requirement is multiplied by five to generate the five-year housing land requirement.
- 3.7. The delivery and associated undersupply for the first five years of the plan (1st April 2012 to 31st March 2017) are agreed as follows:

**Net Delivery:** 1st April 2012 to 31 March 2018 = 16,157

**Requirement:** 1st April 2012 to 31 March 2018 = 23,000

**Undersupply:** 1st April 2012 to 31st March 2018 = 6,843

- 3.8. As above, Paragraph 60 of the NPPF instructs that the adopted Core Strategy housing requirement figure must be "informed by" an assessment of local housing need using the standard method in the NPPG. The government's standard methodology on calculating local housing need is now adopted NPPG policy and inevitably attracts full weight.
- 3.9. The mechanics of the Housing Delivery Test determine the buffer to be applied to the requirement figure and the transitional arrangements are set out in the Rule Book. The government has confirmed to authorities that the previous three years delivery is set against the lower of the latest adopted housing requirement or the minimum annual local housing need figure. These are to be updated by authorities using the most up-to-date published information on household projections and affordability ratios. The most recent publications on national household growth projection (2016-based, published 20 September 2018) and the median workplace-based affordability ratio (2014-based, published 26 April 2018) now apply against a 10 year period looking forward from 2018 and now demonstrates a revised calculation that the local housing need assessment using the standardised approach that has reduced further to 1,758 per annum from 2,649 in September 2017.

3.10. In November 2018, the transitional arrangements see the delivery for the previous three years against the household projections, which is a component of the minimum annual local housing need figure. This sets the test this year even lower than the government's local housing need figure. In line with paragraph 37 of the NPPG a 5% buffer has been applied to ensure choice and competition in the market (where there delivery of housing over the previous 3 years, has not fallen below 85% of the requirement). This buffer is applied to the Core Strategy housing requirement and the shortfall since the start of the Plan.

3.11. For the 5 year period 1st April 2018 to 31st March 2023, the calculation is as follows:

**Baseline Requirement:** 2018 to 2023 =  $5 \times 4,700 = 23,500$

**Undersupply:** 2012 to 2018 = 6,843

**Base Requirement + Undersupply** = 30,343

**5% Buffer** = 1,517

**Base Requirement + Undersupply + 5% Buffer** = 31,860

3.12. The total adjusted five year requirement for the period 1st April 2018 to 31st March 2023 stands at 31,860 dwellings, a requirement of 6,372 dwellings per annum. For illustration, the previous requirement pre-HDT in November 2018 with a 20% buffer would be 36,412 or 7,282 per annum.

3.13. It should be noted that the requirement of 6,372 dwellings per annum relates to the supply of deliverable land. Accordingly, whilst the proper test is to provide sufficient deliverable land to meet the five-year residual requirement as per the NPPF, it should not be taken that 6,372 dwellings per annum is the delivery requirement for the next five years.

3.14. The NPPF does not demand probability or certainty of delivery in fact before a site can be counted as being deliverable, but a 'realistic prospect of delivery'. The assessment of supply is done in terms of what is deliverable, which is different from expected actual delivery.

#### **4. The SHLAA 2018 Update**

4.1. The NPPG provides information to help local authorities fulfil their responsibilities under paragraph 67 of the NPPF. As well as establishing a five-year supply position to support the preparation and examination of Local Plans, the NPPG confirms that the supply position should be updated annually.

4.2. The preparation of the 2018 SHLAA reflects the most up to date guidance available, including the NPPG. In particular, the NPPG provides more detailed advice for carrying out a SHLAA, noting that it should:

