

Housing Land Supply Report

May 2019

DRAFT



COTSWOLD
DISTRICT COUNCIL

DRAFT

Contact Details

Forward Planning
Cotswold District Council
Trinity Road
Cirencester
GL7 1PX

Tel: 01285 623000
Email: local.plan@cotswold.gov.uk
Web: www.cotswold.gov.uk

Contents

1. Executive Summary	1
2. Housing Requirements	1
3. Housing Land Supply	2
Committed dwellings	3
Chesterton strategic site, Cirencester	3
Windfall sites	5
Lapse rate (large and small sites)	16
Non-implementation of planning permissions within five years	18
4. Stakeholder Engagement and Sense Checking	20
5. Five Year Supply Calculation	22
Maintaining a five year housing land supply throughout the Local Plan period	24
Total housing delivery over the Local Plan period (2011-2031)	25
6. Housing Delivery Test	26
7. Conclusion	26
Appendix 1: Housing Supply Evidence	
Appendix 2: Large Site Deliverability Evidence	
Appendix 3: Chesterton Strategic Site Delivery Evidence	
Appendix 4: Windfall Evidence	
Appendix 5: Lapse Rate Evidence	
Appendix 6: Large Site Completion Rate Evidence	
Appendix 7: Scrutiny and Feedback on Housing Land Supply	

1. Executive Summary

- 1.1 This report sets out the District's housing requirements, housing land supply position and the Housing Delivery Test score. The report has been prepared in accordance with the Cotswold District Local Plan 2011-2031 (adopted 3 August 2018) (hereafter referred to as 'the Local Plan'). The housing land supply calculation also accords with the National Planning Policy Framework (February 2019) (the NPPF), Planning Policy Guidance (PPG), recent appeal decisions, case law and Planning Advisory Service (PAS) guidance.
- 1.2 Cotswold District has a supply of specific deliverable sites in excess of its housing requirement for the five year period 1 April 2019 to 31 March 2024. Taking account of a 5% buffer, the District can demonstrate a supply of 7.6 years' worth of deliverable housing sites.
- 1.3 It is estimated that approximately 10,451 dwellings will be delivered in the District between 2011 and 2031, which is the period of the Cotswold District Local Plan 2011-2031 (adopted 3 August 2018) (hereafter referred to as 'the Local Plan'). This is nearly 125% of the 8,400 dwelling Local Plan housing requirement. This further supports the Government objective to significantly boost the supply of housing without unnecessary delay as set out in the NPPF¹.
- 1.4 Cotswold District also passes the Housing Delivery Test. In the past three years, the District has delivered 2,472 dwellings. This is measured against a residual housing requirement of 1,104 dwellings, giving Cotswold District a Housing Delivery Test score of 224%.

2. Housing Requirements

- 2.1 The PPG sets out that "*Housing requirement figures in local and strategic plans should be used as the starting point for calculating the five year land supply. Where the plan is more than five years old and the housing figure needs revising, the starting point will be local housing need using the standard method*"².
- 2.2 The Cotswold District housing requirement is at least 8,400 dwellings for the period 2011-2031. This is identified in Local Plan Policy DS1. The Local Plan was adopted on 3 August 2018 and the housing requirement is less than one year old. It is therefore considered to be "*recently adopted*" by the NPPF³.
- 2.3 In addition to the overall Local Plan housing requirement, Policy DS1 provides a 'residual requirement' methodology for calculating the five year housing land requirement. The residual requirement methodology is explained in more detail later in this report, but the District's five year housing land supply is measured against this residual requirement.

¹ NPPF paragraph 59

² PPG: Housing and Economic Land Availability Assessment. Paragraph: 031. Reference ID: 3-031-20180913. Revision date: 13.09.2018.

³ In accordance with NPPF footnote 38

3. Housing Land Supply

3.1 NPPF paragraph 73 requires local planning 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 housing requirement set out in adopted strategic policies.

3.2 The NPPF Glossary specifies that:

“To be considered deliverable, sites for housing 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. In particular:

- a) sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (for example because they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans).*
- b) where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years.”*

3.3 Clarity on the definition of 'deliverable' has also been provided by a Court of Appeal case, *St Modwen Developments*⁴. To be deliverable in the context of the NPPF, a site has to be capable of being delivered within five years, but it does not have to be certain or probable that the site will be delivered in five years.

3.4 NPPF paragraph 73 also requires that the supply of specific deliverable sites should in addition include a buffer (moved forward from later in the plan period) of:

- 5% to ensure choice and competition in the market for land. Deliverable sites in this report cover the period 2019 to 2024; or
- 10% where the local planning authority wishes to demonstrate a five year supply of deliverable sites through an annual position statement or recently adopted plan, to account for any fluctuations in the market during that year; or
- 20% where there has been significant under delivery of housing over the previous three years, to improve the prospect of achieving the planned supply.

3.5 Cotswold District Council will not be undertaking an annual position statement, which would otherwise require a 10% buffer. The District has also not significantly under-delivered housing in the previous three years (see Section 6 on the Housing Delivery Test for further details). A 5% buffer is therefore applied.

3.6 NPPF paragraph 67 also requires a supply of developable sites for years 6-10 and, where possible, for years 11-15. Developable sites should be in a suitable location

⁴ See *St Modwen Developments Ltd v Secretary of State for Communities and Local Government* [2017] EWCA Civ 1643

for housing development. There should also be a reasonable prospect that the site is available and could be viably developed at the point envisaged. Developable sites in this report cover the period 2024 to 2031.

- 3.7 Appendix 1 provides a trajectory showing the District's deliverable and developable housing sites, which include committed dwellings (including those that are expected to lapse), housing allocations, and an allowance for windfall developments. These elements of the housing land supply are explained in more detail in the remaining part of this section.

Committed Dwellings

- 3.8 Committed dwellings (hereafter referred to as 'commitments') include those that have planning permission or a resolution to grant planning permission. These can either be under construction or yet to commence development.
- 3.9 The District's commitments have been individually assessed to ensure that only new dwellings that are realistically deliverable in five years are counted in the five year housing land supply. Furthermore, dwellings that do not have a reasonable prospect of being delivered in the Local Plan period have been excluded altogether from the housing trajectory. Large sites (10 or more dwellings) have undergone further detailed assessment against the available, suitable and achievable criteria. The supporting evidence is provided in Appendix 2.
- 3.10 As recommended by the PPG⁵, where clear evidence is required to demonstrate that housing completions will begin on site within five years, the Council has entered into statements of common ground with developers and any relevant third party stakeholders. These show any progress being made towards the submission of applications; progress with site assessment work; and relevant information about site viability, ownership constraints and / or infrastructure provision. This enables the Council to confirm developers' delivery intentions and anticipated start and build-out rates. The findings of the Statements of Common Ground are summarised in Appendix 2.

Chesterton Strategic Site, Cirencester

- 3.11 Outline planning permission was granted on 3 April 2019 for a mixed use development including 2,350 dwellings at land south of Chesterton in Cirencester (ref: 16/00054/OUT).
- 3.12 The developer (Savills acting on behalf of Bathurst Developments Ltd.) has subsequently provided a further detailed update on 16 May 2019 on the estimated lead in times and the delivery trajectory of the site. A commentary is also provided to support their assumptions and set out some of the recent work that has been completed to prepare the site for the commencement of construction. This is provided at Appendix 3a.
- 3.13 The deliverability of Chesterton strategic is also discussed at paragraphs 152-180 of the Inspector's report on the examination of the Cotswold District Local Plan 2011-

⁵ PPG on Housing and economic land availability assessment: Paragraph 036; Reference ID: 3-036-20180913; Revision date: 13/09/2018

2031⁶. This provides the Inspector's conclusions on numerous evidence submissions and debates that were considered during the Local Plan examination. Although the developer's update is more recent than the Inspector's report, the Inspector's assumptions continue to have significant weight when making a balanced and deliverable estimate of when housing completions will be delivered on this site. In combination, Savills update and the Local Plan Inspector's Report provide clear evidence of housing delivery on the site in the next five years.

