

Selby District Council

5 Year Housing Land Supply Report 2017-2022

Position at 31st March 2017



Contents	Page
1. Introduction	2
2. Background	2
3. Types of sites in the deliverable 5 year supply	6
4. Methodology for calculating the 5 year supply	9
5. Five year housing supply calculation	15

Appendix 1: Database of sites contributing to the 5YHLS

Appendix 2: Maps of sites contributing to the 5YHLS

Appendix 3: May 2017 Viability Study

For the above please visit: <http://www.selby.gov.uk/five-year-housing-land-supply-report>

1 Introduction

1.1 The purpose of this report is to:

- set out an updated methodology used in assessing the 5-year housing land supply (5YHLS);
- provide an updated 5YHLS calculation based upon the revised SHLAA methodology which uses recent completions, forecast delivery figures, input from experts in the house building industry; and
- provide a clear position on 5YHLS which supersedes the Council's last public statement on housing land supply, which was published in August 2016 and used a base date of the 31st of March 2016.

1.2 The Council has produced a five-year housing land supply report annually since 2010, with the last statement (for 2015/16 financial year) being published in August 2016. This statement uses a base date of the 31st March 2017, the 5-year supply period within it will run to 31st March 2022.

2 Background

2.1 This section of the report briefly details the national policy context to housing land supply and the history of 5-year housing land supply as they relate to Selby District.

National Policy & Guidance

2.2 Paragraph 47 of the National Planning Policy Framework (NPPF) requires local planning authorities to:

- identify and update annually a supply of specific deliverable¹ sites sufficient to provide five years' worth of housing against their housing requirements; and
- identify a supply of specific, developable² sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15.

¹To be considered deliverable, 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 and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans.

²To be considered developable, sites should be in a suitable location for housing development and there should be a reasonable prospect that the site is available and could be viably developed at the point envisaged.

- 2.3 Paragraph 49 of the NPPF states that relevant policies for the supply of housing should not be considered up-to-date if the local planning authority cannot demonstrate a five-year supply of deliverable housing sites.
- 2.4 The National Planning Practice Guidance (PPG) states that: *“Deliverable sites for housing could include those that are allocated for housing in the development plan and sites with planning permission (outline or full that have not been implemented) unless there is clear evidence that schemes will not be implemented within five years. However, planning permission or allocation in a development plan is not a prerequisite for a site being deliverable in terms of the five-year supply. Local planning authorities will need to provide robust, up to date evidence to support the deliverability of sites, ensuring that their judgements on deliverability are clearly and transparently set out”*.
- 2.5 The national guidance is quite clear then that as part of this annual update of its housing supply position, Selby District Council should consider the deliverability of sites in the five year supply very carefully, so that the assessment can be considered robust.

5YHLS Statement – Methodology Update – December 2015

- 2.6 This report had a base date of the 30th September 2015 and detailed that the district had a 5.8 deliverable supply of housing land, the increase in supply was largely due to the large number of dwellings approved by the Council when it did not have 5-year supply. This meant that, in line with paragraph 49 of the NPPF, relevant policies that relate to the supply of housing were considered to be up-to-date.

5YHLS Statement – Methodology Update – August 2016

- 2.7 This report had a base date of the 31st of March 2016 and detailed that the district had a 5.9 deliverable supply of housing land. This meant that, in line with paragraph 49 of the NPPF, relevant policies that relate to the supply of housing were considered to be up-to-date.

Hodgsons Gate Appeal Decision – December 2016

- 2.8 The inspector’s report for the appeal at Hodgson’s Gate, Sherburn in Elmet on the 6th of December 2016 (APP/N2739/W/16/3144900), stated that the Council did not have a 5 year supply of deliverable housing land. Thereafter, paragraph 49 of NPPF applied when making decisions on applications for housing development in the district.

