

North Somerset Council Response

Question 1

Permissions. See housing calculation table at paragraph 16 of CC/07 and at CC-CS/2. In April 2016 the council's supply figure is 8,327. In the CC/26 calculation a 9% discount has been applied to the figure for small sites with planning permission. Is that sufficient and should a similar figure be applied to the larger sites total? Is there a sound evidence base for this?

The 9% lapse rate applied to small sites is taken from previous research undertaken in August 2011, which informed the Strategic Housing Land Availability Assessment 2011. This research drew the following conclusions:

Large sites - (10+ units)	Average lapse rate between 2006-2011 was 0.73% of the total dwelling stock per annum. Over the five year period assessed, a total of seven applications expired (119 units). Highest figure in one year was 2.1% of dwelling stock. Conclusion that once planning permission secured there is almost definite intent to deliver.
Small sites - (0-9 units)	Average lapse rate between 2008-2011 was 9.43% per annum. Over the three year period assessed, individual years were 8.27%, 9.13%, 10.88%. Lapse rate higher than on large sites, as often consent sought for various uses when selling property.

As the large site lapse rate was so low, it has been standard practice since the research was undertaken to assess deliverability of each site individually, rather than apply a flat rate across the board.

The average of 9% discount for non-implementation per annum on small sites has been consistently applied ever since the research was undertaken. It is assumed that small sites that are under construction will come forward in their entirety and they are excluded from the discount calculation, then 9% of the capacity of all other small sites not started (with full or outline consent) is deducted.

An update of the 2011 research has been undertaken, to check the validity of the rates applied. This is set out in full overleaf.

To summarise:

- For large sites there has been an average lapse rate of 0.68% over the past 9 years, almost identical to the previous 0.73% rate, supporting the application of site by site analysis, rather than applying a standard rate.
- For small sites the 2011 research showed an average rate of 9.43% per annum over the preceding 3 years. Bringing the analysis up to date shows a slightly lower average of 7.92% over the past 7 years.

As at April 2016 there are now 505 units with consent on small sites, of which 148 are under construction, leaving 357 not yet started (as set out in CC/26). Applying the previously used 9% discount would remove 32 units from the supply.

Whilst it is acknowledged that an 'industry standard' rate to apply is usually 10%, in this case the council have clear evidence to support the marginally lower rate applied.

Lapse rate analysis

Large sites

	Capacity	+	Completions	+	Lapsed	=	Stock	Lapse rate	Average
Apr-2007	4572	+	883	+	0	=	5455	0.00%	0.67%
Apr-2008	4691	+	1182	+	0	=	5873	0.00%	
Apr-2009	2508	+	732	+	40	=	3280	1.22%	
Apr-2010	2493	+	605	+	66	=	3164	2.09%	
Apr-2011	3294	+	525	+	13	=	3832	0.34%	
Apr-2012	3185	+	393	+	0	=	3578	0.00%	
Apr-2013	2990	+	412	+	0	=	3402	0.00%	
Apr-2014	2570	+	760	+	66	=	3396	1.94%	
Apr-2015	2180	+	521	+	13	=	2714	0.48%	

Small sites

	Capacity	+	Completions	+	Lapsed	=	Stock	Lapse rate	Average
Apr-2009	583	+	203	+	96	=	882	10.88%	7.92%
Apr-2010	479	+	168	+	65	=	712	9.13%	
Apr-2011	463	+	114	+	52	=	629	8.27%	
Apr-2012	571	+	122	+	21	=	714	2.94%	
Apr-2013	412	+	115	+	37	=	564	6.56%	
Apr-2014	367	+	137	+	74	=	578	12.80%	
Apr-2015	373	+	153	+	27	=	553	4.88%	