- 3.14 In November 2017, the developer provided the Council with a delivery timetable⁷, which set out that the outline planning permission was expected to be issued in December 2018. This informed the developer's estimation that 520 homes could be delivered in the five year period up to 2023 and that all 2,350 dwellings could be delivered by 2031.
- 3.15 The outline planning permission was granted on 03/04/2019, which represents a four to five month delay in the developer's previous estimations. This was due to detailed discussions over resolving the Section 106 Agreements. This has had an impact on the developer's delivery estimations, namely that Phase 1a is expected to commence development later than previously envisaged and that the whole site is expected to be completed one year later (i.e. 2032 instead of 3031).
- 3.16 The developer has provided an update to their delivery assumptions in Appendix 3a, which updates the position as of May 2019. This sets out how in the interim period before the outline planning permission was issued, the developer was able to progress other aspects of the scheme. For example, the developer carried out a public exhibition on the Design Codes. The developer has made significant progress preparing to discharge conditions and / or avoiding the need for them altogether. Furthermore, preparations were made for the submission of reserved matters applications for the initial phases of development.
- 3.17 Regarding the current delivery estimations, the developer expects that Parcel 1a of the site, which is located off Somerford Road, is now expected to deliver 75 homes. Development will commence in September 2020 and the first completions are expected in 2020/21. Phase 1a will be fully delivered by 2022/23. The Local Plan Inspector previously considered there to be a reasonable prospect that the site could commence development around the middle of 2019 and be completed by April 2021. In relation to this particular part of the site, the developer's updated delivery figures represent a slippage to what the Local Plan Inspector had previously anticipated. Notwithstanding this, the Council considers that the evidence provided to support the delivery assumptions for Phase 1a is sufficiently clear to demonstrate that it is capable of being completed within five years (i.e. by March 2024).
- 3.18 In relation to the main development site parcels, the developer states that commencement of development will be around winter 2020. The first completions are expected in 2021/22 and it is reported that the site will be delivered at a rate of: 42 dwellings in 2021/22; 187 in 2022/23; 214 in 2023/24; and 229 per annum from 2024/25 until completion in 2031/32.

⁶ Report on the Examination of the Cotswold District Local Plan 2011-2031 (5 June 2018, PINS Ref: PINS/F1610/429/2)

⁷ Appendix 3a of the Housing Land Supply Report (June 2018)

- 3.19 The Local Plan examination Inspector thought it reasonable that development on the main part of the site would commence around April 2021 and that, in addition to the dwellings delivered on Phase 1a, approximately 1,700 further dwellings would be completed by 2031 giving an overall total of around 1,800 within the Local Plan period. A year on since the Inspector's report on the Local Plan examination, the Inspector's assumptions have, so far, largely been correct.
- 3.20 The developer's expected commencement of development for the main part of the site is broadly consistent with the Inspector assumption (i.e. winter 2020 instead of April 2021). The developer also confirms there have been numerous expressions of interest in the site from housebuilders. Notwithstanding this, marketing of the main part of the site has still not yet commenced. There still therefore remains a degree of uncertainty that four housebuilders would be willing to operate together consistently for a sustained period, as indicated by the Inspector.
- 3.21 In summary, the developer's delivery assumption of Phase 1a is consistent with the Inspector's conclusions. However, the developer's most recent assumption that subsequent phases will deliver 2,121 dwellings by 2031 is higher than the Inspector's estimation of 1,800 dwellings.
- 3.22 There are no conditions or other restrictions that would prevent more than 1,800 dwellings from being delivered on the site by 2031. However, to demonstrate a robust and deliverable trajectory, the Council has adjusted the developer's delivery assumptions to reflect the Local Plan Inspector's assumption that 1,800 dwellings will be delivered by 2031.
- 3.23 When estimating how many homes on this site can be included in the five year supply, consideration has been given to the fact that the evidence considered by the Inspector had a base date of 1 April 2017. The base date for this report, however, is 1 April 2019. The five year period is therefore also extended from 2017-2022 to 2019-2024.
- 3.24 The Local Plan Inspector previously considered that 120 dwellings from the strategic site would be delivered by 1 April 2022 (78 dwellings on Phase 1a and 42 further dwellings on the main part of the site). Two years further on, there is now clear evidence to demonstrate that 467 dwellings are capable of being delivered on the strategic site by 1 April 2024 (75 dwellings on Phase 1a and 392 further dwellings on the main part of the site).

Windfall Sites

- 3.25 Annex 2 (the Glossary) of the NPPF defines windfall sites as "*Sites not specifically identified in the development plan.*" NPPF paragraph 70 explains how windfalls should be considered in the five year supply:

"Where an allowance is to be made for windfall sites as part of anticipated supply, there should be compelling evidence that they will provide a reliable source of supply. Any allowance should be realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends."

3.26 The PPG further explains that: “*Local planning authorities have the ability to identify broad locations in years 6-15, which could include a windfall allowance based on a geographical area (using the same criteria as set out in the NPPF).*”⁸

Historic windfall delivery

3.27 Cotswold District has a historic trend of consistently delivering windfalls. The supporting evidence for the windfall allowance adopted in Local Plan Policy DS1⁹ confirmed that an average of 95 windfalls per annum had been delivered in the District between 2011 and 2016.

3.28 Since the Local Plan windfall allowance was calculated, the NPPF has been revised and the windfall site definition has changed. Many types of dwelling that were previously not classified as windfalls are now classified as windfalls under the new definition. For example, homes delivered on former residential garden land are now windfalls. Dwellings delivered on sites identified as available (e.g. in the SHELAA) that were not allocated in the Local Plan are also now classified as windfalls. The historic windfall delivery figures have therefore been reviewed to accord with the new windfall site definition.

3.29 When reviewing the historic windfall data, consideration has been given to Cotswold District not having an up-to-date Development Plan between 1 April 2011 and 2 August 2018. Any dwellings delivered in this period that were not allocated in the Cotswold District Local Plan (2011-11) are technically windfall sites under the new NPPF definition. Notwithstanding this, many sites delivered between April 2011 and August 2018 were identified as sustainable locations and had the potential to be allocated in the Local Plan, had a Local Plan been in place. Instead, these sites gained planning permission and delivered housing before the Local Plan was adopted. To overcome this issue, the following assumptions have been made within the reviewed historic windfall completion figures:

- Only sites identified in the Strategic Housing and Economic Land Availability Assessment (SHELAA) would have been allocated in the Local Plan. Dwellings delivered on sites not identified in the SHELAA have therefore been counted as windfalls.
- In accordance with national guidance¹⁰, the Council only sought to allocate sites capable of delivering five or more dwellings. Sites identified in the SHELAA that were assessed as being capable of delivering 1-4 dwellings have therefore been counted as windfalls.
- In accordance with the District’s emerging Development Strategy, which was subsequently adopted in Local Plan Policy DS1, only sites that were within or directly adjoined the Development Boundary of one of the District’s 17 Principal Settlements were considered for allocation. Dwellings delivered on sites not meeting this specification are therefore counted as windfalls.

