

Pendle Local Plan



Five Year Housing Land Supply Statement



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1. Introduction

Background

- 1.1 The government's ambition to significantly boost the supply of housing is reflected in the [National Planning Policy Framework](#) (NPPF), which was revised in February 2019. The accompanying [Planning Practice Guidance](#) (PPG) has subsequently been updated to provide further clarity on certain matters, including [housing supply and delivery](#).
- 1.2 This statement addresses these recent changes to national planning policy and guidance. Specifically it considers whether the Council was able to demonstrate a deliverable supply of new homes sufficient to meet the planned housing requirement for the next five years at the end of the 2018/19 monitoring period (i.e. 31 March 2019).
- 1.3 To gain a full appreciation of the local housing market, the five year housing land supply (5YHLS) statement should be read alongside the Council's Housing Statistical Release 2018/19. This provides information on housing delivery (completions) and potential increases in supply (new planning permissions) during the same monitoring period.

Identifying land for homes

- 1.4 Paragraph 67 of the NPPF requires the Council to have a clear understanding of the housing land available in its area.
- 1.5 The [Strategic Housing Land Availability Assessment](#) (SHLAA) is a required part of the evidence base for the Local Plan. It establishes realistic assumptions about the availability, suitability and the likely economic viability of housing land in the borough. The results allow the Council to identify the quantity of land potentially available for housing development to meet local housing need over the plan period. The SHLAA is kept under constant revision and a questionnaire survey is issued annually to landowners, developers or their agents to confirm the latest position.

2. Housing Delivery Test

- 2.1 Paragraph 75 of the NPPF introduces the Housing Delivery Test (HDT), which measures whether the planned housing requirement has been met over the last three years.
- 2.2 The HDT is an additional test to the five year housing land supply test. The Council needs to be able to demonstrate that both of these tests are passed in order to ensure paragraph 11 (d) of the NPPF is not engaged.
- 2.3 Where the HDT reveals that delivery has fallen below certain levels (see below) the Council is required to take appropriate action
 - Below 95% – action plan must be prepared to assess the causes of under-delivery and identify actions to increase delivery in future years.
 - Below 85% – a buffer of 20% must be added to the 5YHLS requirement.
 - Below 75% – the Local Plan policies most important for determining a planning application are to be considered out of date. In such circumstances planning applications will be assessed against the policies in the NPPF.

- 2.4 Transitional arrangements set out in the NPPF provide for a gradual increase in the requirements of the HDT, with the threshold for the presumption in favour of sustainable development being 25% in 2018, 45% in 2019 and 75% from 2020 onwards..
- 2.5 The [data published alongside the NPPF and PPG](#) updates indicates that Pendle had delivered just 73% of its requirement in the last three years.¹
- 2.6 Pendle Council has therefore prepared a [Housing Delivery Action Plan](#) (HDAP) and applied a 20% buffer to its housing land requirement.

3. Local Housing Need

- 3.1 The NPPF expects strategic policy-making authorities to follow the standard method for assessing local housing need. This uses a formula to identify the minimum number of homes expected to be planned for, in a way which addresses projected household growth and historic under-supply.
- 3.2 Recent updates to PPG introduced a change to the household growth projections to be used when calculating the figures for local housing need and the 5YHLS. These require the 2014-based household projections to be used in preference to the more recent 2016-based household projections, due to concerns about updates made to the methodology by the Office for National Statistics (ONS).
- 3.3 Appendix A illustrates the calculation of the minimum local housing need figure for the borough. Using the 2014-based projections the requirement for Pendle is 149 dwellings per annum (dpa).
- 3.4 However, the borough's housing requirement, established in Local Plan Policy LIV1, is less than five years old.² As such this figure (298 dpa) should be used in preference to the minimum annual local housing need figure (149 dpa) when calculating the five year housing land supply (5YHLS).³

Maintaining supply and delivery

- 3.5 Paragraph 73 of the NPPF requires local planning 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 ... or against their local housing need where the strategic policies are more than five years old.”
- 3.6 It goes on to require that the supply of specific deliverable sites should in addition include a buffer (moved forward from later in the plan period) of:
 - a) 5% to ensure choice and competition in the market for land; or
 - b) 10% where the local planning authority wishes to demonstrate a five year supply of deliverable sites through an annual position statement or recently adopted plan³⁸, to account for any fluctuations in the market during that year; or
 - c) 20% where there has been significant under delivery of housing over the previous three years, to improve the prospect of achieving the planned supply.

