

Borough Council of
**King's Lynn &
West Norfolk**



**Borough Council of King's Lynn and West
Norfolk 2016/17 Housing Trajectory
Commentary**

June 2017

1. The 2016/17 Housing Trajectory Schedule

- 1.1 The 2016/17 trajectory is provided to show progress against the Core Strategy housing target.
- 1.2 The trajectory graph plots the Borough-wide housing trajectory for the Core Strategy period 2001 to 2026. This is based on the annual completions to date (shown in green) and those dwellings identified completion over the remainder of the plan period (shown in blue). In this graph, the annualised residual requirement (indicated via a yellow line) shows the annual average completion rate which should be sustained to the end of the plan period in order to meet the strategic requirement of housing completions set by the Core Strategy of 16,500 dwellings by 2026.
- 1.3 It can be seen that to date this has remained very close to the original annual target, falling below it in the mid-2000s, when delivery exceeded that planned, and rising above it in the last couple of years reflecting reduced delivery following the 2008 economic crash and subsequent recovery period. It also shows that it is expected to fall rapidly in the near future, anticipating the impact of the adoption (29th of September 2016) of the Site Allocations and Development Management Policies Plan (SADMP) and a recovering economic situation, reaching a residual target of zero by 2023/24 when it is anticipated that whole of the Core Strategy target could be been achieved.
- 1.4 The trajectory illustrates that the majority of existing outstanding permissions will be developed within the next five years (see the housing trajectory schedule for detail). It anticipates that completions will increase to once again exceed target levels in 2018/19, as a result of further recovery of the economy and availability of substantial new allocations upon adoption of the Site Allocations and Development Management Policies Plan. A number of residential housing allocations have already been granted planning permission, and indeed some have contributed towards completion figures already. It should also be noted that the allocations are all expressed as a minimum figure and that we have already seen a large number of sites come forward in excess of the at least number quoted within the relevant policy.

- 1.5 Overall the Trajectory shows that there is sufficient capacity to meet the Core Strategy housing requirement within the plan period.

2. How The Housing Trajectory Has Been Prepared

- 2.1 The 2016/17 Housing Trajectory has been prepared in line with the NPPF (National Planning Policy Framework) and the PPG (Planning Practice Guidance). Of particular relevance is footnote 11 of the NPPF:

'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.'

- The site owner, developer, or agent for all of the sites listed within the Trajectory considered to be capable, based upon their planning permission or allocation, of delivering 5 or more units, have been contacted to ascertain the deliverability i.e. is it available now, what are the ownership arrangements, does the owner intend to sell the site or develop it themselves, when is it planned to be developed, what is the likely delivery rate, and are there any constraints or impediments to planning/delivery. This detailed information has been used to predict the delivery of sites over a 15 year period, importantly discounting sites from the first 5 year period and providing a robust, proportionate, up-to-date and evidenced approach.
- A model has also been developed and utilised, this is based upon the Borough Council's monitoring since 2008. This provides the average start time of development from the grant of permission; the start to completion time and overall grant to completion time. This is based upon the type of permission and size in terms of number of dwellings. This provides an average typology model that has been used to check the delivery rate of a similar development when compared to the information provided by the agent/developer/site owner.

- The modelled approach and primary information from developers/agents/landowners enables a judgement to be made as to whether the site is achievable for development. This will inform whether there is a reasonable prospect that the site will be developed at a particular point in time. It is essentially a judgement about the economic viability of the site and the capacity of the developer to complete or sell the development over a certain period.
- This trajectory does not include lapsed permissions.
- It is based upon the type/size of developments that are actually coming forward, including the Local Plan Allocations. Here we are seeing a significant increase in the number of dwellings coming forward.
- It also takes into account information from pre-applications.
- It is important to note that the Borough Council monitors all sites with planning permission. Previously site visits were carried out annually by officers within the planning department. However, this process has been significantly improved by utilising the data collected by monitoring officers from the Borough Council's council tax department. They have a dedicated team of inspection officers who carry out site visits on a daily basis. This takes account of building control returns where possible and ensures that an accurate picture of not only dwellings that have been completed but also those currently under construction (and at what stage) at a given time. This information can also be cross checked with that has been supplied from the site owner/agent/developer. This ensures that the housing trajectory is both accurate and robust.

3. Five Year Housing Land Supply Position

3.1 The Borough Council is able to demonstrate, through the 2016/17 Housing Trajectory, in excess of a five years supply of deliverable housing sites. The supply currently is at 5.9 years' worth.

3.2 The Borough Council has used the calculation formula that the Inspector employed in his decision letter, in relation to a recent appeal at Heacham. This concluded that at that time the Borough Council was able to demonstrate a 5 year housing land supply of 5.81 years. This was calculated using the FOAN figure of 710 p.a., applying a buffer of 20% for persistent under delivery and a windfall allowance within years 4 and 5, and a lapse rate of 10% to identified housing supply sources, except for the '2015 SADMP emerging allocations' where no lapse rate was applied. The decision is available via the link below:

https://www.west-norfolk.gov.uk/info/20185/planning_policy_research/353/five_year_supply_of_housing

3.3 The appellants sought permission from the High Court to challenge the Inspector's decision. This challenge was dismissed by the High Court.