3.30 It is also noteworthy that the historic windfall delivery figures incorporate both large and small sites. Indeed, nine large sites (10 or more dwellings) have contributed

⁸ PPG: 24, Reference ID: 3-24-20140306, Revision date: 06.03.2014. NB: an assumption has been made that this refers to paragraph 70 of the NPPF (2019), rather than paragraph 48 of the NPPF (2012)

⁹ Housing Land Supply Report (CDC, November 2016) (Local Plan Examination Document Ref: ED046)

¹⁰ Planning Practice Guidance: Housing and Economic Land Availability Assessment (Paragraph: 010 Reference ID: 3-010-20140306, Revision date: 6 March 2014)

towards windfall delivery in Cotswold District since April 2011. These developments delivered 307 windfalls, which is 38 dwellings per annum on average.

3.31 A schedule of all windfalls delivered since 2011 is provided at Appendix 4 and a summary is provided in Table 1. On average, 137 windfalls per annum have been delivered over the past eight years.

Table 1: Historic windfall delivery

Year	Windfall completions
2011/12	76
2012/13	144
2013/14	83
2014/15	116
2015/16	164
2016/17	174
2017/18	116
2018/19	226
Average	137

Future trends

3.32 Careful consideration has also been given to any future trends in windfall delivery to understand whether future windfall delivery rates are likely to increase or decrease.

Local Plan (2001-2011) vs Local Plan (2011-2031)

3.33 The saved policies of the Cotswold District Local Plan (2001-2011), which planning applications have been determined against until 3 August 2018, were reasonably restrictive on windfall development. However, the recently adopted Local Plan contains several new policies that are likely to boost windfall delivery:

- Policy DS3 supports small-scale residential development outside the Development Boundaries of the 17 Principal Settlements. All resultant developments will be windfalls;
- Policy H2 (part 2 and 4) will collect financial contributions towards off-site affordable housing provision. The commuted sums will fund affordable housing in locations where it is most needed, often outside the Principal Settlements. These houses will likely be windfalls;
- Policy H3 (part 1) supports rural exception sites where there is an identified need within that parish or community. The rural exception sites will be windfalls;
- Policy H3 (part 2) supports the delivery of single self-build plots as rural exception sites. Again, these will be windfalls; and
- Policy H4 permits specialist accommodation developments, including sheltered and extracare developments, providing several criteria are met including that there must be a need for specialist accommodation units. The Local Plan requires 665 sheltered and extracare dwellings between 2017 and 2031. The Residential Land Monitoring Statistics Report (April 2018) updates this position, as 136 sheltered and extracare dwellings have been completed between 2017 and 2019. A further 529 could potentially be delivered as windfalls in the remainder of the Local Plan period.

Lack of a five year housing land supply

- 3.34 There have been occasions early in the Local Plan period when Cotswold District was unable to demonstrate a five year housing land supply. However, a healthy five year supply for most of the Plan period has been established and maintained for a number of years, which has been successfully defended at appeals. Notwithstanding this, consideration has been given to whether the occasions, when the District did not have a five year supply, could have affected the historic windfall delivery rate.
- 3.35 Since April 2011, three windfall sites have been delivered from planning applications that were granted on appeal. Each windfall was delivered from a separate application¹¹. The lack of a five year supply did not form part of the discussion of any of the appeal decisions.
- 3.36 Where planning permissions for housing have been granted through Section 78 appeals and the lack of a five year supply was a material consideration, each site had previously been identified in the SHELAA and therefore would have been considered for allocation in the Local Plan; for this reason these sites have not been included as windfalls.
- 3.37 Whether the District has had a five year supply or not, the Council's approach towards determining applications for windfalls has been positive and consistent. This means that although the District is expected to maintain a five year supply throughout the Local Plan period, the impact of doing so is unlikely to alter future windfall delivery rates.

Peak in housing delivery early in Local Plan period

- 3.38 The housing trajectory provided in Figure 2 shows a peak in delivery early in the Local Plan period. The peak is mainly caused by the early delivery of large sites ahead of the Local Plan being adopted, the vast majority of which were proposed allocations. The peak in housing delivery has not been caused by elevated windfall delivery rates. Furthermore, taking an average of windfall delivery over the first eight years of the Local Plan period flattens out any peaks and troughs in windfall delivery rates.

Continued windfall delivery on large sites

- 3.39 The historic windfall average takes consideration of large and small sites. However, the average has not been skewed by a small number of very large sites that artificially inflate the expected future windfall delivery rate.
- 3.40 Looking to the future, several large windfall sites have already secured planning permission and are expected to deliver further windfalls in the short-medium term. The Local Plan policies, in addition to other policy initiatives aside from the Local Plan, enable the continued delivery of large site windfalls in the longer-term. For example, large windfall sites can still be delivered within Development Boundaries, from permitted development schemes, on Rural Exception Sites, and so on.

Supply of potential windfall sites running out

- 3.41 Being a large rural area, windfall delivery in Cotswold District comes from a wide variety of sources. The District's windfalls are not delivered from a diminishing pool

¹¹ 12 Salmonsbury Cottages, Station Road , Bourton-on-the-Water (ref: 11/01410/FUL); 49 Lamberts Field, Bourton-on-the-Water (ref: 10/01040/FUL); and Kingfisher, Station Road, South Cerney (ref: 13/00546/FUL)

of brownfield infill plots. Appendix 4 demonstrates the wide variety of types of windfalls delivered since 2011, which includes barn conversions, permitted development schemes, changes of use (e.g. from holiday homes to dwellings), new workers' dwellings, subdivisions, standalone developments, and many more.

Economic cycles

- 3.42 High house prices in Cotswold District have provided a strong financial incentive to build new housing. Cotswold District has historically retained high house prices and build-rates, even during periods of economic downturn. It is therefore highly likely that the strong financial incentive to deliver windfalls will continue throughout the Local Plan period and, as has been the case in the past, will be less affected by future economic cycles compared to other areas in the Gloucestershire housing market.

Community Infrastructure Levy

- 3.43 The Cotswold District Community Infrastructure Levy (CIL) came into force on 1 June 2019. All new developments that create a new dwelling will be liable to pay £80/sq.m, subject to exemptions. The impact this is likely to have on windfall delivery has been considered.
- 3.44 Several types of windfalls will not be liable to pay CIL. There are exemptions for Self-Build dwellings, social housing schemes, and new housing delivered through charities for their own use.
- 3.45 The amount of CIL that is liable can also be offset against existing vacant floorspace. In these situations, some developers will pay less money or be exempt from CIL contributions.
- 3.46 Prior to the introduction of CIL, many larger developments would have been required to make financial contributions towards infrastructure through Section 106 Agreements. These have extensively been replaced by CIL¹². The situation for these developments is therefore not expected to alter significantly, as contributions once paid through Section 106 agreements will now be paid through CIL.
- 3.47 The introduction of CIL will require a financial contribution from some housing developments where this cost previously did not exist. In this regard, the viability of CIL was considered during the CIL examination, which ran in parallel to the Local Plan examination. The levy was set at a rate that is not expected to make development unviable and where developers are still incentivised to deliver housing schemes. Furthermore, the Local Plan housing land supply, including the windfall allowance, was considered by the Local Plan / CIL Inspector in the knowledge that CIL would be brought into force. Taking this into consideration, the Inspector still found the housing land supply and windfall allowance to be deliverable and developable across the Plan period. Notwithstanding this, as CIL settles in, its impact on windfall delivery will be monitored closely.
- 3.48 It is also noteworthy that CIL only applies to schemes granted planning permission after 1 June 2019. As of 1 April 2019, the District had already built 4,893 homes and

¹² Affordable housing will still be determined through a Section 106 Agreements, although this has been factored into the viability evidence that informs the rate that the Levy is set at.

there are a further 3,694 committed dwellings expected to be completed by 2031 (1,995 in the five year period up to 2024). This means that 102% of the 8,400 dwelling Local Plan housing requirement is already built or committed and is not liable to pay CIL.