¹ This is slightly higher than shown in Appendix B, as the government recorded net completion figures of 169 (2016/17) and 145 (2017/18) rather than the figures of 168 and 139 recorded by Pendle Council.

² Pendle Local Plan Part 1: Core Strategy was adopted on 17 December 2015.

³ [Housing Delivery Test Measurement Rule Book](#) (paragraph 14 (iii)).

- 3.7 Before the post-2007 economic recession, the delivery of new housing in Pendle regularly exceeded the planned housing requirement at that time. After the onset of the Great Recession (2008-2013) there was a significant reduction in the completion of new dwellings in Pendle. As a consequence a 20% buffer was applied on top of the housing requirement for Pendle. This approach was agreed and accepted by the Inspector who examined the Core Strategy in 2015.

4. Five Year Housing Land Supply

- 4.1 Annex 2 of the NPPF (Glossary) explains that ‘deliverable’ housing 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.

- 4.2 Further information about sites that can be considered to be deliverable is provided, and this is summarised in Table 4.1.

Table 4.1 – Deliverable Sites

Planning status of site		Presumption of deliverability
(a)	Granted detailed planning permission (<i>i.e. full permission or reserved matters</i>)	Yes
	Granted outline planning permission (<i>excludes major development – see (b) below</i>)	Unless there is <i>clear evidence</i> that homes will not be delivered within five years
(b)	Granted outline planning permission (<i>major development</i>)	No
	Granted Permission in Principle	Unless there is <i>clear evidence</i> that housing completions will begin on site within five years
	Allocated in a Development Plan Document	
	Identified on the Brownfield Register	

- 4.3 The Annex does not provide an exhaustive list of the potential sources of supply. Further sites identified through preparation of the SHLAA or pre-application advice, for example, also have the potential to make a positive contribution to housing delivery within five years. The key issue is that for these sites to be included in the 5YHLS, there must be clear evidence to show that they are considered to be deliverable.

- 4.4 Each year, the Council uses information from the SHLAA to calculate its 5YHLS position. This demonstrates whether there is a **deliverable** supply of sites sufficient to meet the planned housing requirement for the next five years.
- 4.5 Appendix C shows the calculation of the 5YHLS position for Pendle at the end of the 2018/19 monitoring period. It follows the methodology recommended in the revised PPG on [Housing and Economic Land Availability Assessment](#) issued on 29 July 2019. This differs from that previously used in the Pendle Core Strategy and reported annually in the Authority Monitoring Report (AMR), in that it also applies the 20% buffer to the shortfall.

A. Excluding the reoccupation of long-term empty homes

- 4.6 If the reoccupation of long-term empty homes is excluded from the calculation, Pendle Council has a 4.6 year supply of housing land. As the Council cannot demonstrate a 5YHLS, the housing supply policies in the Pendle Local Plan should be considered to be out of date in accordance with paragraph 11 footnote 7 of the NPPF.

B. Including the reoccupation of long-term empty homes

- 4.7 However, the Inspector for Pendle Local Plan Part 1: Core Strategy (December 2015) accepted that in an area of housing market decline, the reoccupation of long-term empty homes made a legitimate contribution towards meeting the local housing requirement.⁴
- 4.8 If the 2019 figure from the Council Taxbase Return (CTR) is factored into the calculation, Pendle Council can demonstrate a 9.8 year supply of housing land and its housing policies should be considered to be up-to-date.

