

Five Year Housing Land Supply Initial Findings Statement April 2021

Introduction

The National Planning Policy Framework (NPPF) requires local authorities to identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against their adopted housing requirement, or against their local housing need figure where their housing requirement is more than five years old. In addition, the supply of deliverable sites should include a buffer (moved forward from later in the plan period) of between 5 and 20% dependant on previous performance.

The information set out here has a base date of April 2021 and covers the period April 2021 – March 2026.

The current adopted housing requirement is 20,985 dwellings for the plan period 2006-2026 as set out in Policy CS13 of the Core Strategy. This housing requirement was adopted in September 2015, which is now in excess of five years ago. As such, the NPPF directs that the five year land supply position should be assessed against a local housing need figure, calculated using the standard method set out in national planning guidance.

This initial findings statement and the associated trajectory are an interim position, pending engagement with the landowners and developers of each site to confirm the assumptions made. A final five year land supply position statement will then be published.

April 2021 land supply requirement

The Government's standard methodology for calculating local housing need is set out in the planning practice guidance. There are four steps to follow to undertake the calculation. This section of the paper sets out these four steps and produces the output for North Somerset.

Step 1 – Setting the baseline

The baseline for the calculation is prescribed in the guidance as the 2014-based household projections in England, for the area of the local authority. Household projections are trend-based and indicate the number of additional households that would form within an area if recent demographic trends were to continue. They are based upon population projections and driven by assumptions on fertility and mortality rates, net migration and household formation patterns.

The Government have reiterated that the 2014 dataset must be used, rather than more recent versions, to provide stability and certainty. You must calculate the projected average annual household growth over a 10 year period (this should be 10 consecutive years, with the current year being used as the starting point from which to calculate growth over that period).

For North Somerset, the 2014 based household projections are as follows:

98,354 households in 2021

108,329 households in 2031

This is a total of 9,975 new households over the 10 year period, equivalent to an average household growth of 998 per year.

Step 2 – An adjustment to take account of affordability

You must then adjust the average annual projected household growth figure (as calculated in step 1) based on the affordability of the area, as the Government guidance is clear that they do not consider household growth forecasts alone as a sufficient indicator of need. They set out two clear reasons for this:

- household formation is constrained to the supply of available properties – new households cannot form if there is nowhere for them to live; and
- people may want to live in an area in which they do not reside currently, for example to be near to work, but be unable to find appropriate accommodation that they can afford.

The most recent median workplace-based affordability ratios, published by the Office for National Statistics at a local authority level, should be used.

No adjustment is applied where the ratio is 4 or below. For each 1% the ratio is above 4, the average household growth baseline should be increased by a quarter of a percent. An authority with a ratio of 8 will have a 25% increase on its annual average household growth baseline.

Where an adjustment is to be made, the precise formula is as follows:

$$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

For North Somerset the most recent median ratio of house prices to annual earnings is 9.47. This is based on the 2020 figures for average house price within the district (£266,000) and the average earnings from jobs within the district (£28,080).

Using these figures and the prescribed calculation the current adjustment figure for North Somerset is 1.34.

Step 3 – Capping the level of any increase

A cap is then applied which limits the increases an individual local authority can face. Where a housing requirement has adopted within the last 5 years (at the point of making the calculation), the local housing need figure is capped at 40% above the average annual housing requirement figure set out in the existing policies.

This cap does not apply in the case of North Somerset, as the figure arrived at using the standard method does not exceed the limit of 40% greater than the previously adopted target.

Step 4 – Cities and urban centres uplift

A 35% uplift is applied for those urban local authorities in the top 20 cities and urban centres list. This increase in the number of homes to be delivered in urban areas is expected to be met by the cities and urban centres themselves, rather than the surrounding areas, unless it would conflict with national policy and legal obligations. They are advised by the guidance that they should prioritise the use of brownfield sites and maximise densities.

This does not apply to North Somerset.

Output of calculation

The standard method output for North Somerset is therefore currently 1,339 homes per year.

Five year supply requirement for the period April 2021 – March 2026

Using the local housing need figure calculated above and applying the requisite 20% buffer, the five year housing land supply requirement for North Somerset stands at 8,034 dwellings, equivalent to 1,607 units per year.

Supply of deliverable sites

The Council can currently demonstrate a deliverable supply of 7,762 units for the period April 2021 – March 2026, which equates to 4.8 years supply against the current requirement, calculated using the current local housing need figure and applying a 20% buffer.

Category	Number of dwellings expected within 5 years
Small sites with consent (up to 9 units net gain)	541
Large sites with consent (10+ units net gain)	5,875
Allocations	994
Small site windfall allowance	352
TOTAL SUPPLY EXPECTED	7,762
YEARS SUPPLY	4.8

A trajectory listing each of the large sites and allocations and their anticipated rate of delivery has been published alongside this paper.



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