Changes to Permitted Development rights

3.49 Windfall delivery has been boosted by changes to permitted development permitted development rights. The Town and Country Planning (General Permitted Development) (England) Order 2015, which came into force on 15 April 2015, has already updated some permitted development rights to allow changes of use to dwellings from the following uses:

- Retail or betting offices or pay day loan shops (Class M);
- Launderettes (Class M)¹³;
- Amusement arcades or centres or casinos (Sui Generis Use Class) (Class N);
- Offices (B1(a) Use Class) (Class O);
- Storage or distribution centres (Class P);
- Light industrial Class B1(c) (Class P)¹⁴; and
- Agricultural buildings (Class Q).

3.50 On 6 April 2018, the Government introduced [further changes to the permitted development rights](#). This enables up to five new homes to be created from existing agricultural buildings on a farm rather than the previous maximum of three. The change also increases the maximum combined floorspace from 465sq.m up to 865sq.m.

3.51 As part of a [suite of announcements in the October 2018 Budget](#), the Ministry of Housing, Communities and Local Government (MHCLG) published a consultation, *Planning Reform: Supporting the high street and increasing the delivery of new homes*¹⁵. The consultation, which closed on 14 January 2019, sets out the intention to extend permitted development rights to include:

- allowing existing premises in typical high street uses, such as hot food takeaways (A5), to change to a wider range of uses, such as new homes;
- allowing certain building types (particularly residential and commercial) to extend upwards to create additional new homes;
- making permanent the time-limited permitted development right for changes of use from storage or distribution to residential use;
- allowing some commercial buildings to be demolished and replaced with homes; and
- allowing hot food takeaways (A5) to change to residential use (C3).

3.52 There is a direct correlation between the recent changes to permitted development rights and increased delivery of windfalls in Cotswold District. In the past three years, permitted development schemes yielded 44 completed windfalls. Furthermore, analysis of the residential commitments at 1 April 2019 shows there to

¹³ Resulting from the 6 April 2016 amendment

¹⁴ Resulting from the 6 April 2016 amendment

¹⁵ Planning Reform: Supporting the high street and increasing the delivery of new homes (MHCLG, 29 October 2018)

be nine permitted development schemes, which combined are expected to deliver 18 windfalls in future¹⁶.

3.53 Windfalls are expected to continue to be delivered from permitted development schemes in the next five years and up to 2031 because:

- Cotswold District is a predominantly rural authority with numerous disused agricultural buildings that have the potential to contribute permitted development windfalls;
- the District has many employment estates and buildings in office, light industrial and storage and distribution uses that have potential to contribute permitted development windfalls;
- the nature of agricultural, office, light industrial and storage and distribution buildings, which are generally large, means that when they are converted they can deliver multiple permitted development windfalls;
- house prices in Cotswold District are high and have continued to increase, even during the last recession. Therefore, the financial incentive to create dwellings through permitted development rights exists and is likely to continue to exist in future;
- the lag time between the changes to the General Permitted Development Order, particularly the more recent changes, and the resultant delivery of windfalls is unlikely to have reached the peak rate of delivery. For example, leases can extend to several years before the possibility of converting the building to residential use comes about;
- there will always be a continual churn of office, light industrial, storage and distribution, agricultural, etc., uses as leases come to an end or buildings are sold. Personal circumstances also change over time. This will provide continual opportunities for changes of use to residential and a continual supply of windfalls;
- future changes to the General Permitted Development Order are likely to generate further windfalls. The government has a clear strategy to boost the supply of housing, which includes extending the permitted development rights. For example, the Housing White Paper consultation¹⁷ asks what potential there is to deliver additional homes through more intensive use of existing public sector sites, or in urban locations more generally, and whether permitted development rights are one way this could be supported; and
- the country has a housing deficit and future governments are likely to continue with a proactive house building strategy and are unlikely to rescind the permitted development rights. Indeed, they may extend them further.

Other policy initiatives

3.54 Several other initiatives have the potential to boost the supply of windfalls in the next five years and over the Local Plan period, including:

- the [Community Housing Fund](#) will be used to provide new affordable housing in the District, which will likely be windfalls;

¹⁶ *Residential Land Monitoring Statistics* (April 2018). Please note that a 16 dwelling scheme at Ullenwood Court Business Park has prior approval (ref: 14/03008/OPANOT). However, the planning permission reported in the Residential Land Monitoring Statistics (April) is a later Outline permission for 16 dwellings (net) (ref: 17/00323/OUT).

¹⁷ *Fixing our Broken Housing Market* (DCLG, February 2017)

- the [Brownfield Register](#), which will be reviewed each year. This will potentially boost windfall delivery by giving ‘Permission in Principle’ to suitable brownfield sites;
- Permission in principle for non-major development may also be applied for as of 1 June 2018, which further incentivises windfall developments;
- the [Self-Build Register](#), which puts landowners with self-build plots in contact with people or groups who are interested in building their own home. The resulting developments will likely be windfalls; and
- the [Starter Homes Scheme](#), which will soon be launched by the Government. It will offer a 20% discount to first time buyers of new build properties. This is likely to stimulate house building and could provide further incentives to deliver windfalls.

Garden developments

3.55 Between 2011 and 2018, 17 windfalls per annum were on average built on residential garden sites in the District. Consideration has been given to whether changes to the NPPF and the newly adopted Local Plan will have an impact on the number of windfalls delivered on garden land. When considering windfalls, paragraph 70 of the NPPF sets out that “*Plans should consider the case for setting out policies to resist inappropriate development of residential gardens, for example where development would cause harm to the local area*”. However, this paragraph is not new and has been relocated from paragraph 53 of the original NPPF (2012). Furthermore, the Cotswold District Local Plan (2001-11) and the recently adopted Local Plan have similar policies that discourage but do not prohibit housing developments on garden land. It is therefore reasonable to suppose that a similar amount of new homes will to be delivered on garden land in the next five years and for the remainder of the Local Plan period than has been delivered since 2011.

Impact of NPPF (March 2012) vs NPPF (February 2019) on windfall delivery

3.56 Regarding future trends, the new NPPF essentially relaxes planning restrictions and makes it easier to create new homes. On balance, this will likely create a net increase in windfalls. A summary of the NPPF policy changes that may increase or decrease windfalls is provided below.

3.57 NPPF policies that may increase windfall delivery:

- Paragraph 68b requires local planning authorities to use tools such as area-wide design assessments and Local Development Orders to bring small sites forward. Small sites are generally windfalls.
- Paragraph 68c requires local planning authorities to “*support the development of windfall sites through their policies and decisions – giving great weight to the benefits of using suitable sites within existing settlements for homes*”. This has the potential to create more windfalls.
- Paragraph 71 requires local planning authorities to support entry level exception sites on land not already allocated for housing.
- Paragraph 79 includes a new clause (d) that is permissive of isolated development in rural areas that involves the subdivision of an existing residential property. The policy does not specify how many new homes such properties can be sub-divided into. One dwelling could potentially be sub-divided into several new homes. Being a large and predominantly rural

authority, Cotswold District contains many homes in isolated locations, a high proportion of which are large and could now be subdivided under this new policy.

