

## **Charnwood Five Year Housing Land Supply – 1 April 2023**

Paragraph 74 of the National Planning Policy Framework 2021 states that local planning authorities should 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 five years old (unless these strategic policies have been reviewed and found not to require updating).

As it is more than five years since the Charnwood Local Plan Core Strategy was adopted (November 2015), the Council is using the standard method to calculate the Borough's housing requirement. Details of how this has been calculated are set out in **Appendix 1**.

The Council applies a buffer of 5% to its five year housing land supply by reason that paragraph 74 of the National Planning Policy Framework 2021 states that the housing supply should include a buffer of 5% to ensure choice and competition in the market for land.

	<b>Housing supply position as at 1 April 2023</b>	<b>Total</b>
a	Annual housing requirement.	<b>1,105</b>
b	Number of dwellings required for five years 1 April 2023 to 31 March 2028 (1,105 x five years).	<b>5,525</b>
c	5% buffer (rounded up) to ensure choice and competition in the market for land (National Planning Policy Framework paragraph 74 a).	<b>277</b>
d	Total number of dwellings required for five years 1 April 2023 to 31 March 2028 (b + c).	<b>5,802</b>
e	Estimated supply of deliverable sites for five years 1 April 2023 to 31 March 2028.	<b>4,963</b>
f	Surplus over requirement (e - d).	<b>-839</b>
g	Annual housing target (d divided by five years) (rounded up).	<b>1,161</b>
h	Number of years supply (e divided by g).	<b>4.27 years</b>

**Appendix 2** (see separate document) provides a list of sites that are expected to deliver homes during the five year period. In order to provide evidence of deliverability, the Council undertook the following actions:-

The developers of all major development sites with planning permission (i.e. permission for 10 or more homes) were contacted and asked to provide information about lead in times and build out rates. This information was supplemented by similar information collected in relation to proposed housing allocations for the Charnwood Local Plan 2021-2037 examination.

For major development sites with detailed permission and where no information was provided by developers the delivery rates were identified using past delivery performance on that particular site where construction had begun. For those where construction work had not started the general assumptions for lead in times and build out rates were applied for sites of that size.

### Lead in times

(i.e. the period from when a site was granted permission to the start of construction of the first plot on site)

- One year on sites between 10 and 50 dwellings with detailed permission;
- Two years on sites of 50+ dwellings with detailed permission; and
- Three years on sites with outline permission.

### Build out rates

- 25 homes per year on sites between 10 and 50 dwellings;
- 35 homes per year on sites between 51 and 200 homes; and
- 50 homes per year on sites of 201+ homes.

For major development sites with outline permission the same approach was used as for major development sites with detailed permission except that where no information was provided from developers the sites have not been considered to meet the definition of deliverable.

For sites with planning permission which do not involve major development (i.e. on sites less than 10 homes), the developers were not contacted and instead the general assumptions for lead in times and build out rates have been used which are three years from the decision date when a site was granted permission (two years for reserved matters) (this applied only for sites where construction work has not started) and 5 homes per year.

The Council has included accommodation for students and older people in the calculation of supply based on the approach outlined in the Housing Delivery Test Measurement Rule Book. The Housing Delivery Test Measurement Rule Book published in July 2018 explains how the net homes delivered calculated with adjustments for net student accommodation and net other adult communal accommodation (calculated by applying nationally set ratios to the bedroom data of 2.5 and 1.8 respectively, rounded down) for the Housing Delivery Test results.

## **APPENDIX 1 – LOCAL HOUSING NEED FOR CHARNWOOD**

The minimum annual local housing need figure for Charnwood is calculated using the standard method as published in December 2020.

The standard method to calculate a minimum annual local housing need figure is set out in the national planning practice guidance which can be found at the following web page <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments#housing-need>.

### **Step 1 – baseline**

Calculate the projected average annual household growth over a 10 year period (this should be 10 consecutive years, with the current year being used as the starting point from which to calculate growth over that period).

Latest household projections taken from Table 406 of the 2014 based household projections in England from the following web page <https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections>.

Household projections for 2023 = 77,944.

Household projections for 2033 = 86,968.

Difference = 9,024

Divided by 10 years = 902.4

Average annual household growth = 902.4 (not rounded)

### **Step 2 – adjustment factor**

Adjust the average annual projected household growth figure (as calculated in step 1) based on the affordability of the area.

No adjustment is applied where the ratio is 4 or below. For each 1% the ratio is above 4, the average household growth baseline should be increased by a quarter of a percent. An authority with a ratio of 8 will have a 25% increase on its annual average household growth baseline.

Latest ratio of median house price to median workplace-based earnings from Table 5C of the house price to workplace-based earnings ratio dataset (released on 22 March 2023) from the following web page <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>.

Ratio of median house price to median workplace-based earnings for 2023 = 7.59

Adjustment = ([7.59 minus 4] divided by 4) = 0.8975

Multiply by 0.25 = 0.224375

Add 1 = 1.224375

Multiply average annual household growth (902.4) (from step 1) by adjustment factor (1.224375) = 1,104.876

Annual local housing need = 1,105 (rounded).

### **Step 3 – should the cap be applied?**

Where the relevant strategic policies for housing were adopted more than 5 years ago (at the point of making the calculation), the local housing need figure is capped at 40% above whichever is the higher of:

- a. the projected household growth for the area over the 10 year period identified in step 1; or
- b. the average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).

The relevant strategic policies for housing are the housing requirement in the Charnwood Local Plan 2011 to 2028 Core Strategy which was adopted which is more than five years ago (i.e. adopted in November 2015).

#### a. 40% above projected household growth over the 10 year period identified in step 1 (above)

Projected household growth over 10 year period is 9,024

40% of 9,024 = 3,609.6

9,024 + 3,609.6 = 12,633.6 or 1,263.36 per annum

#### b) 40% above the average annual housing requirement figure set out in the most recently adopted strategic polices

Most recently adopted strategic polices = Charnwood Local Plan 2011 to 2028 Core Strategy (2015).

Housing requirement = 13,940 new homes between 2011 and 2028

40% of 13,940 = 5,576

13,940 + 5,576 = 19,516 or 1,951.6 per annum

The annual local housing need calculated according to the standard method in steps 1 and 2 is 1,105. This figure does not exceed the higher of the two caps calculated in step 3 (i.e. 1,263.36 and 1,951.6) and therefore the cap does not apply.

### **Step 4 – should the uplift be applied?**

A 35% uplift is then applied for those urban local authorities in the top 20 cities and urban centres list.

As at December 2020, the list of urban local authorities does not include Charnwood and therefore the uplift does not apply.

**The annual local housing need for Charnwood is 1,105.**