5. Housing Trajectory

- 5.1 The NPPF requires local planning authorities to provide information on housing policy and performance. This includes the preparation of a housing land supply trajectory. The purpose of the trajectory is to show that the Council can deliver its housing target. It also helps to indicate at an early stage if any steps need to be taken to ensure that planned housing delivery can be met during the plan period.
- 5.2 The Housing Trajectory for Pendle cannot be updated until the figure for the reoccupation of long-term empty homes is known. This figure is reported in the CTB return, which is submitted to the Ministry of Communities and Local Government (MHCLG) in October each year.
- 5.3 The updated Housing Trajectory for Pendle is shown at Appendix E. Previous versions can be found in the Council's annual Authority Monitoring Report (AMR), published in December each year.

⁴ Long-term empty homes are defined as dwellings that have been unoccupied and substantially unfurnished for at least six months.

Appendix A: Calculation of Local Housing Need

A.1 The methodology is set out in the PPG on [Housing and Economic Needs Assessment](#).

Step 1: Setting the baseline

A.2 The baseline is set by using the [2014-based household projections](#) in England (Table 406) to calculate the projected average annual household growth over a 10 year period. The figures, as displayed online have been rounded, so you will need to view individual cells to see the actual number.

Description		2018/19	Source / Calculation
A	Number of households 2018	38,885	GOV.UK – 2014-based live Tables on household projections: Table 406: Household projections by district, England, 1991- 2039
B	Number of households 2028	40,349	GOV.UK – 2014-based live Tables on household projections: Table 406: Household projections by district, England, 1991- 2039
C	Household growth (2018-2028)	1,464	B - A
D	Average annual household growth	146.4	C / 10

Step 2: Adjustment to take account of affordability

A.3 To take account of any local affordability issues, the most recent [median workplace-based affordability ratios](#) are used to make an adjustment to the average annual projected household growth figure (Step 1), where this is required.

A.4 No adjustment is required where the ratio is 4 or below. Where an adjustment is needed, the precise formula is as follows:

$$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

Description		2018/19	Source / Calculation
A	Median workplace affordability ratio (2018)	3.65	ONS – House price to workplace-based earnings ratio, Table 5c Ratio of median house price to median gross annual (where available) workplace-based earnings by local authority district, England and Wales, 1997 to 2017
B	Adjustment factor *	- 0.02	$((3.65 - 4) / 4) \times 0.25$
C	Local Housing Need *	1,464	$(1 - 0.02) \times 146.4$

* Not required as A is below four (4).

Step 3: Capping the level of any increase

A.3 Where applicable a cap is applied which limits the increases an individual local authority may face.

Description		2018/19	Source / Calculation
A1	Average annual housing requirement in an adopted strategic policy	298	Pendle Local Plan Part 1: Core Strategy – Policy LIV1
A2	Average annual household growth over ten years	146.4	Figure from Step 1
B	The minimum annual local housing need figure	298	A1 or A2, whichever applies
C	The cap, set at 40% above the projected household growth for the area over the 10 year period identified in Step 1	N/A	B + 40%
D	Average annual housing requirement	298	

Appendix B: Calculation of the Housing Delivery Test

- B.1 The methodology is set out in the PPG on [Housing Supply and Delivery](#) and the accompanying [Housing Delivery Test measurement rulebook](#).
- B.2 The results for 2018 are shown below.

Housing Delivery Test (%)	=	$\frac{\text{Total net homes delivered over three year period}}{\text{Total number of homes required over three year period}}$
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Net Delivery (HFR)	
2015/16	127
2016/17	168
2017/18	139
TOTAL	434

Requirement (Household Projections)	
2015/16 (2012-based)	227
2016/17 (2012-based)	219
2017/18 (2014-based)	158
TOTAL	603

Housing Delivery Test 2018 Pendle

HDT Pendle (%)	=	$\frac{434}{603}$	=	72%
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Consequence	=	Action Plan	TRUE
		20% Land Buffer	TRUE
		Presumption (25%)	FALSE

- B.3 A copy of the [Housing Delivery Action Plan](#) (HDAP) is available on the Council’s website. The 20% buffer has been applied to the calculation of the five year housing land supply (see Appendix C).
- B.4 The Government has proposed changes to the methodology for 2019, but the nature of these is not known at the time of publication, so it is not possible to provide an update at this time.