- identify sites and broad locations with potential for development;
  - assess their development potential; and
  - assess their suitability for development and the likelihood of development coming forward (the availability and achievability).
- 4.3. The Council have finalised the 2018 update to the SHLAA and have contacted agents, landowners and promoters of sites to comment upon the availability and achievability of each site as part of a positive approach to update the SHLAA according to the most up-to-date information available on a site-by-site basis.
- 4.4. The sites included in the five-year supply satisfy the requirements of paragraph 67 of the NPPF and NPPG. The Council uses the information it has on suitability, availability, achievability and constraints to assess the timescale within which each site is capable of development.
- 4.5. The has contacted landowners as part of considering the availability of sites adopted under the Aire Valley Area Action Plan, and allocated under the Site Allocation Plan and as part of informing overall 'deliverability', including the *"realistic prospect that housing will be delivered within five years"*.
- 4.6. The Council confirms that no site included within its supply discloses any legal or ownership constraint, militating against the realistic prospect of delivery or overall deliverability.
- 4.7. The Council has properly taken into account improving housing market conditions. The housing market in Leeds has recovered and signposts continued and marked improvement. It is considered that comparatively with most recent years, stable economic conditions are prevalent to aid the promotion of housing market performance. National and international developer interest is continuing to grow and that the planning pipeline is strong with numerous high-rise developments proposed. Today, Leeds remains firmly in 'growth mode' and is committed to additionality, and to accelerating delivery of the City's housing requirement in line with the Core Strategy (and consistently the Site Allocations Plan) and its economic growth strategy.
- 4.8. Notwithstanding the Secretary of State decisions on 12 July 2018 on the Council's approach to SHLAA and another record year of planning approvals since evidence of housing land supply was recently tested, the supply assessment previously presented at 4.38 years inclusive of a 20% buffer (pre-HDT) at the recent Site Allocations Plan Examination (closed, 3 August 2018) reflected an updated position satisfying the evidential requirement upon of the deliverability of sites as part of the NPPF.

## **5. The Five Year Housing Land Supply**

- 5.1. The SHLAA 2018 Update shows 33,704 units in the short term across 550 sites. This includes sites yet to be released from Green Belt and safeguarded land designations

which are not available now for the purposes of the NPPF until the adoption of the SAP. Accordingly, the Council removes 128 sites from the assessed supply and discounts 5,487 dwellings from the SHLAA short-term deliverable supply to complete the five year supply picture from identified supply (i.e excluding windfall). This includes sites in the SHLAA without planning permission that are being promoted in the SAP but currently in alternative use and are therefore excluded from five year supply calculations.

5.2. This leaves a minimum policy compliant deliverable supply of 28,217 comprised of:

| <b>Identified Supply (SHLAA exc. Green Belt, safeguarded &amp; other uses)</b> | <b>Sites</b> | <b>28,217</b> |
|--|--------------|---------------|
| Under construction   | 103          | 5,752         |
| Detailed planning permission   | 143          | 9,183         |
| Outline planning permission  | 20           | 3,805         |
| Adopted AVLAAP site  | 16           | 2,814         |
| Allocated SAP site   | 140          | 6,663         |

5.3. Of the 28,217 dwellings in the Identified Supply the majority of which are either under construction or have detailed planning permission. A further 3,805 with outline permission means some two-thirds (18,740 units) are either under construction or have planning permission. The 6,663 dwellings with no or expired planning permission are allocations in the Site Allocations Plan. These include brownfield sites that will be granted Permission in Principle (PiP) through the Brownfield Land Register route. PiP is a new instrument which has the strong likelihood of enabling a significant level of housing growth in Leeds. PiP will confirm the principle and amount of residential development for relevant sites, thereby providing developers with increased certainty, subject only to the technical details stage.

5.4. With the inclusion of windfall at 500 per annum (adopted Core Strategy), with the discount of demolitions the overall supply is a minimum 4.76 years:

|  |               |
|--|---------------|
| <b>Total Five Year Requirement 1st April 2018 to 31st March 2023</b> | <b>31,860</b> |
| <b>Annual Requirement</b>  | <b>6,372</b>  |
| Identified Supply (SHLAA exc. Green Belt, safeguarded & other use)   | 28,217        |
| Windfall   | 2,500         |
| <b>Demolitions</b>   | <b>-225</b>   |
| Total Supply   | 30,492        |
| <b>Five Year Supply</b>  | <b>4.76</b>   |

## 6. Conclusion

- 6.1. The assessment determines that although a five year housing land supply cannot be demonstrated the extent of the shortfall is modest following the continued boosting of supply through recent approvals, housing growth initiatives and the advancement of the Site Allocations Plan. The extent of this shortfall has become even more marginal in light of the national policy revisions.
  
- 6.2. The Council will be able to demonstrate a five year housing land supply within the context of the strengthening market, ongoing housing growth initiatives and upon the adoption of the Site Allocations Plan and forthcoming changes housing land supply requirement for Leeds.