

Five Year Housing Land Supply

Pursuant to the requirement in paragraph 73 of the National Planning Policy Framework (NPPF), the Council has calculated five years of deliverable housing land supply. The NPPF requires that this figure should be identified and updated annually against a “housing requirement set out in adopted strategic policies, or against their local housing need where the strategic policies are more than five years old.”

Historic Delivery and the Five-Year Requirement

The Borough's adopted Local Plan is made up of the Core Strategy (adopted in January 2013), the Elstree Way Corridor Area Action Plan (adopted in 2015) and most recently, the Site Allocation and Development Management Plan (adopted in 2016). The Local Plan sets out the requirement for housing provision for the Borough between 2012 and 2027, which equates to 266 dwellings per annum. The Council's strategic policies were five years old as at January 2018, towards the end of the 2017/18 monitoring year.

This report sets out the five year housing land supply against both the Core Strategy requirement and the local housing need derived from the standard national methodology, as set out in guidance published in 2018¹. The government has indicated that it intends to consult on changes to the methodology and that until then, it has proposed that the 2014 sub-national population projections be used as the basis for calculating housing need rather than the 2016 projections. However, at the time of writing, the 2016 projections provide the most up to date dataset on which to base the local housing need.

As at 31st March 2018, a net total of 2,155 dwellings had been completed in Hertsmere since the start of the plan period, an average of 315 dwellings per annum. This represents a 'surplus' of 519 units compared to the baseline requirement of 1,596 dwellings for the same period derived from an annualised target of 266 homes. This surplus reduces the remaining annualised requirement against the adopted Core Strategy target to 204 dwellings per annum.

Table 1: Completions against Core Strategy housing requirement

Year	Completions	Annual Requirement (Core Strategy)	Shortfall / Surplus against Core Strategy
2012/13	292	266	26
2013/14	440	266	174
2014/15	180	266	-86
2015/16	354	266	88
2016/17	309	266	43
2017/18	540	266	274
Total	2155	1596	519

The rolling five-year period requirement is based on the relevant housing requirement together with an additional 5% buffer as required by paragraph 73(a) of the NPPF to ensure choice and competition. Table 1 demonstrates that there has not been significant under delivery of housing over the previous three years and there is not considered to be a need to apply a 20% buffer under paragraph 73(c). The council is not currently

¹ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

seeking to have an annual position statement which would introduce a 10% buffer under paragraph 73(b). The rolling five year requirement is therefore set out below.

Table 2: Five year land supply requirement

	Core Strategy	Core Strategy taking account of surplus delivery 2012-2018	Standard national methodology using 2016 population projections
Annual basic requirement	266	204	444
5 year basic requirement	1330	1020	2220
5% buffer for choice and competition	67	51	111
Total five year land supply requirement	1397	1071	2331
Annualised requirement with 5% buffer	279	214	466
5 year land supply requirement	1395	1285	2330

Note: Numbers may not tally due to rounding

The calculation for the standard national methodology is set out below.

1. Baseline

Projected increase in households from 2018 (41,500) to 2028 (44,673) = 3173

Average household increase over 10 year period from 2018 = 317

2. Affordability adjustment

Standard methodology adjustment factor = $\frac{(14 \text{ (local affordability ratio)} - 4)}{4} \times 0.25 = \mathbf{0.625}$

3. Initial calculation

$317 \times (1 + 0.625) = 317 \times 1.625 = \mathbf{515}$

4. Capping the increase

40% cap applies as annual housing need figure is greater than 40% above the average annual household growth

Using non-rounded household growth $317 + (40\% \times 317) = \mathbf{444}$

5. Applying buffer

$444 + (5\% \times 444) = \mathbf{466}$

Housing Supply

The Borough's housing supply consists of the following components:

- Sites with extant planning permission deemed to be deliverable within the next five years;
- Site with a resolution to grant permission subject to the completion of a s106 agreement and deemed to be deliverable within the next five years;
- Strategic allocations in the Local Plan (SADM Policies Plan and Elstree Way Corridor AA) considered deliverable within the next five years; and

- Sites from the draft Housing and Economic Land Availability Assessment (HELAA), published in November 2018, which are deemed to be deliverable within the next five years
- Windfall allowances where there is compelling evidence that they will provide a reliable source of supply, as demonstrated in the 2018 HELAA

Most planning permissions continue to be implemented but even in an area of high housing demand, some residential permissions inevitably lapse. To calculate lapse rates, planning permissions granted for schemes providing new housing units over the ten year period between 2015 and 2015 were reviewed. The method for calculating lapse rates is set out in the HELAA with the analysis leading to a lapse rate of 5% being applied.

The table below summarises the 5 year land supply as at 1st April 2018

Source of land supply	Net units
Planning Permissions under construction	673
Prior notifications under construction	212
Planning permissions	405
Prior notifications	129
HELAA sites	463
AAP (excl. sites with pp)	190
Local Plan allocations (excl. sites with pp)	34
Windfall allowance of 53 pa	265
Total	2371

Five Year Land Supply Position

The table below presents the total number of net additional dwellings against the planned housing provision for the five-year period. Land supply figures have been provided against:

- (1) the adopted Core Strategy housing requirement because the adopted plan was less than 5 years old for the majority of the 2017/18 monitoring period from which housing land supply has been calculated
- (2) as per (1) but reducing the annualised requirement by deducting the 'surplus' of homes delivered against the annual Core Strategy target since 2012
- (3) a housing requirement derived from the standard national methodology introduced in 2018

Total supply	2,371 (as at 1 April 2018)
Rolling five-year housing requirement	(1) 1,395 (Core Strategy) (2) 1,285 (Core Strategy less surplus delivered since 2012) (3) 2,330 (standard national methodology)
Five year housing supply position	(1) $(2,371/1,395) \times 5 = 8.5$ years (2) $(2,371/1,285) \times 5 = 9.2$ years (3) $(2,371/2,330) \times 5 = 5.1$ years