

# **Borough Council of King's Lynn and West Norfolk**

## **Five-year Housing Land supply**

2020-21 Monitoring Year

**April 2022**

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## 1.0 Introduction

- 1.1 The Government (Department for Levelling Up, Housing and Communities (DLUHC)), has long required local planning authorities (LPAs) to demonstrate that they are working to address the longstanding housing shortage, through promoting sustainable housing development. This process consists of two elements:
- Looking backward at recent delivery rates over recent years/ during the current Local Plan monitoring period – the Housing Delivery Test (HDT); and
  - Looking forward – managing housing land supply, for five years ahead (the 5 year housing land supply) and over the remaining duration of the current Local Plan period.
- 1.2 This paper focuses upon looking forward; explaining the 5-year housing land supply position and associated housing trajectories. This document sets out the key/ headline figures for the 5-year housing land supply, and reviews housing trajectories on the basis of the latest available information regarding deliverability.
- 1.3 The need for the timely preparation of an updated housing land supply position for 2020/21 is particularly important, given the submission of the Local Plan Review in March 2022. Preparation of an updated statement of the Borough Council’s 5-year housing land supply (also referred to as the “Annual Position Statement”) should significantly bolster the supporting evidence for the Local Plan review.
- 1.4 The 2019 (first) HDT Action Plan took a ‘deep dive’ into both housing supply and delivery within the borough. This still remains relevant today and the 2019 and 2020 Action Plans<sup>1</sup> should be consulted for the previous context, detailed exploration and analysis of housing supply, the Borough Council’s monitoring process, and details of the many proactive measures the Borough Council is undertaking to ensure more sustainable homes are built. The Housing Delivery Test 2021 results (published January 2022) demonstrates that the Council has passed, with a measurement of 96% meaning there are no consequences and therefore the Council is no longer required to prepare a HDT Action Plan.
- 1.5 This paper covers the following stages in assessing the 5-year housing land supply:
- National and local context – setting 5-year housing land supply target;
  - Defining ‘deliverable’ and ‘developable’ sites in a local context;
  - Setting housing trajectories; and
  - Calculating the 5-year housing land supply for the Borough.

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<sup>1</sup> [https://www.west-norfolk.gov.uk/info/20079/planning\\_policy\\_and\\_local\\_plan/753/housing\\_delivery\\_test\\_hdt\\_action\\_plan](https://www.west-norfolk.gov.uk/info/20079/planning_policy_and_local_plan/753/housing_delivery_test_hdt_action_plan)

- 1.6 The Government requires annual reviews of the 5-year housing land supply to be published, as soon as practically possible after monitoring data regarding the previous monitoring data (completions, extant planning permissions and site-specific allocations) becomes available. In this case, the relevant monitoring period is 1<sup>st</sup> April 2020 – 31<sup>st</sup> March 2021, inclusive.
- 1.7 Given all the activities the Borough Council (BC) is undertaking, as explored within the earlier HDT Action Plans, which contribute to planned housing delivery, it is imperative that the BC remains proactive in supporting sustainable development through maintaining a deliverable housing land supply, in accordance with National Planning Policy Framework (NPPF)<sup>2</sup> requirements. Given the long-term nature of many of the larger scale strategic projects (which may take place across the duration of more than a single 20-year Plan period, a robust trajectory underpins all aspects of effectively managing housing delivery.

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[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1005759/NPPF\\_July\\_2021.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1005759/NPPF_July_2021.pdf)

## **2.0 National Context – setting 5-year housing land supply target**

- 2.1 In order for Local Planning Authorities (LPA) to use their Local Plan effectively, the Plan must be up-to-date, the LPA should be able to demonstrate a positive 5-year housing land supply position, that can be sustained throughout the Plan period, and also pass the Housing Delivery Test (HDT).
- 2.2 The Local Plan must meet the LPA’s housing need over the plan period. The LPA must maintain an adequate supply of housing land, and work to ensure that these houses can be delivered in a timely manner. Practical guidance and direction as to how LPAs can support housing delivery and demonstrate a deliverable housing land supply is provided within the NPPF and Planning Practice Guidance (PPG)<sup>3</sup>.
- 2.3 The National Planning Policy Framework (NPPF) was progressively updated in 2018, with minor clarifications in 2019 and a further update (with a greater emphasis upon climate change) published in 2021. The 2018 NPPF and subsequent updates, together with the PPG, have provided progressively more detailed direction and guidance as to how LPAs can demonstrate a deliverable 5-year housing land supply.
- 2.4 The first (2012) NPPF primarily focused upon the role of LPAs in maintaining a housing land supply, through allocating and approving a sufficient supply of deliverable sites. The 2018 NPPF introduced the HDT (continued in the subsequent 2019 and 2021 updates), requiring that LPAs are also now tested against housing delivery. This is something that is predominantly beyond the control of LPAs, although it is nevertheless necessary to demonstrate what an LPA is doing to facilitate and support delivery.
- 2.5 The results for the HDT are used to determine the ‘buffer’ to apply in housing land supply position statements and whether the presumption in favour of sustainable development should apply.
- 2.6 Under the HDT, the NPPF sets out that:
- Where housing delivery over the previous three years has been less than 95% of the housing requirement, LPAs should prepare an Action Plan setting out the causes of under delivery and the intended actions to increase delivery
  - Where delivery has been less than 85% of the housing requirement, a 20% buffer should be applied to the supply of deliverable sites for the purposes of housing delivery assessment
  - Where delivery has been less than 75% of the housing requirement, the NPPF’s presumption in favour of sustainable development will apply.