3.58 NPPF policies that may decrease windfall delivery:

- Some changes to neighbourhood planning may decrease windfalls, including:
 - strategic planning authorities needing to consider whether to set a housing requirement figure for designated neighbourhood areas (paragraph 65); and
 - Neighbourhood Planning Groups needing to consider allocating small and medium-sized sites (no larger than one hectare) suitable for housing in their area (paragraph 69). Neither paragraph 65 nor 69 are obligatory. However, if neighbourhood areas in Cotswold District were set a housing requirement, it is likely that this would decrease windfall delivery in those areas. Neighbourhood plans are more likely to allocate sites below five dwellings. These sites would not normally be allocated in the Local Plan, as they are not strategic in scale, and would otherwise be delivered as windfalls. As an indication, Cotswold District currently has 16 designated neighbourhood areas¹⁸, although only two of these (Fairford and Stow-on-the-Wold and Swell) propose to allocate land for housing.

Relevant NPPF policies not expected to affect windfall delivery

- Paragraph 68a specifies that local planning authorities should “*identify, through the development plan and brownfield registers, land to accommodate at least 10% of their housing requirement on sites no larger than one hectare; unless it can be shown, through the preparation of relevant plan policies, that there are strong reasons why this 10% target cannot be achieved*”. Over 10% of the Local Plan’s allocations are sites that are less than one hectare. The Local Plan policies also provide for the delivery of further windfalls on sites that are less than one hectare.

Additional housing delivery not included in the windfall allowance

3.59 The updated windfall site definition is very specific. However, there are situations where additional housing could be delivered that is not included in the windfall allowance. For example:

- Local Plan housing allocations are given an indicative capacity for how many houses ‘could’ be delivered. This is not a maximum figure. For example, Dunstall Farm in Moreton-in-Marsh is allocated for 119 dwellings but a planning application for 250 dwellings has been received, which if granted would increase the number of houses delivered by 131 homes. However, this site has been specifically identified in the Development Plan and the additional homes cannot be classified as windfalls.
- The Local Plan also contains four mixed use development sites in Cirencester town centre. Only one site includes a residential allocation of 9 dwellings, whereas two sites allocate retail-led development. NPPF paragraph 85f

¹⁸ These include two made neighbourhood plans and ten others at different stages of production.

states that “*Planning policies and decisions should support the role that town centres play at the heart of local communities, by taking a positive approach to their growth, management and adaptation. Planning policies should recognise that residential development often plays an important role in ensuring the vitality of centres and encourage residential development on appropriate sites.*” Given the changing role of the town centre and the government objective to boost the supply of housing, it is possible that further dwellings could be delivered within these mixed use allocations. However, given that the mixed use allocations are specifically identified in the Local Plan, any resulting unexpected housing delivery cannot be counted as windfall development.

- 3.60 Although the resulting additional dwellings on Local Plan site allocations cannot be included in the windfall allowance, they are in effect additional windfalls as they are not accounted for in the housing trajectory. Instead, this additional delivery will act as a buffer to ensure that the full windfall allowance is delivered.

Applying the windfall allowance

- 3.61 Drawing together the supporting information on the historic windfall delivery rates and considering the various factors that will affect the future rate of windfall delivery:
- (i) An average delivery rate of 137 windfalls per annum has been sustained since 1 April 2011;
 - (ii) Regard has been paid to the SHELAA and commitments in the housing trajectory. The District already has a large number of planning permissions that once completed will continue to deliver windfalls in future; and
 - (iii) Future trends of windfall delivery have been considered. The evidence indicates that the historic windfall delivery rate will continue to be delivered in future and indeed could potentially increase.
- 3.62 There is reasonable justification to set a windfall allowance of 137 dwellings per annum to the five year housing land supply and Local Plan housing trajectories.
- 3.63 Some of the extant planning permissions at 1 April 2019 already included in the housing trajectory will deliver windfalls. To avoid double counting and given that planning permissions generally last for three years¹⁹, the full 137 dwelling windfall allowance is applied from 1 April 2022 onwards.
- 3.64 Notwithstanding this, there will be some windfalls that did not have planning permission on 1 April 2019 that will be delivered in the following three years. These should be accounted for in the housing trajectory. Table 2 shows the number of windfalls that have been completed within one, two and three years of gaining planning permission, which is based on analyses historical windfall delivery since 2011.
- 3.65 On average, 15% of windfalls are delivered in 0-1 years of gaining planning permission, 30% in 1-2 years and 26% in 2-3 years. To provide a realistic housing

¹⁹ Full and Outline planning permissions generally last for three years, although longer permissions can be granted in exceptional circumstances. Reserved Matters planning permissions generally last for two years and the prior notification time period for permitted development schemes generally lasts for five years.

trajectory, a reduced windfall allowance has been applied to the first three years of the five year supply to account of this evidence.

Table 2: Comparison of when windfalls were granted planning permission vs when they were delivered

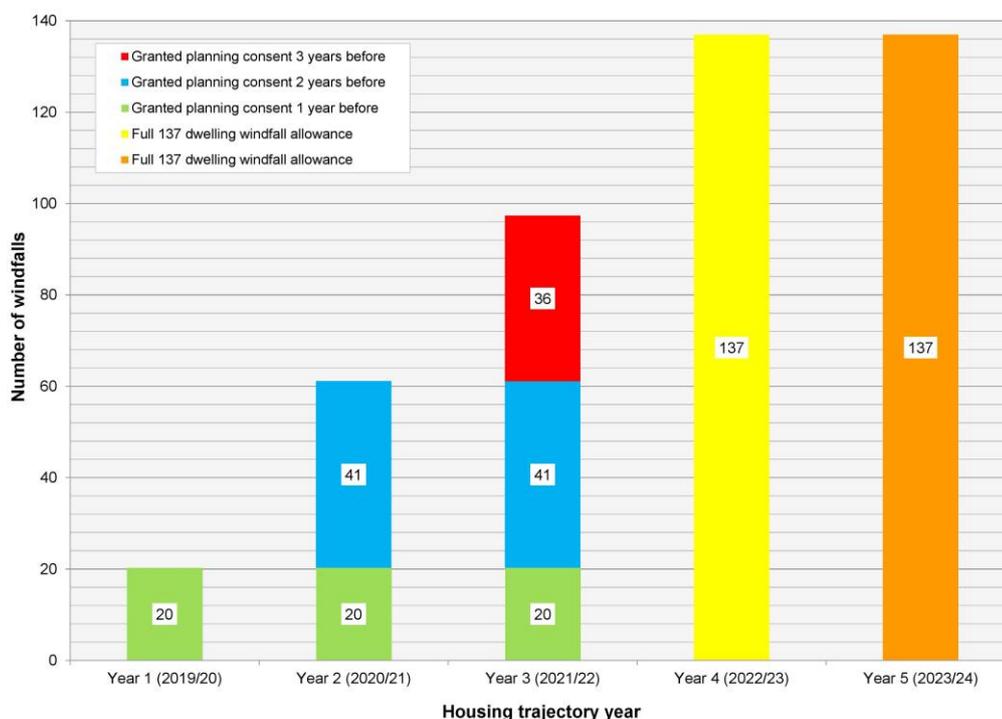
Year	Windfall completions	0-1 year before	1-2 years before	2-3 years before	>3 years before
2011/12	76	3 (4%)	24 (32%)	18 (24%)	31 (41%)
2012/13	144	28 (19%)	38 (26%)	15 (10%)	63 (44%)
2013/14	83	27 (33%)	32 (39%)	9 (11%)	15 (18%)
2014/15	116	6 (5%)	39 (34%)	41 (35%)	30 (26%)
2015/16	164	22 (13%)	92 (56%)	48 (29%)	2 (1%)
2016/17	174	52 (30%)	48 (28%)	51 (29%)	23 (13%)
2017/18	116	-2 (-2%)	27 (23%)	64 (55%)	27 (23%)
2018/19	226	26 (12%)	27 (12%)	44 (19%)	129 (57%)
Average	137	20 (15%)	41 (30%)	36 (26%)	40 (29%)

Note: Figures may not add up to 100% due to rounding

3.66 Figure 1 illustrates how the allowance is applied to the five year supply, which is as a proportion of the full 137 dwelling windfall allowance. The proportion of windfalls expected to be delivered each year is cumulative and increases year on year before reaching the full windfall allowance of 137 dwellings per annum from Year 4 onwards. For example:

- Year 1 = 15% of the 137 dwelling windfall allowance;
- Year 2 = 45% (15% + 30%) of the 137 dwelling windfall allowance; and
- Year 3 = 71% (15% + 30% + 26%) of the 137 dwelling windfall allowance.