Appendix C: Calculation of the Five Year Housing Land Supply

- C.1 The methodology is set out in the PPG on [Housing Supply and Delivery](#).
- C.2 The table(s) below show the position at the end of the last monitoring year, 31 March 2019. They are based on an annual average housing growth figure of 298 dpa.
- C.3 In accordance with the requirements of the NPPF (paragraph 73) and the Housing Delivery Test (Appendix B) a 20% buffer has been applied to:
- ensure choice and competition in the market for land; and
 - address the under delivery of housing over the previous three years, thereby improving the prospect of achieving the planned supply.
- C.4 The calculations below include any shortfall in provision since the start of the plan period. In years where the Local Plan target is not considered to be up to date, the use of the Housing Delivery Test will allow any under delivery in the previous three years to feed into the 5YHLS calculation.

Excluding the reoccupation of long-term empty homes

Description	2018/19	Source / Calculation
A Local Plan requirement	5,662	Pendle Local Plan Part 1: Core Strategy – Policy LIV1
B Annual requirement	298	A / 19 (i.e. number of years in the plan period)
C Five year requirement	1,490	B x 5
D Completions (2011/12 to date)	981	Pendle Authority Monitoring Report (AMR)
E Shortfall	509	C - D
F Adjusted five year requirement	1,999	C + E
G Buffer – 5% 10% or 20%	400	E + 20%
H Overall five year requirement	2,399	B + C
I Supply	2,208	Strategic Housing Land Availability Assessment (SHLAA)
J % of overall requirement	92.04	(H / I) x 100
K Supply in years	4.60	I / (H / 5)

- C.5 As noted in paragraph 4.5, the reoccupation of long-term empty homes (see table below) has been accepted as making a legitimate contribution towards meeting the local housing requirement.

Reoccupation of Long Term Empty Homes

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019
Council Taxbase Return	1,770	1,575	1,206	1,022	1,031	900	944	862	708
Annual Reoccupation	-	195	369	184	-9	131	-44	82	154
Cumulative	-	195	564	748	739	870	826	908	1,062

Source: [Council Taxbase Statistics](#) (Rows 14-16 inclusive (2011-2012), Row 16c (2013) and Row 18 (2014 to date))

C.6 The following table shows the position if the cumulative figure for the reoccupation of long-term empty homes since the start of the plan period is factored into the calculation of the 5YHLS (Row D2).

Including the reoccupation of long-term empty homes

Description		2018/19	Source / Calculation
A	Local Plan requirement	5,662	Pendle Local Plan Part 1: Core Strategy – Policy LIV1
B	Annual requirement	298	A / 19 (i.e. number of years in the plan period)
C	Five year requirement	1,490	B x 5
D1	Completions (2011/12 to date)	981	Pendle Authority Monitoring Report (AMR)
D2	Reoccupation of long-term empty homes (2011/12 to date)	1,062	Council Taxbase Return (CTR)
E	Surplus	388	C – D – E
F	Adjusted five year requirement	1,102	C + E
G	Buffer – 5% 10% or 20%	220	E + 20%
H	Overall five year requirement	1,322	B + C
I	Supply	2,208	Strategic Housing Land Availability Assessment (SHLAA)
J	% of overall requirement	167.02	(H / I) x 100
K	Supply in years	9.82	I / (H / 5)

Appendix D: Strategic Housing Land Availability Assessment (SHLAA) Update

D.1 This update of the Strategic Housing Land Availability Assessment (SHLAA) includes information from the annual monitoring of new housing permissions and completions in 2017/18. These findings are used to calculate the Five Year Housing Land Supply.