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<sup>3</sup> <https://www.gov.uk/guidance/housing-supply-and-delivery>

- 2.7 The methodology for calculating the Housing Delivery Test is set out in the Housing Delivery Test Measurement Rule Book<sup>4</sup>
- 2.8 To reflect the disturbances to planning services during the national lockdown the Government reduced the ‘homes required’ within the 2019-20 year by a month and within the 2020-2021 year by four months.
- 2.9 The Housing Delivery Test (HDT) results for 2021 were published on Friday 14th January 2022 by the Department for Levelling Up, Housing and Communities (DLUHC). The table below sets out the results of the Housing Delivery Test and confirms that the Borough of Kings Lynn and West Norfolk achieved 96%.

No. of Homes Required			Total	No. Homes Delivered			Total	Result
2018/19	2019/20	2020/21		2018/19	2019/20	2020/21		
556	508	358	1422	432	591	340	1363	<b>96%</b>

- 2.10 The Housing Delivery Test 2021 results require the Council to add a 5% buffer to the housing requirement “to ensure choice and competition in the market for land”, as prescribed by paragraph 74 a) of the NPPF.
- 2.11 This is a step change; in that previously LPAs were benchmarked predominantly against housing supply; i.e. ensuring enough development plan allocations were made and planning permissions granted. However, the NPPF still places significant importance for LPAs upon maintaining a 5-year housing land supply. The relevant 2021 NPPF extracts are set out below.

### Maintaining supply and delivery

74. Strategic policies should include a trajectory illustrating the expected rate of housing delivery over the plan period, and all plans should consider whether it is appropriate to set out the anticipated rate of development for specific sites. 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<sup>5</sup>. The supply of specific deliverable sites should in addition include a buffer (moved forward from later in the plan period) of:

<sup>4</sup> <https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book>

<sup>5</sup> [NPPF footnote 39] “Unless these strategic policies have been reviewed and found not to require updating. Where local housing need is used as the basis for assessing whether a five year supply of specific deliverable sites exists, it should be calculated using the standard method set out in national planning guidance.”

- a) 5% to ensure choice and competition in the market for land; or
- b) 10% where the local planning authority wishes to demonstrate a five year supply of deliverable sites through an annual position statement or recently adopted plan<sup>6</sup>, to account for any fluctuations in the market during that year; or
- c) 20% where there has been significant under delivery of housing over the previous three years, to improve the prospect of achieving the planned supply<sup>7</sup>.

75. A five year supply of deliverable housing sites, with the appropriate buffer, can be demonstrated where it has been established in a recently adopted plan, or in a subsequent annual position statement which:

- a) has been produced through engagement with developers and others who have an impact on delivery, and been considered by the Secretary of State; and
- b) incorporates the recommendation of the Secretary of State, where the position on specific sites could not be agreed during the engagement process.

## Annex 2: Glossary

**Annual position statement:** A document setting out the 5 year housing land supply position on 1st April each year, prepared by the local planning authority in consultation with developers and others who have an impact on delivery...

**Deliverable:** To be considered deliverable, sites for housing 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. In particular:

- a) sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (for example because they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans).
- b) where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in

<sup>6</sup> [NPPF footnote 40] "For the purposes of paragraphs 74b and 75 a plan adopted between 1 May and 31 October will be considered 'recently adopted' until 31 October of the following year; and a plan adopted between 1 November and 30 April will be considered recently adopted until 31 October in the same year."

<sup>7</sup> [NPPF footnote 41] "This will be measured against the Housing Delivery Test, where this indicates that delivery was below 85% of the housing requirement."

principle, or is identified on a brownfield register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years.