Strategic Housing Land Availability Assessment (SHLAA) – July 2017

- 2.9 The Council's fifth SHLAA contains a methodology for assessing the delivery of sites over time, as well as an assessment of sites contained within the 5YHLS. The assessment and methodology were produced with the help of a working group composed of landowners, professionals from the development industry and key stakeholders such as infrastructure providers and neighbouring authorities.
- 2.10 The working group helped inform the following key aspects of the SHLAA methodology, following a review of empirical evidence.
- Varied net developable area ratios – the larger the site, the lower the ratio.
 - Varied lead-in times – the less advanced the site is in the planning process, the longer the lead in time.
 - Varied build rates – the larger the site, the greater the build rate and number of builders.
 - Varied density rates – higher in urban locations and lower in rural locations.
- 2.11 The application of the SHLAA methodology for the delivery of sites in the 5YHLS can be seen in the supply spread sheet in appendix 1. For more information on the 2017 SHLAA, please see: <http://www.selby.gov.uk/strategic-housing-land-availability-assessment-shlaa>.

Determining Deliverability

- 2.12 A key priority for the five year housing land supply report is to determine the deliverability of sites in the supply. To be considered deliverable, 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 and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans.
- 2.13 In order to determine deliverability, site promoters were sent bespoke emails which asked them about their timescales for development, whether they had any viability/ delivery issues and when they expected these issues to be overcome. If a response was not received the site promoters were then contacted by phone, asking them to respond to the original email. If a response had still not been received, then a final email was sent out stating that the Council would assume that site promoters agreed with its delivery trajectory for

the site if we did not hear back from them. A summarised list of all the actions the Council took to determine deliverability is shown in table 1 below.

Table 1: Deliverability Assessment Actions

Action	Purpose	Inclusive Dates
SHLAA core working group methodology meeting	To discuss, with housing industry professionals, how to realistically project housing completions, using a range of criteria.	21/04/2017
SHLAA wider working group methodology consultation	To discuss, with housing industry professionals, how to realistically project housing completions, using a range of criteria.	24/04/2017 to 08/05/2017
SHLAA site assessment consultation	To gain information from site promoters on their sites deliverability and viability.	17/05/2017 to 26/05/2017
SHLAA site assessment reminder phone call and email	A reminder for site promoters to provide information on a sites deliverability and viability by the requested deadline.	24/05/2017
Final email sent	To inform site promoters that if they did not respond we would assume they agreed with our delivery timescales for their sites.	16/06/2017 to 23/06/2017

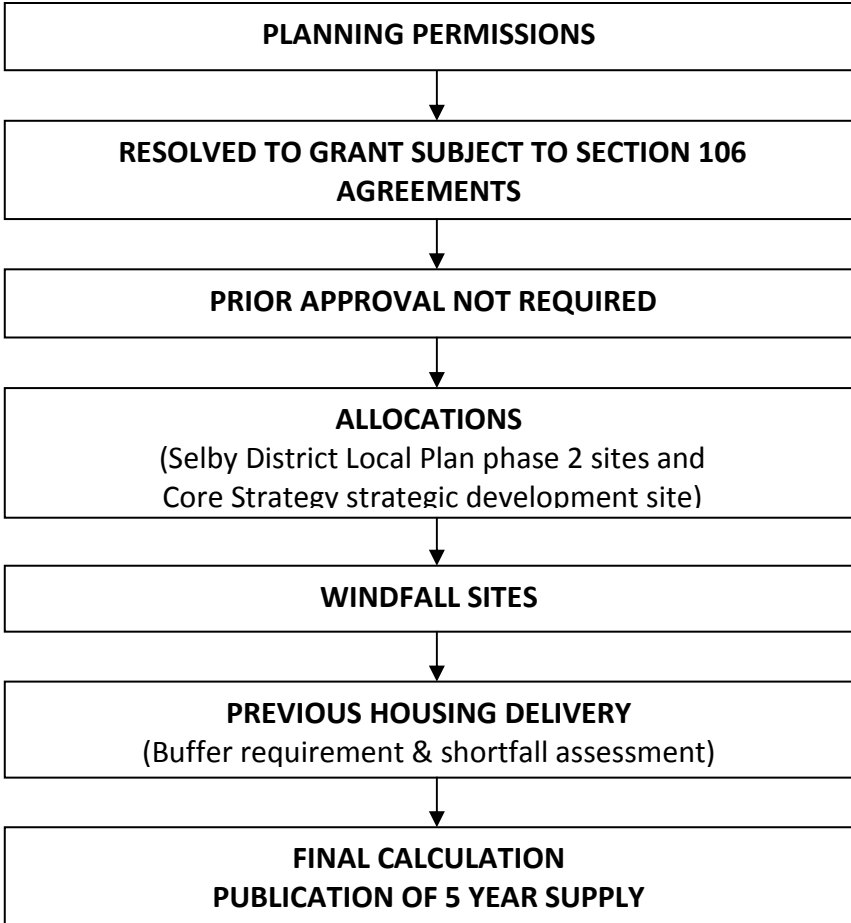
2.14 The Council has commissioned work by an independent viability expert to better determine the viability of certain sites in the 5 year supply. Sites were chosen if the Council believed that they had stalled, or if there was insufficient information on viability. This work looked at 11 sites with planning permission and found that 2 were viable with 40% affordable housing, 3 were viable with reduced, 3 were viable with no affordable housing and 3 were unviable.