3.4 Since the Heacham decision was reached. Some significant new information has emerged:

- The Site Allocations and Development Management Policies Plan was adopted (September 2016) in which all allocations are expressed as minimum dwellings numbers;
- DCLG and ONS and other such bodies have released later suites of statistics in relation to population and jobs which require a new FOAN to be calculated. A new housing trajectory has clearly been prepared based upon the 2016/17 financial year; and;
- Following the Inspectors advice further work on the lapse rate of planning permissions within the borough has been carried out. This study concludes that a lapse rate of 8.5% could be used, however; the Borough Council considers

that in line with the Inspector decision and other similar decisions that a 10% lapse rate is appropriate to be applied to housing sources (except for the Allocations and Windfall Allowance).

- 3.5 A comprehensive assessment of the Borough's Full, Objectively Assessed Needs for housing (market and affordable) (FOAN) has been prepared to inform the Local Plan review (2016 -2036) process and five year housing land supply calculations. This study concludes that the Full Objectively Assessed Housing Needs (FOAN) of King's Lynn and West Norfolk Borough is 13,400 homes over the period 2016-2036, an average of 670 homes a year.
- 3.6 This study, '*Assessing King's Lynn and West Norfolk's Housing Requirement*' (Neil McDonald, October 2016), has been fully endorsed by the Borough Council's Cabinet. It has been published and is available to view via the Borough Council's website, link below:
- https://www.west-norfolk.gov.uk/info/20185/planning_policy_research/578/housing_need_update
- 3.7 There are two conventional calculation methods that Local Planning Authorities can use in a five year housing land supply calculation. The Liverpool and Sedgefield methods. The Liverpool method looks to address any potential backlog over the plan period, whilst the Sedgefield method addresses this within the five year period. Since the introduction of the NPPF, there seems to be favour with inspectors that the Sedgefield method be used commonly and that the Liverpool method is used only in specific circumstances. Consequently, and given the Borough Council's aim in line with the NPPF the Sedgefield method is employed. This requires the making up of backlog between the FOAN and the actual completions since the base date of the FOAN, which is ONS (Office of National Statistics) figures published in 2016 which related to 2014 data, this is measured against actual completions over the same time period.
- 3.8 The NPPF requires an additional buffer of 5% to ensure choice and competition in the market. Where there has been a record of persistent under delivery, the buffer should be increased to 20% to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market. In relation to whether a 5% or 20% buffer should be applied, the Borough Council recognises, albeit due to factors beyond the Borough Council's direct control but never the

less, a 20% buffer is appropriate. It should also be noted that this buffer is applied to the backlog for completeness.

- 3.9 Within the Trajectory, allowances are made for windfall from large (10+ dwellings) and small (1-9 dwellings) sites. This is based on evidence that such sites have consistently become available and will continue to provide a reliable source of supply. The allowances are realistic, taking account of historic windfall delivery rates and avoiding the inclusion of residential gardens. To avoid double-counting of windfalls the Borough Council suggests that it would be reasonable for the windfall allowance only to be applied from year 4 onwards. This means that in the 5 year period, the windfall allowance is not considered within years 1, 2 or 3, but is for years 4 and 5. The rate is also discounted by 25% recognising that land is a finite resource. However, it is also important to understand that with the exception of King's Lynn Town all of the Local Plan allocations are made outside of the current development boundaries, therefore still enabling land within the development boundaries to come forward for development. This would be classed as windfall.

3.10 Below is a schedule of the housing supply sources taken from the 2016/17 housing trajectory, with the lapse rate factored in at the appropriate point:

Housing Supply Source	Dwellings
Extant consents on unallocated sites (10+)	1,326
Extant unallocated sites (5-9) units	344
Extant consents for small sites (1-4 units)	907
Permissions granted subject to S106	50
Sub Total	2,627
10% Lapse Rate	2364
SAMP 2016 Allocations	3045
Windfall - large sites 10+ (139 p.a. years 4 & 5 only)	262
Windfall - small sites (99 p.a. years 4 and 5 only)	184
Total Identified Supply	5,855

3.11 Backlog calculation:

Financial Year	Completions	FOAN	Backlog
14/15	313	670	357
15/16	520	670	150
16/17	395	670	275
Total	1,228	2,010	782

3.12 Five year housing land supply calculation:

FOAN (670) x 5 (Years)	3,350
FOAN x 5 (Years) + Backlog (782)	4,132
FOAN x 5 (Years) + Backlog + 20% (NPPF Buffer)	4,958
Identified Supply (5,855) / FOAN x 5 + Backlog + 20%	1.18
Above x 5 (Years)	5.90