**Developable:** To be considered developable, sites should be in a suitable location for housing development with a reasonable prospect that they will be available and could be viably developed at the point envisaged.

- 2.12 It is important that LPAs work to ensure a deliverable housing land supply is maintained, in accordance with current Government policy and guidance, as set out in the NPPF and PPG.



### 3.0 Local Context– setting 5-year housing land supply target

3.1 The Borough Council’s (BC) adopted Local Plan currently comprises two development plan documents:

- Core Strategy (CS), adopted in 2011<sup>8</sup>; and
- Site Allocations and Development Management Policies Plan (SADMP)<sup>9</sup>, adopted 2016.

#### ***Adopted Local Plan – CS and SADMP***

3.2 The CS provides strategic level guidance as to growth and significant issues across the Borough in the period to 2026. The CS forms one part of Local Plan. It is the main document setting out the long-term strategy, including the vision and objectives for the Borough, and the broad policies that will steer and shape new development. Critically, it sets housing requirements for the duration of the Plan period (up to 25 years ahead).

3.3 The SADMP gives effect to this and compliments the CS. This is done so through the provision of allocations for land uses including housing and economic land to meet aspirations of the CSS (five dwellings and above). The SADMP also provides a series of detailed development management policies which will assist in determining planning applications. The plan period covered by the Local Plan is from 2001 through to 2026.

3.4 The CS and SADMP requirements originated from the former East of England Plan minimum dwelling provision for the Borough (2001-2021). The basis for these requirements (Table 2, below) is explained at CS, paragraph 7.2.11.

<b>Table 2: Adopted Local Plan (Core Strategy) housing requirement</b>	
East of England Plan minimum dwelling provision 2001-2021	12,000
Plus a further 5 years supply @ 600 dpa covering the 2021-26 period, to ensure a 15 year supply from date of adoption (2011)	3,000
<b>TOTAL BASELINE REQUIREMENT</b>	<b>15,000</b>
10% additional contingency additional, allowing for flexibility and non-completion	1,500
<b>TOTAL LOCAL PLAN (CORE STRATEGY) REQUIREMENT (2001-2026)</b>	<b>16,500</b>
<b>ANNUAL HOUSING REQUIREMENT (2001-2026)</b>	<b>660</b>

3.5 These requirements, which pre-date the first (2012) NPPF, were replaced by a requirement for housing figures to be calculated on the basis of objectively assessed

<sup>8</sup> [https://www.west-norfolk.gov.uk/info/20219/core\\_strategy/112/core\\_strategy\\_explained](https://www.west-norfolk.gov.uk/info/20219/core_strategy/112/core_strategy_explained)

<sup>9</sup> [https://www.west-norfolk.gov.uk/info/20220/site\\_allocations\\_and\\_development\\_management\\_policies\\_plan/514/adopted\\_plan](https://www.west-norfolk.gov.uk/info/20220/site_allocations_and_development_management_policies_plan/514/adopted_plan)

need (OAN) for housing. Subsequent NPPF updates (2018, 2019 and 2021) have referred to this as requirement as local housing need (LHN).

- 3.6 Notwithstanding, the SADMP was prepared using the housing requirements set by the adopted (2011) CS. The SADMP allocated sites throughout the Borough, to fulfil the overall CS housing requirements and distribution of new housing (CS, paragraph 7.2.12/ Figure 1).

***Replacement Local Plan (Submission March 2022)***

- 3.7 As stated within the NPPF, Planning law requires that applications for planning permission be determined in accordance with the development plan, unless material considerations indicate otherwise. As part of the SADMP examination the BC agreed to commence an early review of its Local Plan (CS & SADMP) and create one single plan document which covers the longer term (to 2036). This is set out in the SADMP, Policy DM2A.

- 3.8 Indeed, this policy was adhered to and shortly after adoption of the SADMP (2017) the BC commenced the review. The Local Plan review will cover the plan period from 2016 through to 2036. A call for sites and policy suggestions consultation was held towards the end of 2016. In early 2019 a consultation on the draft version of the Local Plan review was carried out for period of 8 weeks. This has since been followed by publication of the Pre-Submission Draft Local Plan for 8 weeks consultation under Regulation 19<sup>10</sup> (August/ September 2021). Following the Regulation 19 consultation, the Local Plan Review was submitted to the Secretary of State in March 2022. A timetable for production of the Local Plan review is contained within the BC's Local Development Scheme (LDS) which available via the link below. Please note that there were delays in the Local Plan review programme, and therefore the latest LDS does not wholly correspond with the series of events.