2.15 Those sites assessed as unviable were classed as undeliverable within 5 years, the viability of these sites will continue to be monitored in the Councils 5 year supply updates, the viability assessment can be seen in appendix 3.

3 Types of sites in the deliverable 5 year supply

3.1 Figure 1 below identifies the process involved in undertaking the annual update and which sources of sites are used. Further explanation of each stage is outlined in detail later in this section and in section 4.

Figure 1: The 5-year housing land supply assessment process



3.2 The Council has carried out a survey of sites with planning permission within the district to ascertain the status of each site to determine what is built and what remains outstanding for future development. All of the planning permissions in the assessment are extant; any that had lapsed on their permission expiry date and had not started on site have been removed from the assessment.

3.3 This list of permissions includes outline, as well as full and reserved planning permissions, as the principle of development has been established, subject to reserved matters. In undertaking the site assessments, small sites and large sites with permission have been classified differently, this is due to the different way they have been assessed in the 2017 SHLAA, with small sites being assessed in less detail than the large sites.

- 3.4 All sites in the supply which have not yet started or have stalled have been assessed to determine their deliverability through the SHLAA. The viability of each site was discussed with the land owner or the agent and it was asked when they would expect to be on site. It was also identified (in the case of allocated sites) if there are plans to submit a planning application and what the timescale for submission would be. This information has been used to determine which of these sites are included within the 5-year housing land supply and which are pushed back into years 6-10, 11-15, or are classed as undeliverable.

Smaller sites with planning permission (less than 5 dwellings)

- 3.5 As of the 31st March 2017, there were **185** dwellings with planning permission (gross) on sites with less than 5 units. All of these dwellings are projected to be built in the next 5 financial years.

Larger sites with planning permission (5 dwellings or more)

- 3.6 As of the 31st March 2017, there were 4652 dwellings with planning permission (gross) on sites with 5 units or more. The number that is projected to be delivered in the next 5 financial years is **2890**.

Sites resolved to grant subject to section 106 agreements

- 3.7 As of the 31st March 2017, there were no applications of this type being considered by the authority.

Prior approval not required

- 3.8 The scope of prior approvals can include developments of multiple dwellings. They are not technically planning permissions and so have been included as their own type of site. As of the 31st March 2017, there were **15** dwellings on sites of this type, all of which are projected to be delivered in the next 5 financial years.

Selby District Local Plan allocations (phase 2 sites)

- 3.9 As of the 31st March 2017, phase 2 housing allocations from the Selby District Local Plan (which was adopted in 2005) had a combined capacity of 934 dwellings. The number that is projected to be delivered in the next 5 financial years is **142**.

Core Strategy Olympia Park allocation

3.10 This site is allocated as a strategic mixed use development site in the Core Strategy in policy SP7. This policy states that development within the defined area will be programmed to deliver 1000 new homes, a large part of the allocated site to the west already has permission for 863 dwellings (2012/0541/EIA). The remaining 137 dwellings will occur on site Selby-7, as the remainder of the site below the railway line is stipulated by SP7 to be developed for employment uses. This site contributes 137 dwellings to the supply, after lead in times and build rates are applied, **100** of these dwellings are projected to be delivered in the first 5 years.

Windfall Completions

3.11 Section 4 of this report shows the projected number of windfall completions in the first 5 years is **270** dwellings.

4 Methodology for calculating the 5 year supply

4.1 This section explains the different criteria and assumptions which are applied in the calculation of the 5 year supply. For each criteria, it is explained how its application is consistent with the most recent guidance, case law and empirical evidence.

