

**UTTLESFORD DISTRICT COUNCIL**  
**5-YEAR LAND SUPPLY STATEMENT AND HOUSING TRAJECTORY**  
**STATUS AT 1 April 2023.**  
**Published 9<sup>th</sup> October 2023**

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## **Executive Summary**

1. Uttlesford District Council is now able to demonstrate a housing supply of **5.14 years**, this is above the minimum threshold of 5 years as set out in the NPPF.
2. The National Planning Policy Framework (NPPF) stipulates that Local Planning Authorities (LPA) must identify their housing need and annually review their housing land supply. The purpose of this assessment is to determine whether a sufficient number of deliverable sites exist within an LPA's area to provide for the delivery of five years' worth of housing plus an appropriate buffer.
3. Uttlesford District Council's adopted strategic policies, from the Uttlesford Local Plan 2005, are more than five years old and require updating. The Council therefore assesses its deliverable supply of housing against its calculated local housing need figure.
4. The Council's local housing need figure, as derived from the Government's standard method, is 684 dwellings per annum, or 3,420 dwellings over a five-year period<sup>1</sup>. The 2021 Housing Delivery Test result (the most recent version published by the Government) and the rules set in paragraph 74 of the National Planning Policy Framework require a 5% buffer to be added to this figure, resulting in a total five-year housing requirement of 3,591 dwellings.
5. The Council's calculated 5-year housing land supply demonstrates an actual supply of 3,695 dwellings, equating to a surplus of 104 dwellings over the five-year period (including a 5% buffer).

## **Introduction**

6. The purpose of this Statement is to set out the Council's 5-year housing supply position for the purposes of decision-making. The 5-year period covers the period 2023/24 to 2027/28.
7. The 5-year land supply data uses a base date of 1 April 2023 and only uses known data i.e., actual permissions. A breakdown of sites included within the 5-year land supply is set out within **Appendix 1**.
8. Paragraph 74 of the NPPF 2021 requires demonstration of a trajectory illustrating the expected rate of housing delivery over the plan period, and an appropriate buffer, either through a recently adopted plan, or in a subsequent annual position statement.

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<sup>1</sup> Justin Gardner, Local Housing Need Assessment, 2023. Standard method calculation can be found within Appendix 2 below.

## Five-year Housing Requirement

9. The Council's adopted Local Plan 2005 pre-dates the NPPF 2021. A new Local Plan is currently being prepared with the Regulation 18 version of this document set to be published in October 2023.
10. The standard methodology identifies a housing requirement of 684 dwellings per annum (dpa) for Uttlesford<sup>2</sup>. **Appendix 2** of this report sets out the calculation of this local housing need for Uttlesford.
11. NPPF 2021 Paragraph 74(a) states that an additional buffer of 5% is required to '*ensure choice and competition in the market for land*', and paragraph (c) states that a buffer of 20% is required '*where there has been significant under delivery of housing over the previous three years*'. Whether there has been significant under delivery is measured using the Housing Delivery Test (HDT). The latest [HDT](#) for Uttlesford, was measured in 2021, indicating that there has been 99% of the required delivery over the last three years. The 2022 HDT results are yet to be published by the Government.
12. Completions data for the current monitoring year (2022/23) rose substantially in comparison to previous monitoring years, to 747 dwellings. This is attributed in part to the construction industry's ongoing recovery from the Covid-19 pandemic, however, it is also the case that a ~~substantial~~ number of permitted sites were missed from the previous year's (2021/22) monitoring report. Missed dwelling completions from the previous year have therefore been added to the most recent monitoring report, thereby ~~justifiably~~ -inflating delivery figures for the 2022/23 monitoring period.

## Housing Supply

13. As part of the upcoming Regulation 18 consultation for the draft Local Plan, an Uttlesford Housing Trajectory 2021 – 2041 will be published separately which lists all the sites which are considered to provide housing during the period up to 2041, including the draft allocations proposed within the Regulation 18 Local Plan. These sites are NOT included within this 5YHLS Statement and will be reported on separately as part of the Local Plan consultation.
14. This 5YHLS Statement includes an allowance for windfall sites of 110 dwellings per year (only for the years 2026/27 and 2027/28 respectively) based on historic rates of completions on small sites (1-4 dwellings over the period 2013/14-2022/23) below the Housing and Economic Land Availability Assessment (HELAA) minimum site size threshold. The long-term trend is for 117 dwellings per annum to be completed on small sites however a cautious 110 dwellings is assumed. To avoid double counting existing commitments, no allowance for windfall is made in the three years 2023/24 – 2025/26. Small sites with planning permission have been included and are assumed to be completed in the next three years.

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<sup>2</sup> Justin Gardner, Local Housing Need Assessment, 2023. Standard method calculation can be found within Appendix 2 below.