- [https://www.west-norfolk.gov.uk/info/20214/emerging\\_local\\_plan\\_review/500/local\\_development\\_scheme](https://www.west-norfolk.gov.uk/info/20214/emerging_local_plan_review/500/local_development_scheme)

- 3.9 It is important to note that time alone is not the factor for which a plan is considered up-to-date or not. Development plan policies are not "time limited". Instead, the weighting that can be attributed to individual policies is dependent upon how consistent the plan's policies are with the latest / current NPPF; e.g. the "five year" rule for Local Plans, which means that the Government's own Local Housing Needs (LHN) figures will supersede the Local Plan requirement once five years have passed since the adoption date (in the case of BCKLWN, the 2011 Core Strategy).

- 3.10 The Council is therefore required to assess the five year housing land supply for the period 2021-26 against the latest assessment of LHN. The latest LHN figure is **549**

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<sup>10</sup> <https://www.legislation.gov.uk/uksi/2012/767/regulation/19>

**dwellings per annum<sup>11</sup>**. For the calculations behind the latest LHN figure, please see appendix 1 of this report.

- 3.11 Table 3 (below) explains the implications on the housing requirement of applying a LHN of 549 dpa over the 2021-26 monitoring period plus a 5% buffer. The Housing Delivery Test 2021 results (published January 2022) demonstrates that the Council has passed, with a measurement of 96% meaning there are no consequences. The Council is now only required to add a 5% buffer to the housing requirement to ensure choice and competition in the market for land, as prescribed by paragraph 74 a) of the NPPF. Applying a 5% buffer to a LHN of 549 dwellings per annum leads to a housing requirement of **576 dwellings per annum** for the 2021-26 monitoring period. This leads to a total housing requirement over the five - year period of **2882 dwellings**.

<b>Table 3: housing requirement using a LHN of 549 dpa 2021-26</b>	
Local Housing Need (LHN)	549 dpa
LHN x 5	2745
LHN + 5% (NPPF para 74(a))	576 dpa
<b>LHN +5% x 5 (Total housing requirement over 5 year period 2021-26)</b>	<b>2882</b>

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<sup>11</sup> Figure for the latest adjusted LHN, calculated using the standard methodology

## 4.0 Five Year Housing Land Supply

- 4.1 LPAs should ensure that they maintain a supply of specific deliverable sites sufficient to provide five years' worth of housing against their housing requirement. Therefore, LPAs need to maintain an identifiable five-year housing land supply at all points during the plan period.
- 4.2 The NPPF makes it clear that the LHN for the purpose of plan-making and 5-year housing land supply calculations if the Local Plan was adopted over 5 years ago, should be calculated using the standard methodology. This was introduced by the revised framework and is set out within the PPG Housing need assessment chapter. This is further reaffirmed by the PPG in the Housing and economic land availability assessment chapter<sup>12</sup>.
- 4.3 Section 3 of this Five Year Housing Land Supply Statement explains the LHN figure that has been applied to assess the Five Year Housing Land Supply position for 2021-26.
- 4.4 The table, overleaf, is an appreciation of the various sources of housing supply taken from the 2020/21 housing trajectory. Note that a 10% lapse rate has been applied to planning permissions, this recognises that some permissions may either lapse or not complete within the five-year period, as currently envisaged. Such a rate has not been applied to the Local Plan allocations adopted in September 2016 as part of the Site Allocations and Development Management Policies Plan (SADMP). This is because all the allocations are expressed as 'at least x' number of dwellings (i.e. minima). The consequence of this has seen SADMP allocations come forward with planning proposals, and gain permission, for much higher numbers than the minimum stated by the relevant policy.
- 4.5 An allowance for future windfall is made within the calculation. This is based upon windfall completions since the start of the plan period, 2001/2002. For the purpose of this 5-year land supply calculation a 25% reduction has been applied to recognise that land is a finite resource, although this will (in part) offset the 10% lapse rate which is also factored in. As well as this the windfall allowance has only be factored into the final two years of the five-year calculation, allowing for a three period for such developments to come forward. This approach is in accordance with the NPPF.
- 4.6 It should also be noted that the latest definition of what constitutes a deliverable site has been used in accordance with the NPPF & PPG:

### **NPPF, Annex 2**

**Deliverable:** To be considered deliverable, sites for housing 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

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<sup>12</sup> <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

within five years. In particular:

- a) sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (for example because they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans).
- b) where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years.