Basic requirement/housing target

4.2 In accordance with paragraph 029 of the PPG, the starting point for establishing the five year land supply requirement is the housing target set out in the Council’s Core Strategy, which was adopted in 2013 and is NPPF compliant. The housing target in the Core Strategy is to deliver a minimum of 450 homes per year across the District. This figure remains a robust basis for calculating the five year land supply requirement, as found in the 2015 SHMAA. This starting point gives a basic five year requirement for 2,250 homes across the District: 450 x 5 = 2,250

Planning permissions and the non-implementation discount

4.3 A non-implementation discount is applied to all dwellings with planning permission, prior approvals not required and sites granted subject to section 106 agreements. In the projection of the supply, the discount is used to demonstrate the fact that a proportion of sites may not start in the 5-year period and that their permissions will lapse. An analysis in table 2 of a large sample of outline applications, and all full and reserved applications, given permission over the course of plan period so far, shows that non implementation rates for dwellings as a whole are under 3%.

4.4 Based on the results of the data collected, the rate of non-implementation set in this year’s report will be 3%. Due to the fact that the lapses are composed mostly of small windfall sites, it is not considered appropriate to apply this discount to allocated sites in the 5 year supply.

Table 2: Permission lapse rates

	Lapsed	Implemented	Total	% Lapsed
Outline dwellings	24	1768	1792	1.3
FUL/REM dwellings	118	4355	4473	2.6

Windfall allowance

- 4.5 Paragraph 48 of the NPPF states that: *‘Local planning authorities may make an allowance for windfall sites in the five year supply if they have compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply. Any allowance should be realistic having regard to the Strategic Housing Land Availability Assessment, historic windfall delivery rates and expected future trends, and should not include residential gardens’.*
- 4.6 During the Hodgsons Gate appeal (APP/N2739/W/16/3144900) the appellant challenged the appropriateness of the Council including windfalls in the 5 year supply. The inspector stated in his decision notice for the appeal that; *‘the Core Strategy Inspector’s Report and the Core Strategy clearly set the District’s housing requirement at 450 dwellings per annum. Both clearly indicate, however, that windfall sites will be mostly additional to this figure rather than an integral part of the supply. Indeed, the Core Strategy is clear that ‘the Council has not made any allowance for future contribution from windfalls in calculating the number of dwellings to be provided through new allocations after taking account of existing commitments’ and, thus, that ‘windfalls are likely to add to the total delivery of homes, in excess of the planned-for target’.*
- 4.7 The inspector added that: *‘there is no policy preventing the Council from including windfalls in its five-year housing supply’.* However the Inspector tempered this by also stating that: *‘it seems to me that the Council’s inclusion of a substantial number of windfall dwellings in the five-year supply, while not precluded by policy, must be treated with some caution’.* This underlines the need for the Council to be accurate, realistic and cautious in its projection of potential windfall completions in the next 5 years.
- 4.8 The Council considers all sites not allocated for housing in the Local Plan to be windfall. Windfalls are expected to continue to be a reliable source of supply, but there are a number of factors which will occur over the next 5 years of the plan period which will influence the rate of its delivery.
- The natural churn of brownfield land which occurs within urban areas will continue, where businesses and non-housing uses relocate and free up land for housing. There may be a slight trend upwards as evolving national planning policy (such as the requirement for a brownfield register) continues to re-focus upon the effective regeneration of brownfield sites.
 - The PLAN Selby allocations document is due to be adopted in 2019 and will allocate enough housing land for the district to meet its housing needs up to the year 2027. It is considered that the Allocations plan will enable the Council to permit development on its allocated sites and resist

inappropriate development on large unallocated greenfield sites. This will result in a lower number of windfall completions.

- The presumption in favour of sustainable development in the NPPF and Core Strategy (policy SP1) will continue to see applications for housing permitted in addition to sites allocated in the Local Plan, providing they are sustainable and comply with relevant policies in the Local Plan. This will continue to be a big upwards driver in the number of windfall completions.
- The expansion of permitted development rights to enable farm buildings and offices to be converted to housing without planning permission will also boost windfall supply.
- Losses of dwellings inevitably occur year on year, this is due to a variety of reasons including, demolitions, mergers and change of use. This is a downward driver in the net number of windfalls that can come forward.