Figure 1: Windfall delivery in the five year supply



3.67 This method of calculating the windfall allowance was assessed at paragraphs 116-118 of the Inspector's report on the Local Plan examination and was found to be sound.

Lapse Rate (Large and Small Sites)

3.68 Table 3 shows that on average planning permissions for 17 dwellings per annum have lapsed since 2011 (the historic lapse rate). A schedule of the lapsed planning permissions since 2011 is provided at Appendix 5.

3.69 The historic lapse rate includes lapsed planning permissions on both large and small sites. However, it is noteworthy that the permissions for only two large sites have lapsed in the last eight years, which in combination total 29 dwellings²⁰. This is indicative of the situation in Cotswold District where sites are generally delivered quickly once approved.

3.70 Notwithstanding the foregoing, it is reasonable to assume that a proportion of extant planning permissions will lapse in future. This can be applied as a discount to the housing trajectory (the lapse rate), which makes the trajectory realistic.

3.71 The lapse rate should only apply to extant planning permissions. It is inappropriate to apply a lapse rate to other elements of the housing trajectory, which do not have planning permission and therefore cannot lapse. Similarly, a lapse rate should not be applied to the windfall allowance, which is based on historic and future delivery rates and already factors in planning permissions that have lapsed or will lapse in future.

3.72 Consideration has been given to the proportional relationship between the number of dwellings in the housing trajectory that could potentially lapse (i.e. sites where development has not commenced) and the annual number of dwellings that have lapsed historically. This is because a scenario could arise where the number of dwellings with planning permission could be much higher than in previous years. In such instances, it may be that the potential number of dwellings with planning permission that lapse will also be higher. Table 3 shows:

- committed dwellings at 1 April each year since 2011 [A];
- dwellings with planning permission that have yet to commence development at 1 April [B];
- the number of dwellings with planning permission that lapsed the following year [C]; and
- the percentage of dwellings with planning permission that lapsed [D].

²⁰ Wells Masonry, Tetbury – 'Outline application for redevelopment of site to comprise 18 dwellings' (ref: 12/05030/OUT - lapsed in July 2016) and Land parcel at the Sunground, Avening – 'Erection of 6 affordable dwellings and 5 private dwellings' (ref: 14/02675/FUL – lapsed in December 2017)

Table 3: Calculation of the lapse rate

Year	[A] Total extant planning permissions (net)	[B] Dwellings with planning permission that had not commenced (net)	[C] Dwellings with planning permissions that lapsed the following year (net)	[D] Percentage (C / B)
2010/11	1,585	983	7	0.7%
2011/12	1,414	767	21	2.7%
2012/13	2,044	1,534	10	0.7%
2013/14	2,634	1,860	9	0.5%
2014/15	3,161	2,635	20	0.8%
2015/16	3,367	2,212	28	1.3%
2016/17	2,903	944	26	2.8%
2017/18	4,817	989	16	1.6%
Average	2,740	1,491	17	1.1%
Year	[A]	[B]	Expected lapse in 2019/20 (net)	Average of [D] (2010-18)
2018/19	4,307	3,028 ²¹	35 ²² *	1.1% *

Source: Residential Land Monitoring Statistics Reports (2011-2018)

* = calculated with non-rounded figures

- 3.73 With the exception of 2012/13 and 2017/18, there is a strong correlation between B and C. Notwithstanding this, taking an average between 2011-2019 evens out any peaks and troughs within the historic lapse rate evidence.
- 3.74 By dividing the averages of C by B, this creates a percentage where it is predicted that 1.1% of dwellings with planning permission that are yet to commence development will lapse ($17 / 1,491 = 1.1\%$ ²³). This can be used to provide a realistic estimate of the number of dwellings with planning permission at 1 April 2019 that will lapse.
- 3.75 Of the 4,307 committed dwellings at 1 April 2019, planning permissions for 3,028 dwellings have yet to commence development and could potentially lapse. Applying the (non-rounded) 1.1% dwelling percentage to the 3,028 dwellings enables a robust estimation to be made that 35 dwellings per annum will lapse ($3,028 \times 1.1\% = 35$). Given that planning permissions generally last for three years²⁴, the estimated annual lapse rate is multiplied by three when applying the discount to the housing trajectory. Taking account of rounding, 104 dwellings with planning permission at 1 April 2019 are expected to lapse²⁵.
- 3.76 Table 3 also shows that the lapse rate at 1 April 2019 is impacted greatly by the 2,350 dwelling Chesterton development. For example, in 2017/18 there were 944 dwellings with planning permission that could potentially lapse and 989 dwellings in

²¹ Excludes 26 dwellings from the Sandy Lane Court site in Upper Rissington, as the decision on the application has not yet been issued so the permission cannot lapse

²² This is 1.1% of the number of dwellings with planning permission that had not commenced development at 1 April 2019 (3,028) and is calculated using non-rounded numbers

²³ Figure calculated using non-rounded averages of [B] and [C]

²⁴ A small number of dwellings have planning permissions for longer than three years. These permissions are permitted development schemes, which have permission for five years. These permissions are already factored into the calculation of the 32 dwelling discount and do not create additional lapsed dwellings.

²⁵ Figure calculated using non-rounded numbers ($(990 / 94) \times 3$ years)

2017/18. The equivalent 2018/19 figure would be 678 dwellings if it were not for the additional 2,350 dwelling planning permission at Chesterton.

3.77 As discussed in Section 3, there is clear evidence that the Chesterton strategic site will be delivered and it is highly unlikely that this planning permission will lapse. Notwithstanding this, the lapse rate methodology was also tested during the Local Plan examination and was found to be sound. The Council does not wish to deviate from the tested methodology and has therefore taken account all dwellings that could potentially lapse, including those from the Chesterton strategic site. Should development of the Chesterton strategic site commence, however, the lapse rate will reduce considerably. This further ensures that the stated five year supply (Table 6) and housing delivery over the Plan period (Table 8) are conservatively estimated and are deliverable.

3.78 Table 4 illustrates when planning permissions could lapse, as this can vary from year to year. For example, analysis of the expiry dates of planning permissions shows that 57 dwellings are eligible to lapse in 2019/20, 328 dwellings in 2021/22 and 2,542 dwellings in 2022/23. It is therefore reasonable to assume that the lapse rate will also vary to reflect this.

