

Item for Decision

Five Year Land Supply Statement 2021 and Housing Delivery Test Result

Summary: This report seeks authority to publish North Norfolk District Councils 2021 Five Year Land Supply position.

Recommendation: That the Statement of Five Year Land Supply 2021-2026 is published.

Cabinet Member(s)	Ward(s) affected
Cllr J Toye	All
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1. Introduction

- 1.1 The National Planning Policy Framework (NPPF) sets out the requirements for Planning Authorities to address housing need for their area and delivering a sufficient number of homes via the Local Plan and the determination of planning applications. It requires the publication of an annual statement outlining the land supply position in each planning authority area.
- 1.2 **Five Year Land Supply Statements (5YLS)** look forwards over the next five-year period and compare dwelling requirements over this period with the likely supply of suitable development sites. Failure to maintain a sufficient supply of future development sites reduces the weight that can be given to adopted policies, and introduces a policy presumption that planning permission should be granted for sustainable developments, including in circumstances where the proposals may not comply with locally adopted Plans. This presumption should be applied until such time as the land supply position has improved.
- 1.3 The **Housing Delivery Test** (HDT) looks backwards over the previous three years and compares actual delivery against required targets in the same period. In this year's test, government has included a four month 'grace period' to take account of the impacts of the pandemic on rates of housing completions. Against this test, the Authority delivered 104% of the target in 2020/21. This is the fourth consecutive year that the Authority has met this requirement.

2. Five Year Land Supply 2021-2026

- 2.1 Each year the Council is required to produce a statement which compares the future target for the delivery of new homes to the supply of housing land that is available to meet that target. This statement is important both in monitoring progress on the delivery of homes, and ensuring that sufficient development land is available to accommodate future needs.

- 2.2 The formal requirement is that each Authority should always have available sufficient deliverable sites for the next five years of required housing growth. It is not enough to allocate sites in Local Plans or to grant planning permission for development - the test requires that there must also be a realistic prospect that planned and approved development is actually going to be built within the next five-year period. The test is intended to ensure that the absence of suitable development sites will not hold back required development. If an Authority is unable to demonstrate a five-year land supply (sufficient development land for the next five years) it should take measures to make more land available, for example, by granting more deliverable planning permissions, or allocating more land in a Local Plan, or introducing other measures to incentivise the quicker delivery of approved developments.
- 2.3 For Five Year Land Supply purposes, and setting housing targets in Local Plans, the number of homes required over the period is calculated in accordance with a standard national methodology. In order to ensure that there is sufficient choice and flexibility in future land supply the National Planning Policy Framework (NPPF) also requires that a further 5% buffer is added to the five-year requirement. In North Norfolk this approachⁱ currently produces a five year requirement to deliver **2,399** homes (inclusive of the 5% buffer).
- 2.4 Taking account of the planning permissions which have been granted, the allocated development sites in the adopted Site Allocations Development Plan which remain to be built, and making an allowance for future windfall developments as of April 2021 there is a total assessed deliverable supply of land suitable for some **2,503** new homes in the District. The deliverable supply does not currently include any of the sites which are proposed to be allocated in the new Local Plan as the Plan is yet to be subject to independent examination.
- 2.5 This equates to **5.22 years** land supply.

3. Key messages and implications

- 3.1 In the last few year's the number of new dwellings completed in the District has slightly exceeded the annual target. As a consequence, the Council has delivered sufficient homes to meet government requirements and in the previous four years the authority has passed the Housing Delivery Test (HDT) which is the governments preferred measure for housing delivery. Whilst on the one hand, high completion rates are a sign of success and clearly help to address housing need, it is also the case that the more homes that are built the greater the requirement becomes in future years. This is because to maintain the five-year supply each home that is built must be replaced with another that will be built in future years to ensure a continuous supply of future homes.
- 3.2 As the Council is currently able to demonstrate a five year supply it should continue to give full weight to the adopted policies of the Local Plan when making planning decisions, unless those policies are out of date or there are other material considerations which would justify a departure from policy.

4. Legal Implications and Risks

- 4.1 The absence of a five-year land supply is a significant risk to the Council. Failure to plan for the required quantity of homes would result in identified housing needs going unmet and increases the risks that planning decisions will depart from the approved Local Plan. It also increases the risks associated with planning applications being made on unallocated sites in locations where local communities expect that the Local Plan would limit development.
- 4.2 It is therefore important that the five-year land supply statement is robust, transparent and accurately represents both previous housing delivery rates and the future trajectory. The approach recommended in this report would fulfill these requirements.

Recommendation: **That the Council publishes the 2021 Five Year Land Supply Statement.**

ⁱ North Norfolk District Council uses a local variation on the standard national methodology to establish the local housing requirement. This entails using 2016 based national household projections rather than the 2014 based figures used in the national methodology. This is because the 2014 figures are known to be inaccurate for North Norfolk.