4.9 There are likely to be both upward and downward windfall trends and on balance the Council is continuing to support a modest windfall allowance in the 5-year housing land supply. This is in line with policy SP4 of the Core Strategy (Management of Residential Development in Settlements).

4.10 Table 3 provides the historic data for gross completions on non-allocated sites (windfalls) in the district since 2005. This shows that there has been a high level of completions on windfall sites, but in general less as a percentage in the Core Strategy plan period. Table 4 shows where in the settlement hierarchy these completions have been taking place in the Core Strategy plan period, it can be seen that the highest numbers have occurred in Designated Service Villages and in Secondary Villages.

Table 3: Net completions on windfalls

Financial year	Net completions	Net completions on windfalls	% windfall completions
2005-06	638	580	91
2006-07	874	687	79
2007-08	583	343	59
2008-09	226	163	72
2009-10	270	163	60
2010-11	366	211	58
2011-12	281	173	62
2012-13	176	45	25
2013-14	293	75	26
2014-15	439	146	34
2015-16	503	223	45
2016-17	560	161	29
Total 2005-2017	5212	2970	57%
Average 2005-2017 (12 years)	433	248	53%
Average 2011-2017 (Plan Period)	373	137	37%
10% garden land reduction		123	

Table 4: Net windfall completions across the settlement hierarchy

Site size bracket	Selby	Sherburn	Tadcaster	DSV	SV	Countryside	Total
1 to 5	37	13	13	162	130	13	368
6 to 10	18	6	9	73	24	6	136
11 to 20	40	0	0	13	7	0	60
21 to 50	0	0	0	44	0	0	44
51 to 100	0	0	0	59	0	0	59
101 to 200	0	0	0	32	124	0	156
Total	95	19	22	383	285	19	823

4.11 In order to forecast the windfall completions over the next 5 years, the average number of windfall plots completed per annum over the plan period (137) was taken as a starting point as this reflects recent trends in the local housing market. The expected completion figure over the next 5 years was reduced from this figure to 123, to take account of the number of dwellings completed on

garden land (estimated 10%), which the NPPF states should not be accounted for.

- 4.12 The average of 123 completions was reduced further to better reflect the factors influencing the rate of delivery windfall described in paragraph 4.8 above. No trends are clear in the historical delivery of windfalls, however, it is considered that there will be an overall reduced rate of delivery on windfall sites, as large-scale unallocated sites outside of the development limits are resisted when the Allocations Document is introduced in 2019.
- 4.13 Table 4 shows that windfall completions on sites of 50+ dwellings have mostly occurred in Designated Service Villages and Secondary Villages over the course of the plan period. It is not anticipated, after the adoption of the Allocations Document, that such sites in these locations will continue to come forward over the remainder of the plan period. In total these sites have contributed 215 dwellings over the Core Strategy plan period so far, an average of 36 dwellings per year. Therefore 36 dwellings has been subtracted from the average of 123 and rounded to a projected 90 dwellings per annum.
- 4.14 The projection for the predicted average rate of 90 completions per annum can be seen in table 5 below. This method prevents any double counting of windfall plots with existing permissions, as windfall plots are only projected as if they were first given planning permission in the financial year 2017-18. Lead-in times are also factored into the projection (as per the 2017 SHLAA) so no windfalls are provided in the first 2 years of the plan period. The total cumulative completions from windfalls over the first 5 years is **270**.

Table 5: Windfall completion projection

Financial year complete					
17/18	18/19	19/20	20/21	21/22	Total
0	0	90	90	90	270

Applying the buffer

- 4.15 The NPPF (paragraph 47) requires that local planning authorities should have a 5-year housing land supply with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, Local Planning Authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land”

Table 6: Housing requirement & annual completions

Year	Plan period	Net completions	Target	Cumulative Net Provision
05-06	Selby District Local Plan Plan Period	638	620	+18
06-07		874	575*	+299
07-08		583	440	+143
08-09		226	440	-214
09-10		270	440	-170
10-11		366	440	-74
Total net provision		2957	2955	+2
11-12	Core Strategy plan period	281	450	-169
12-13		178	450	-272
13-14		289	450	-161
14-15		435	450	-15
15-16		496	450	+46
16-17		561	450	+111
Total net provision		2240	2700	-460

* Total annual dwelling requirement up to 31st December 2006 is 620 and 440 from 1 January 2007, providing a requirement of 575 dwellings between 1st April 2006 and 31st March 2007.