Table 4: Expiry date extant planning permissions yet to commence development

	Expiry date of extant planning permissions				
	2019/20	2020/21	2021/22	2022/23	2023/24
Dwellings with extant planning permission yet to commence development	57	328	2,542	99	2
Percentage of total number of dwellings with extant planning permission yet to commence (3,028)	2%	11%	84%	3%	<1%
Proportion of 104 dwelling lapse rate	2	11	87	3	0

*Percentages may not add up to 100% due to rounding

3.79 This method of calculating the lapse rate is endorsed by the Local Plan Inspector in his report on the examination of the Local Plan.

Non-Implementation of Planning Permissions within Five Years

3.80 The number of dwellings with planning permission that lapse and the number of dwellings that are not implemented within five years were mistaken to be the same thing in some submissions to the Local Plan examination hearings. This is not the case. For example, the time period of planning permissions is sometimes extended or developments are commenced that take longer than five years to complete. Although these permissions have not lapsed, the reality is that a proportion of dwellings with planning permission will not be completed within five years.

3.81 Notwithstanding this, there is a reasonable prospect that these sites will be developed in the Local Plan period. Therefore, applying a percentage discount to each monitoring year throughout the housing trajectory is inappropriate.

- 3.82 Appendix 6 analyses large sites (10 or more dwellings) granted planning permission between 1 April 2006 and 31 March 2019 to calculate the proportion of dwellings that have been completed within five years of initially gaining planning permission. Of the qualifying planning permissions²⁶, on average 17% of dwellings were not completed in five years. It is notable that the majority of schemes not completed within five years have either subsequently been completed or are well on the way to being completed. None of the planning permissions remain undeveloped due to viability issues or that they are not deliverable.
- 3.83 Appendix 6 can be used to check whether the delivery assumptions in the housing trajectory (Appendix 1) are reasonable. At 1 April 2019, there were 1,913 dwellings with planning permission (excluding the Chesterton strategic site) and a further 467 dwellings on the Chesterton strategic site expected in the five year period up to 2024 (2,380 in total).
- 3.84 The deliverability of the Chesterton strategic site is considered in Section 3. In terms of discounts, the Chesterton strategic site is considered in isolation as a 550 dwelling discount has already been applied with only 1,800 dwelling expected in the Local Plan period up to 2031.
- 3.85 Regarding the remaining large sites, there are 1,408 committed dwellings on large sites that could be delivered by 2024 (excluding the Chesterton strategic site). It is estimated in the housing trajectory that, of these, 356 dwellings will not be delivered in five years. This is over 25% of the total number of dwellings with planning permission on large sites. This is 8% more than the historic average of 17% of dwellings on large sites that were not completed within five years.
- 3.86 Like large sites, some small sites may not be fully deliverable in five years. Small sites account for 505 of the 2,380 committed dwellings at 1 April 2019. The Council has assessed each small site planning permission to estimate when they will be delivered with reference to the following assumptions:
- Applications that are under construction will generally be completed the following year;
 - Some sites are partially completed and the development has stalled. For example, a developer may have gone bankrupt. Such sites have been discounted from the five year supply;
 - Where there are several dwellings with extant planning permission, the number of completions has been split across successive years. This is because small site housebuilders generally take longer to complete dwellings than volume housebuilders;
 - Developments granted planning permission in the previous monitoring year are expected to be delivered later in the five year period than developments permitted two years or longer ago;
 - Brownfield sites take longer to develop than greenfield sites;
 - Outline planning permissions take longer to deliver than Full or Reserved Matters permissions; and
 - If the development has already been delayed by a renewal of planning permission, an amendment to an existing planning permission or a new planning

²⁶ This analysis is informed by planning permissions that are five or more years old

permission for a new design, it is assumed that the development may experience further delays in future.

3.87 It is estimated that 476 of the 505 dwellings from small sites will be completed in 0-5 years. This represents a discount of nearly 6% of the total number of committed dwellings on small sites.

3.88 Overall, the combined discount to the five year supply comprises:

- 356 dwellings with planning permission on large sites;
- 29 dwellings with planning permission on small sites; and
- 104 dwellings with planning permission that, based on historic averages, are expected to lapse.

3.89 The 489 dwelling total discount is nearly 26% of the 1,913 dwelling committed supply²⁷ that could potentially be delivered for the period 2019-2024. The Chesterton strategic site has been considered in isolation and a 550 dwelling discount has been applied, allowing 1,800 dwellings to be delivered by 2031 and 467 dwellings in the five year period up to 2024.

4. Stakeholder Engagement and Sense Checking

4.1 To help provide a robust assessment of the deliverability of sites, the Council has carried out an engagement process with stakeholders who have a direct impact on site delivery. The engagement feedback has informed assumptions made in the housing trajectory.

4.2 Engagement has been undertaken with specific consultation bodies that the Council considers may have an interest, general consultation bodies the Council consider are appropriate, and any residents or other persons carrying on business in the area from which the Council considers it appropriate to invite representations from, such as:

- small and large developers;
- land promoters;
- private and public land owners;
- infrastructure providers (such as utility providers, highways, etc.); and
- Neighbourhood Planning Groups.

4.3 Cotswold District does not have any neighbouring authorities with adjoining or cross-boundary sites, who would otherwise also be invited to contribute towards the assessment of site deliverability.

4.4 The engagement work has included:

- liaison with site owners / applicants, developers and other stakeholders, such as the County Council, or other consultation bodies that respond to planning applications. In some instances, statements of common ground have been

²⁷ Excludes Chesterton strategic site

entered into with relevant stakeholders where there are complicated planning issues that need to be set out and agreed;

- A schedule of the site-based data resulting from this is provided at Appendices 2 and 3;
- liaison with the Council's Development Management team and, in particular, the case officers working on specific planning applications or permissions that contribute towards the District's housing land supply;
- setting up an assessment and delivery group which contributes towards five year land supply assessments. This group not only identifies any delivery issues but also helps to find solutions to address them. The assessment and delivery group comments are provided within Appendix 2; and
- the Council invited robust challenge by requesting feedback from those who made contributions to the hearings at the Local Plan examination on Housing Requirement (Matter 2) and Housing Supply (Matter 4) sessions. This ultimately sought as much agreement as possible, so that reasoned conclusions can be made on the potential delivery of sites which contribute to the housing land supply. Further detail of this process, a summary of the feedback received, and the Council's action on the feedback is provided at Appendix 7.

4.5 In addition to the stakeholder engagement, this report has set out how the different aspects of the housing land supply have been sense checked and tested against historic delivery rates and future trends. A 489 dwelling (nearly 26%) discount has been applied to the committed supply²⁸ of dwellings that could potentially be delivered in the five year period up to 2024.

4.6 It is also noteworthy that several sites do not meet the tests required of the 'deliverable' site definition and are therefore not included within the five year housing land supply. For example:

- The Council resolved to grant outline planning permission, subject to signing a Section 106 Agreement, on 12/06/2019 for 67 dwellings on the Local Plan site allocation at Evenlode Road in Moreton-in-Marsh;
- The Council received a planning application on 11/06/2019 for 250 dwellings at Land at Dunstall Farm in Moreton-in-Marsh;
- A planning application for 76 dwellings is currently being determined on the Local Plan site allocation at Aston Road in Chipping Campden; and
- Planning activity is progressing on several other smaller allocated sites across the District, some of which are in the pre-application stage and others have had planning applications submitted.

4.7 This gives an indication of potential additional supply, subject to planning permission being granted, which gives further security that the five year housing land supply is deliverable.

