

UDC Update 5-Year Housing Land Supply Status

1. The purpose of this note is to provide clarity on the current status of UDC's 5-Year Housing Land Supply (5YHLS) following the release of the latest Housing Delivery Test (HDT) by government (on 19 December 2023). The latest version of the National Planning Policy Framework (NPPF) (published on the same date) introduced policy changes to how the 5YHLS test is applied for Local Authorities that have published a draft Local Plan. Context has therefore been provided on how this relates to UDC.

Housing Delivery Test Update and Ramifications for 5 Year Housing Land Supply

2. In October 2023, UDC published an updated 5-Year Housing Land Supply Statement which set out a list of permitted residential development sites deemed to be 'deliverable' (in line with the NPPF definition) within a 5-year period. This statement relied upon planning permissions data up to 31st March 2023 so as to align with the most recently completed annual monitoring exercise which confirmed the extent of housing completions within the district up to this point in time.
3. The 5YHLS statement identified that, between 1st April 2023 and the 31st March 2028, the number of homes which could be considered 'deliverable' amounted to 3,695. The Objectively Assessed Need (OAN) over the same period, including a mandatory 5% buffer, was 3,591. This meant the Council could demonstrate a surplus of 104 homes, which translated to a housing land supply of 5.14 years.
4. Since the publication of the 5YHLS the Government published the latest HDT results. This test measures how Local Authorities are performing with regard to housing completions when compared against their OAN 'target' across a preceding 3-year period. Within the most recent HDT, this period comprised 1st April 2019 to 31st March 2022. During this period, housing completions within the district (1,055) made up 58% of the required number of homes (1,824). Whilst a significant number of residential permissions have been granted in recent years, many have not yet been built and so are not accounted for in the backwards looking HDT.

What does this mean for UDC?

5. Paragraph 79 (c) of the NPPF clarifies that, with regard to the HDT:

“where delivery falls below 75% of the requirement over the previous three years, the presumption in favour of sustainable development applies, as set out in footnote 8 of this Framework, in addition to the requirements for an action plan and 20% buffer.”

6. The mandatory 5% buffer applied to the 5YHLS (mentioned in Paragraph 3 above) must now be replaced with a 20% buffer. This has ramifications for the Council's 5YHLS position as detailed below:

	Supply (as of 1 st April 2023)	OAN	Buffer	Total Need	Surplus/Deficit	Years Supply
October 2023	3,695	3,420	171 (5%)	3,591	104	5.14
January 2024	3,695	3,420	684 (20%)	4,104	- 409	4.50

- The Council cannot demonstrate a 5YHLS that includes a 20% buffer and the presumption in favour of sustainable development held within Paragraph 11(d) of the NPPF is automatically engaged when determining planning applications for residential development within the district. In addition, UDC will now need to prepare an action plan to assess the causes of under-delivery and identify actions to increase delivery in future years.

National Planning Policy Framework Revision December 2023

- On the 20th December 2023, the Government published the latest version of the NPPF which made several changes to the application of the 5YHLS test. Relevant to UDC is Paragraph 226 which states:

“From the date of publication of this revision of the Framework, for decision-making purposes only, certain local planning authorities will only be required to identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of four years’ worth of housing[...] This policy applies to those authorities which have an emerging local plan that has either been submitted for examination or has reached Regulation 18 or Regulation 19 (Town and Country Planning (Local Planning) (England) Regulations 2012) stage, including both a policies map and proposed allocations towards meeting housing need.[...] These arrangements will apply for a period of two years from the publication date of this revision of the Framework.”

- Thus, once the Regulation 19 version of the Local Plan has been prepared (including the publication of a Policy Map) this policy would be engaged and UDC will only need to set out a four-year supply (plus a 20% buffer to either requirement due to the HDT performance).
- Notwithstanding the above, beginning in April 2024, a further round of monitoring of housing completions within the district will be undertaken. This will facilitate the creation of a new 5YHLS statement, taking into account housing completions and new residential permissions between 1st April 2023 and 31st March 2024.
- To support the Local Plan preparation, residential planning permissions have been recorded to monitor ongoing commitments since the 1st April 2023. The number of new dwellings permitted since this date, up until 30th November 2023, comprises 1,824. When combined with the previous commitments figure within the Regulation 18 Local Plan of 5,722, this totals 7,546 permitted dwellings which are deliverable over the remaining Local Plan period (up to 2041).

12. This growing commitment figure, alongside the NPPF changes made to the application of the 5YHLS which UDC could soon benefit from, suggest that UDC may be able to demonstrate a positive land supply position later this year. However, as the HDT is a retrospective test, housing completions may not be immediately reflective of the strong number of permissions granted.