- 4.16 Table 6 illustrates the completions for the past twelve years within the District. The average annual completion is 433 over the last twelve years. The average number of completions over the Core Strategy plan period (from 2011 onwards) is 373. It can be seen that there was over-delivery in the years before the financial crash in 2008 and under-delivery after it, as a result of the slowdown in the housing market. More recently, there has been an upturn in the market, due to an improving economy, these trends are consistent with the picture of housing delivery at national level.
- 4.17 Please note that the completion figures over the course of the Core Strategy plan period have changed from previous reports. This is because a thorough review of the housing data has been undertaken this year, resulting in a higher accuracy and wider selection of housing data being recorded.
- 4.18 The National Planning Practice Guidance does not provide any further clarification on what the 'persistent under delivery' in the NPPF equates to. However, table 6 shows there was under-delivery in 4 out of the previous 6 financial years of the Core Strategy Plan Period, therefore the Council considers the 20% buffer is appropriate at this time.

- 4.19 However, as seen above, the Council has exceeded the minimum target of 450 dwellings for the last two financial years and if this trend continues, the Council will be able to move to a 5% buffer as it will be able to prove a good recent track record of completions.

Dealing with the shortfall

- 4.20 Table 6 shows that housing delivery has fallen short of the annual target between 1st April 2011 (the base date of the Core Strategy) and the 31st March 2017 by 460 dwellings.
- 4.21 In dealing with under supply, the National Planning Practice Guidance states that: *'Local planning authorities should aim to deal with any undersupply within the first 5 years of the plan period where possible'* (see paragraph: 035, reference ID: 3-035-20140306). The Council has dealt with undersupply by ensuring that the entirety of it is made up in the forthcoming 5 years of the *supply* period, thus aiming to comply with best practice.
- 4.22 In keeping with advice from the Planning Inspectorate and Planning Advisory Service, the buffer has been applied to both the plan requirement and the shortfall combined.

5 Five year housing supply calculation

5.1 Tables 7 and 8 show how the sites described in section 3 of the report and the methodology for calculating the supply in section 4 of the report come together to produce a 5 year housing supply figure.

Table 7: Summary of net completions contributing to the 5 year supply

Summary of sites contributing to 5 year supply		Dwellings
A	Planning permissions <ul style="list-style-type: none"> • Dwellings on sites less than 5 units: 185 • Dwellings on sites of 5 or more units: 2890 • Prior approval not required: 15 	3,090
B	Dwellings approved at committee subject to section 106 agreements	0
C	Sum of permissions with 3% discount for non-implementation (A+B x 0.97)	2,997
D	Selby District Local Plan allocated housing sites: 142 Core Strategy allocation: 100	242
E	Windfall	270
Total plots considered to contribute to 5 year supply (C+D+E)		3,509

Table 8: Five year housing land supply calculations as at 31st March 2017

A	Housing target for the plan period (2011-2027)	7,200
B	Annual housing target across plan period (A ÷ 16 years)	450
C	Five year target, no adjustment (B x 5)	2,250
D	Shortfall of housing provision from the plan period (requirement less completions)	460
E	Shortfall + target (C + D)	2,710
F	20% buffer applied (E x 1.2)	3,252
G	Annual target for next five years (F ÷ 5)	650
H	Current expected deliverable supply: (1st April 2017 to 31st March 2022)	3,509
I	Gap (F - H)	+257
J	Council's housing land supply equivalent to (H ÷ G)	5.4 years

- 5.2 As at 31st April 2017, the district has a **5.4 year deliverable supply of housing**. This now means that in line with paragraph 49 of the NPPF relevant policies that relate to the supply of housing are now considered to be up-to-date once again. Paragraph 12 of the NPPF states that: “development that accords with an up-to-date Local Plan should be approved and proposed development that conflicts should be refused unless other material considerations indicate otherwise.”
- 5.3 Appendices 1 and 2 provide a database of sites with maps, which contribute towards the 5-year housing land supply.

Appendices

Appendix 1: Database of sites contributing to the 5YHLS

Appendix 2: Maps of sites contributing to the 5YHLS

For both of the above please visit: <http://www.selby.gov.uk/five-year-housing-land-supply-report>