Table D1: Assessment of SHLAA Sites

Theme	Criteria	Timescale judgement
Viability	Sites with planning permission – considered to be viable unless evidence to show otherwise.	0-5 years
	Site specific viability work indicates that the development of the site is viable.	0-5 years
	The Council's viability model suggests that this type of site is viable to develop.	0-5 years
	The Council's viability model suggests that this type of site is marginally viable to develop.	0-5 years in some cases otherwise 6-10 years
	The Council's viability model suggests that this type of site is unlikely to be viable to develop.	6-10 or 11-15 years depending on other factors
	No viability information available for this type of site.	Look at other factors
Monitoring Information	Development at the site has started and work is progressing.	0-5 years
	Development at the site has been started but work has stopped and the developer is no longer on site.	6-10 years or in some cases 11-15 years
	Development at the site has not been started, however, planning permission was only granted in the last year.	0-5 years
	Development at the site has not been started and the planning permission is over one year old.	0-5 years in some cases otherwise 6-10 years
	The planning permission is outline only and a reserved matters application has not yet been submitted/approved.	0-5 years
Owner/ Developer Information	The developer/owner has provided information indicating their intention to develop the site.	0-5 years, sometimes 6-10 years depending on other factors
	The developer/owner has not provided any recent information indicating their intention to develop the site.	0-5 years in some cases otherwise 6-10 or 11-15 years
	There has been no recent contact with the developer/owner.	6-10 or 11-15 years depending on other factors
Other Information	Building control records indicate that the developer/ owner is progressing with the commencement/ development of the site.	0-5 years
	Pre-application discussions have taken place regarding the potential development of this site for housing.	0-5 years in some cases otherwise 6-10 years

- D.2 Each site featured in the SHLAA is reviewed to provide up-to-date information on the progress being made towards completion of the development. This information is used to update the delivery timescales and identify if action is required to help overcome any constraints to delivery of housing on the site.
- D.3 Table D1 provides details of the criteria used in the assessment of sites. A survey is carried out to confirm progress to date and the future intentions of landowners and developers. This information is used to help inform the estimated the lead in times and build out rates for each site.
- D.4 Table D2 provides a summary of the sites that benefit from a valid planning permission at the end of the monitoring period.
- D.5 Table D3 provides a summary of the sites without a valid planning permission at the end of the monitoring period. These sites may provide additional longer-term capacity if policy constraints (e.g. the site is located within the Green Belt; designated as Open Space etc.) or other factors (e.g. concerns about flood risk) can be overcome. Where evidence exists to show that there is a realistic prospect of delivery taking place on such a site within five years, some, or all, of the dwellings it is proposed to build may be included in the calculation of the five year housing land supply (see Appendix E).

Please note: Due to time constraints the information for site area and typology may be incomplete for sites granted planning permission in 2018/19 (Table D2). This information will be made available in the Authority Monitoring Report (AMR).

Appendix E: Housing Trajectory

Past completions and future potential completions

	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30
Actual Completions (Net)	61	30	63	83	127	168	139	310											
Reoccupation of Long-term Empty Homes	195	369	184	-9	131	-44	82	154											
Total Housing Provision	256	399	247	74	258	124	210	464											
Projected Completions (Net)									355	526	568	466	293	350	488	445	453	284	266
Plan Target	298	298	298	298	298	298	298	298	298	298	298	298	298	298	298	298	298	298	298
Cumulative Under/over supply	-42	59	8	-216	-256	-430	-507	-341	-284	-56	214	382	377	429	619	766	921	907	875