<b>Table 1: Historic delivery rate of small sites (1-4 dwellings)(net)</b>	
2013/14	108
2014/15	76
2015/16	148
2016/17	144
2017/18	95
2018/19	156
2019/20	155
2020/21	166
2021/22	79
2022/23	127
Total	1254
Annual Average	117

15. With regard to the application of a lapse rate to permissions, the 2017 Windfall Allowance Topic Paper suggested that 63% of windfall sites permitted were eventually built by comparing the number of permissions granted over the period 2006/07-2015/16 against the number of completions over the same time frame. This figure has been rolled forward into later housing land supply calculations without being revisited. This is despite the updated 2021 windfall allowance topic paper concluding at paragraph 23 that “Table 5 shows that the majority of completions take place in the second and third year following consent.” To gain a true understanding of implementation it needs to be undertaken on a site-by-site basis, not comparing permissions granted against completions in a single monitoring year (which compares different time periods).
  
16. Upon revisiting this in 2023, the 2017 methodology for calculating a lapse rate is now considered flawed as once permission is granted it can be completed at any point within a three-year period. Furthermore, the NPPF changed the definition of windfall since the 2017 topic paper was produced and now no longer explicitly excludes residential gardens. The 63% implementation figure is considered out of date and inaccurate and so has been replaced with a 10% lapse rate instead which has been accepted by other local planning authorities in plan-making and decision-taking. It is noted that the Government’s Planning Practice Guidance does not suggest including a “lapse rate” or “non-implementation rate”, however it is not realistic to assume that all extant permissions will be implemented at a particular date in time. A 10% lapse rate is considered realistic in the absence of more up-to-date information.
  
16. Within the updated 5YHLS position set out in this Statement, for sites greater than 4 dwellings, each of these sites benefit from a detailed permission (Full or Reserved Matters), or resolution to grant such a permission. Therefore, all sites listed within the 5YHLS Statement are considered to be ‘deliverable’ in line with the NPPF definition. Sites greater than 4 dwellings which only benefit from

Outline permissions fall outside the 5-year period and can be viewed alongside the draft allocations within the full Housing Trajectory 2021-2041 for the emerging Local Plan to be published alongside the draft Local Plan 2021 – 2041 consultation.

17. Table 2 shows the estimated completions for each year during the 5-year period. Figure 1 shows these estimated completions against the annual housing requirement (including 5% buffer).

<b>Table 2: Forecast completions for next 5-year period</b>						
Year:	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	Year 1	Year 2	Year 3	Year 4	Year 5	
Estimated completions years 1-5 (including windfall allowance):	534	697	916	837	711	<b>3695</b>

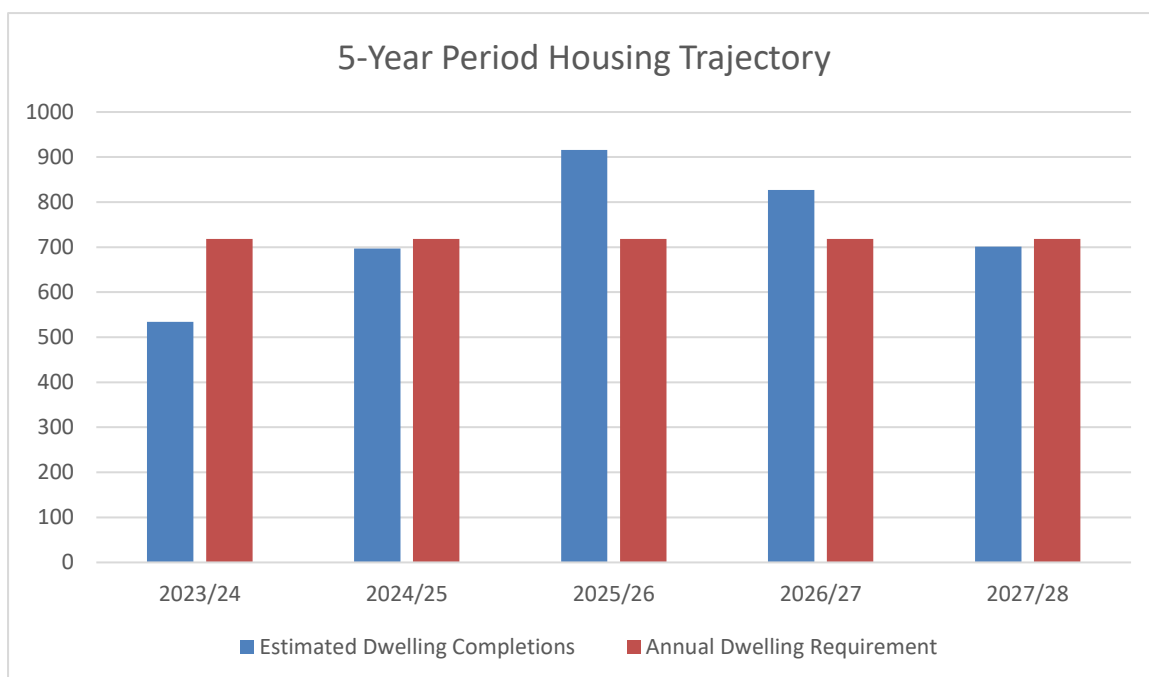


Figure 1 Chart Showing Estimated Dwelling Completions over the 5-Year Period

18. Delivery projections have been determined with consideration to a number of factors, including the planning status of the site, the scale of the site, the submission / approval of corresponding planning and building control applications, industry average lead-in times and delivery rates, and site visits.