<b>Table 4 Housing Supply</b>	
Extant consents on unallocated sites (10+)	864
Extant unallocated sites (5-9) units	372
Extant consents for small sites (1-4 units)	784
<b>Sub Total</b>	<b>2020</b>
<b>10% Lapse Rate</b>	<b>202</b>
<b>Windfall sub total minus 10% Lapse Rate</b>	<b>1818</b>
SADMP 2016 Allocations	1169
ACP Additional Sites	0
Pre-Submission Draft Local Plan review sites	0
Windfall Allowance - large sites 10+ (124 p.a. years 4 & 5 only)	248
Windfall Allowance - small sites (180 p.a. years 4 and 5 only)	360
<b>Total Identified Supply</b>	<b>3595</b>

4.7 The table above concludes that the identified supply is 3595 dwellings for the 5-year period, from 2020/21 to 2025/2026.

4.8 Table 5 below provides the five year housing land supply calculation using a LHN of 549 dpa.

<b>Table 5 Five Year Housing Land Supply using LHN of 549 dpa</b>	
LHN	549
LHN (549) x 5 (years) + 5% buffer	2,882
Identified Supply (3595) / LHN x 5 + 5% Buffer	1.25
<b>Five Year Housing Land Supply (1.25 x 5)</b>	<b>6.24</b>

4.9 As demonstrated in Table 6 above, the Council can demonstrate a housing land supply of **6.24 years** against a LHN of 549 dpa + 5% buffer.

4.10 Overall, following the standard method for calculating Local Housing Need (LHN) the Council is able to demonstrate a 5-year housing land supply position significantly

higher than 5 years' worth between 2021/22 and 2025/26. The full 2020/21 housing trajectory relating to this Five Year Housing Land Supply Statement is available to view on the Council's website.

## Appendix 1 - Local Housing Need Calculations

1. The NPPF makes it clear that the Local Housing Need (LHN) for the purpose of plan-making and 5-year housing land supply calculations if the Local Plan was adopted over 5 years ago, should be calculated using the standard methodology. This was first introduced by the 2018 NPPF, retained in subsequent updates and is set out within the PPG Housing need assessment chapter. This is further reaffirmed by the PPG in the Housing and economic land availability assessment chapter.
2. The calculation resulting in a LHN figure of 549dpa is set out below.

<b>Local Housing Need (LHN)</b>		
<b>Step 1: Setting the baseline</b>		
2014 – Based Household Projections in England. Table 406:		
<b>2020</b>	<b>2030</b>	<b>Growth</b>
66,831	71,279	4,448
4,448 / 10 = <b>444.8</b>		
<b>Step 2: An adjustment to take account of affordability</b>		
Ratio of house price to workplace-based earnings (lower quartile and median), 1997 to 2020 (2020 Median Work Based Affordability Ratio, Table 5c):		
2020 = 7.76		
<b>Adjustment factor:</b>		
= ((local affordability ratio – 4) / 4) x 0.25 = ((7.76 – 4) / 4) x 0.25 = 0.235		
<b>Minimum annual local housing need figure:</b>		
= (1 + adjustment factor) x Projected household growth = (1 + 0.235) x 444.8 = (549.328) ~549		
<b>Step 3: Capping the level of any increase</b>		
The local authority adopted a strategic Local Plan (Part 1/ Core Strategy) more than 5 years ago. The housing requirement has been reviewed for the replacement Local Plan review. Although the Local Plan review (2016-2036) has now been submitted to the Secretary of State, this is still an emerging Plan that is yet to be examined. Therefore, in this context the last plan adopted which assessed and set housing numbers was the Core Strategy adopted in 2011.		
<ul style="list-style-type: none"> <li>• The average annual housing requirement figure in the existing relevant policies is 660 a year</li> <li>• Average annual household growth over 10 years is 444.8 (as per step 1)</li> <li>• The minimum annual local housing need figure is 549 (as per step 2)</li> </ul>		

- The cap is set at 40% above the higher of the most recent average annual housing requirement figure or household growth
- Cap =  $660 + (40\% \times 660) = 660 + 264 = 924$

The capped figure is greater than minimum annual housing need figure and therefore the minimum figure for this local authority is 549

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**Local Housing Need (LHN) = 549**

3. Following the standard method, as above, the current LHN figure for the Borough of King's Lynn and West Norfolk is 549 dwellings per year. Note this uses data, as advocated by the standard methodology<sup>13</sup>.

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<sup>13</sup> The latest currently comprises the 2014 – Based Household Projections in England (2016) and the 2020 Ratio of house price to workplace-based earnings (lower quartile and median), 1997 to 2020, both published by the Office for National Statistics (ONS).