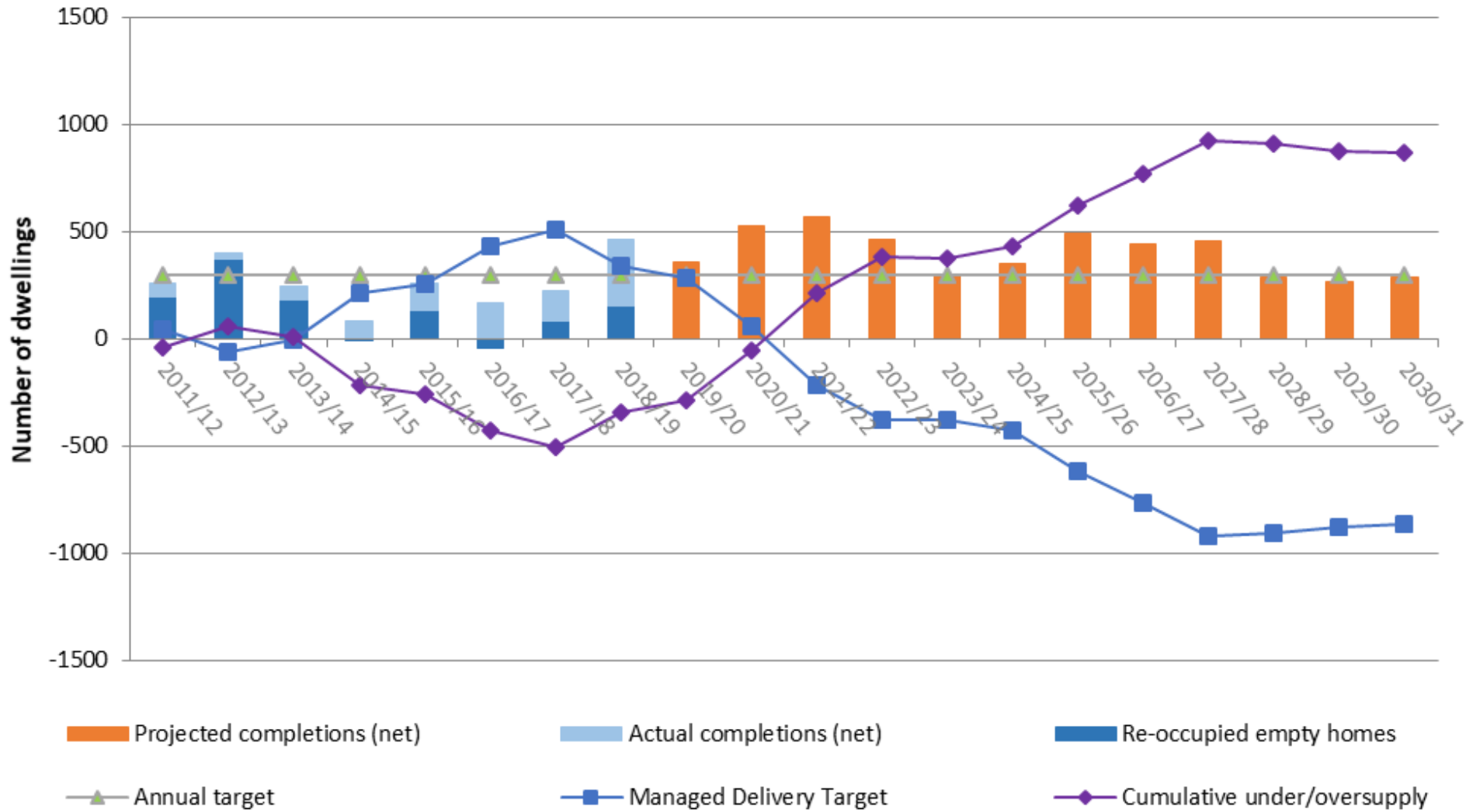
Performance against the housing requirement

Year	Annual Requirement	Net Completions*	Annual Deviation	Cumulative Requirement	Cumulative Deviation
2011/12	298	256	-42	298	-42
2012/13	298	399	+101	596	+59
2013/14	298	247	-51	894	+8
2014/15	298	74	-224	1,192	-216
2015/16	298	258	-40	1,490	-256
2016/17	298	124	-174	1,788	-430
2017/18	298	221	-77	2,086	-507
2018/19	298	464	+166	2,384	-341

* Including the reoccupation of long-term empty homes

N.B. The figure for long-term empty homes was misreported as 71 in 2017/18. The actual figure was 82. Net completions increases from 210 to 221 as a result.

Housing Trajectory



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Liberata