### Calculation of the 5-year housing land supply

19. Table 3 shows the calculation of the 5-year housing land supply. It is based on the housing target of 684 dwellings per annum as calculated by the standard

methodology, set out in **Appendix 2**. It then applies a 5% buffer, as justified in Paragraph 11 above, of 34.2 dwellings per annum.

<b>Table 3: Calculation of 5-year housing supply</b>		
Annual Target:	N/A	684
Target years 1 – 5:	$684 \times 5$	3420
5% of target:	$3420 \times 0.05$	171
Overall target:	$3420 + 171$	3591
Supply:	$534 + 697 + 916 + 837 + 711$	3695
% of target available on deliverable sites:	$3695 / 3591 \times 100$	102%
Supply in years:	$(3695 / 3591) \times 5$	5.14 years
Surplus:	$3695 - 3591$	104

## **Appendix 1: 5-Year Housing Land Supply Site Breakdown**

## **Appendix 2: Calculation of Local Housing Need**

### **Calculation of Minimum Local Housing Need Using the Standard Method.**

The analysis below considers the level of local housing need for Uttlesford using the Standard Method. The methodology for calculating housing need is clearly set out by Government in Planning Practice Guidance and follows a four-step process worked through in the following sub-sections. We consider first the implications of use of the 2014-based Household Projections, the use of which is required in the Planning Practice Guidance.

#### **Step One: Setting the Baseline**

The first step in considering housing need against the Standard Method is to establish a demographic baseline of household growth. This baseline is drawn from the 2014-based Household Projections and should be the annual average household growth over a ten-year period, with the current year being the first year i.e. 2023 to 2033. This results in growth of 4,884 households (488 per annum) over the ten-year period.

Although this figure is calculated over a ten-year period from 2023 to 2033, Paragraph 12 of the PPG states that this average household growth and the local housing need arising from it can then “be applied to the whole plan period” in calculating housing need.

#### **Step Two: Affordability Adjustment**

The second step of the standard method is to consider the application of an uplift on the demographic baseline, to take account of market signals (i.e. relative affordability of housing). The adjustment increases the housing need where house prices are high relative to workplace incomes. It uses the published median affordability ratios from ONS based on workplace-based median house price to median earnings ratio for the most recent year for which data is available.

The latest (workplace-based) affordability data is for 2022 and was published by ONS in March 2023. The Government’s Guidance states that for each 1% increase in the ratio of house prices to earnings, above 4, the average household growth should be increased by 6.25%, with the calculation being shown below. For Uttlesford, the ratio for 2022 was 13.18, giving an uplift of 57% - this leads to a housing need of 769 dwellings per annum.

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

### **Step Three: The Cap**

The third step of the Standard Method is to consider the application of a cap on any increase and ensure that the figure which arises through the first two steps does not exceed a level which can be delivered. There are two situations where a cap is applied:

The first is where an authority has reviewed their plan (including developing an assessment of housing need) or adopted a plan within the last five years. In this instance the need may be capped at 40% above the requirement figure set out in the plan.

The second situation is where plans and evidence are more than five years old. In such circumstances a cap may be applied at 40% of the higher of the projected household growth (step 1) or the housing requirement in the most recent plan, where this exists.

The last Uttlesford Local Plan dates back to 2005 with a housing target of around 373 dwellings per annum. A cap is therefore applied as 40% above the household growth shown above (as this is higher of the two figures). This gives a housing need of 684 dwellings per annum.

### **Step Four: Urban Uplift**

The fourth and final step in the calculation means that the 20 largest urban areas in England are subject to a further 35% uplift. This uplift ensures that the Governments stated target of 300,000 dwellings per annum is met and that “homes are built in the right places, to make the most of existing infrastructure, and to allow people to live nearby the service they rely on, making travel patterns more sustainable.”

(Paragraph: 035 Reference ID: 2a-035-20201216). Uttlesford is not listed within the top 20 urban areas in the country and therefore there is no additional uplift.

### **Standard Method Calculation using 2014-based Household Projections**

The table below works through the Standard Method calculations for the District and shows a need for 684 dwellings per annum.



<b>Figure 3.1: Standard Method Housing Need Calculations using 2014-based Household Projections</b>	
	Uttlesford
Households 2023	38,112
Households 2033	42,996
Change in households	4,884
Per annum change	488
Affordability ratio (2022)	13.18
Uplift to household growth	57%
Uncapped need (per annum)	769
Capped need (per annum)	684