

THE ESSENTIAL GUIDE: What is a five year housing land supply and why is it so important?

Planning applications for residential development are often justified by saying that the council doesn't have a "five year supply of housing land." But what does that mean exactly? And why is it so critical? This note tries to explain.

Planning for enough new homes

It's often said that we are in the midst of a housing crisis. One of the ways the government is attempting to solve that is by getting more new homes built.

One of the objectives of the National Planning Policy Framework is to "significantly boost the supply of new homes."

In part, that's intended to be achieved by making councils establish what the need for new homes in their district actually is. Once that housing need is established, councils must put a plan in place to deliver it.

As part of the work on the Breckland Local Plan a very detailed study was made to work out how many new houses Breckland requires. Its conclusion was that a minimum of 612 new homes per year are needed. This is quite a lot less than the 780 homes per year specified in the earlier approved District Plan of 2012.

Identifying and approving enough suitable sites

Setting a suitable target for the number of new homes to be built is only part of the picture. For homes to be built, they must be granted planning permission too.

That is where many councils, including Breckland, have been falling short. For a variety of reasons in our district, the number of planning permissions being granted is less than the number of homes that need to be built. Add to that, since 2011, the number of homes actually being built has been less than the target in every year except for 2016/17. Overall between April 2011 and March 2018, 791 too few houses were built in Breckland.

When calculating how many houses are needed over the coming 5 years this shortfall is added to the target. There are two different methods for doing that. One, called the Liverpool method, spreads the shortfall over the whole of the remaining plan period till 2036. The second, called the Sedgefield method, spreads it only over the next five year period; so it naturally results in a higher target. Then whichever calculation method is used, the combined target must be increased by what's called a buffer, which is set at 20%. So by the Liverpool method those 612 homes per year mentioned in the previous section become 787, and by the Sedgefield method the target grows to 924.

Without going into all the arithmetic, as a result for 2018, Breckland Council must show it has approved building on enough land to ensure at least the required number of new houses are built in each of the next five years, or put another way, 3936 in total by the Liverpool method, or 4,621 by the Sedgefield method. And because there's no agreement or rule about which calculation method should be used, both are, leading to inevitable arguments, particularly when one method meets the target and the other doesn't.

Without getting tangled up in the numbers, most importantly if Breckland Council cannot show it has approved adequate land to build the target number of homes it has serious consequences when future planning applications are assessed, as explained in the next section.

Where the housing supply is too low, national policy takes over

National policy says that when a council doesn't have a five year supply of housing land all of its policies for delivering housing are out-of-date. Instead of planning applications being decided based on what local policies say, national policies instead take precedence. In essence, that means that if a site can be considered as sustainable development, then planning permission should be granted, unless the disadvantages of doing that would strongly outweigh the benefits of providing more new homes. In many cases although we may perhaps feel harm due to a development far outweighs its benefits, the actual judgement is in the hands of planners and district councillors, who may see things differently.

What does this mean for us?

The consequence of not having a five year housing land supply is therefore that councils, and villages like ours with a neighbourhood plan, start to lose control over where new homes are built. If a developer submits an application to build homes on a site that is in an apparently sustainable location, councils often have to approve that application even if it isn't a site that would have been accepted under local or neighbourhood plan policies. Even so this can be difficult for councils to accept, so such applications are often permitted only after appeal - as has happened a number of times in Saham in recent years.

If Breckland Council continues to be unable to show it has granted enough planning permissions to meet the housing target for the next 5 years, it means policies in both the Local and Neighbourhood plans, will carry less weight when planning decisions are made. That doesn't mean they can be completely ignored, but it does mean developers can use this loophole to get sites approved that otherwise would not be. And in many ways the whole process becomes a lottery, which is certainly not what we want for Saham.

Some of the planning applications in Saham in recent years have relied heavily on this loophole as justification for sites very few villagers actually want: for example, those for

many large executive houses in places that destroy village character, will end up getting flooded, cause traffic problems, do not meet village needs for cheaper starter homes, etc., etc.

Now we'd like to think when the Local Plan is approved things will be under more control. But we can't rely on that. All sorts of factors will be at play, among them the fact that unscrupulous developers will get planning permissions and then do what they call "land bank" their sites - which means they deliberately don't build on them and eventually those approved homes end up in the shortfall part of the land supply equation, making it harder for Breckland Council to show it has a five year supply, and putting us back where we are now as far as inappropriate developments are concerned.

How does allocating sites in the Plan overcome this problem?

Firstly as explained elsewhere on this website, allocating sites provides real certainty as to where - and where not - houses may be built. Which is great... but only while Breckland Council has a five year land supply.

But the Government has recognised the unfairness of penalising a village with a good neighbourhood plan for the failings of its district council and the exploitation by developers of the planning loophole thus created. As a result national rules now say that for the first two years after a neighbourhood plan is approved, planning applications in its area will be judged against the Local Planning Authority (Breckland Council) having a three year supply of land for building houses, rather than five years.

Going back to the section on numbers for a minute, at present that means for us the Breckland housing target will be 2362 or 2773 , depending which calculation method is used. Or as an annual target 472 or 555. Breckland Council would have satisfied either of those targets over the period from 2011 to the present day. Put another way it generally shows it has land supply for around 4 - 4.5 years, so on the reasonable assumption that (or better) continues, once approved our Plan should be watertight.

Now, you will already be asking "What happens two years after the plan is approved?"

The answer for now, unfortunately is our plan will go back to being subject to the five year rule.

We're not the only ones who think that's wrong. Our MP, George Freeman, and others at Westminster, continue to campaign for a three year rule to apply throughout the life of a neighbourhood plan that makes site allocations.

We can only live in hope!