²⁸ Excludes Chesterton strategic site

5. Five Year Supply Calculation

- 5.1 The methodology for calculating the five year supply was found to be sound through the examination of the Cotswold District Local Plan (2011-2031)²⁹.
- 5.2 Table 6 illustrates the calculation of the District's five year housing requirement, which is based on a residual requirement approach for the remaining years of the plan period. This deducts net completions since 2011 from the requirement for the plan period of 8,400 dwellings. The base date for the five year residual requirement is 1 April 2019.
- 5.3 Between 1 April 2011 and 31 March 2019, 4,893 net additional dwellings had been completed in the District. The residual requirement for the remainder of the plan period is therefore 3,507 dwellings (i.e. $8,400 - 4,893 = 3,507$).
- 5.4 Calculating the annual housing requirement requires some rounding of numbers, although the exact numbers are given in the subsequent paragraphs for clarity.
- 5.5 The annualised average residual requirement is 292.25 dwellings, which is calculated by dividing the total residual requirement by the 12 remaining years of the plan period (i.e. $3,507 / 12 \text{ years} = 292.25$). This method is similar to the 'Liverpool approach', whereby any shortfall in delivery is equally distributed across the remainder of the plan period.
- 5.6 Multiplying the residual annual requirement by five gives a five year requirement of 1,461.25 dwellings (i.e. $292.25 \times 5 \text{ years} = 1,461.25$). The NPPF requires authorities to include a buffer of 5% where there has not been a significant under delivery of housing over the previous three years and the authority does not demonstrate its five year supply through an annual position statement³⁰. The five year requirement plus 5% buffer is therefore 1,534.25 dwellings (i.e. $1,461.25 + 73 = 1,534.25$). Rounded up, the five year requirement + 5% buffer is 1,535 dwellings.
- 5.7 The five year requirement will be recalibrated annually to take account of further dwelling completions over the remainder of the plan period with a 5% (or 10% or 20%) buffer added in accordance with the NPPF.
- 5.8 Table 6 demonstrates that the District has a deliverable five year supply of 2,343 dwellings. When measured against the 1,535 dwelling five year supply requirement, which includes the 5% buffer, the District has a five year supply at 1 April 2019 of 7.6 years.

²⁹ Discussed at paragraphs 183-193 of the Inspector's Report.

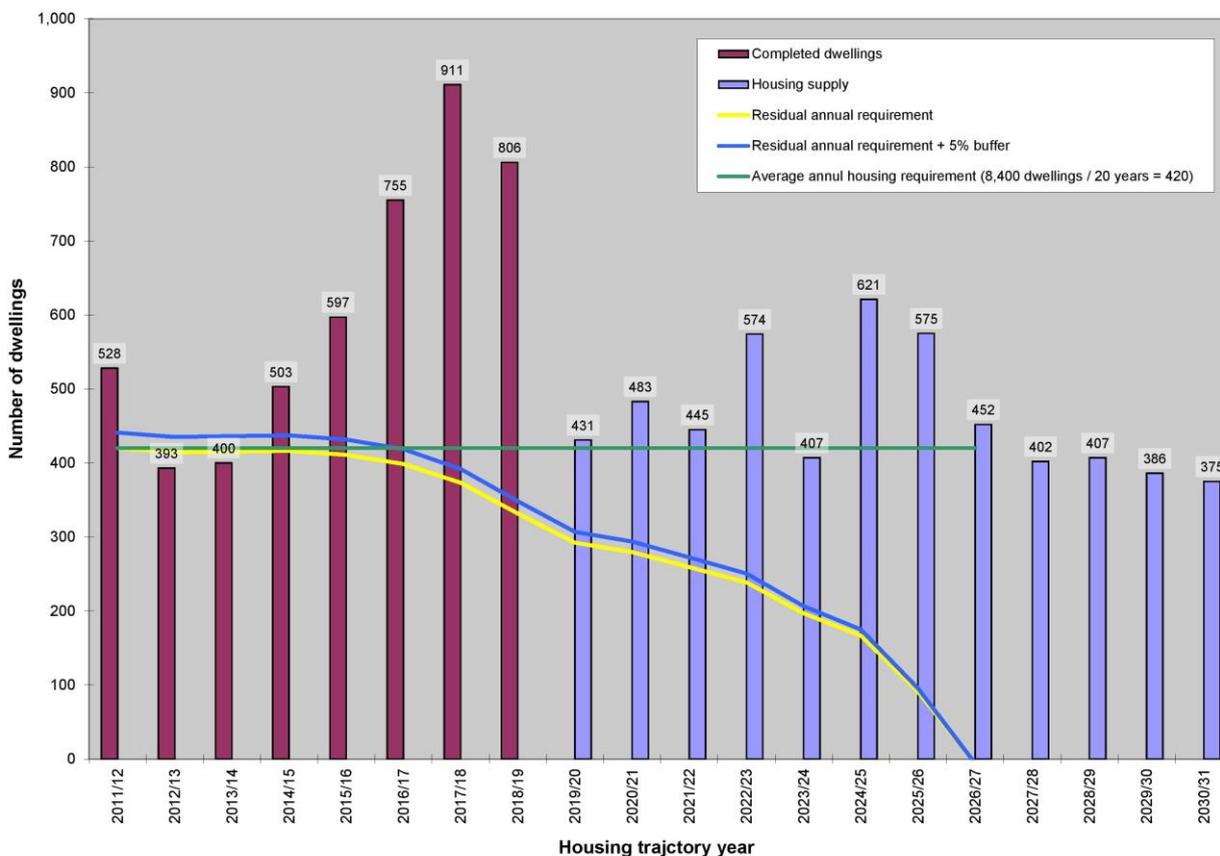
³⁰ Cotswold District Council has a Housing Delivery Test score of 268% and, in accordance with NPPF paragraphs 73c and footnotes 39, is not a persistent under deliverer of housing (<https://www.gov.uk/government/publications/housing-delivery-test-2018-measurement>). The Council is also not submitting an annual position statement in 2019.

Table 6: Residual Requirement		
A	Total Residual Requirement for 2019 to 2031 (i.e. 8,400 – 4,893)	3,507
B	Residual requirement for 2019 to 2031 expressed as an annual average (i.e. 3,507 / 12 years)	292*
C	Total residual requirement for 2019 to 2024 (i.e. 292* x 5 years)	1,461*
D	Total residual requirement for 2019 to 2024 plus a 5% buffer (i.e. 1,461* + 73)	1,535
E	Residual requirement for 2019 to 2024 (including 5% buffer) expressed as an annual average (i.e. 1,535 / 5 years)	307
Five Year Supply for 2019 to 2024		
F	Deliverable sites with planning permission or a resolution to permit on 1 April 2019 (including -104 dwelling lapse rate)	1,891
G	Other land allocations	0
H	Windfalls	452
I	Total supply for 2019 to 2024	2,343
J	Supply available at 1 April 2019 expressed as number of years against the residual requirement (including 5% buffer) (i.e. (2,343 / 1,535) x 5 years)	7.6 years

* Figure calculated using non-rounded numbers

- 5.9 Cotswold District's housing land supply is illustrated on a housing trajectory in Figure 2. The housing trajectory also shows the housing completions since 2011; the 'residual requirement'; the residual requirement with a 5% buffer; and the average 420 dwelling per annum 'flat rate' housing requirement across the Local Plan period.
- 5.10 The housing trajectory illustrates the elevated level of housing delivery in the early part of the Local Plan period. In addition, all but one year up to 2026/27 are expected to receive higher delivery rates than the 420 annualised requirement and only in the last four years of the Plan period are the annual delivery rate currently expected to be lower than 420 dwellings.

Figure 2: Housing trajectory



Maintaining a five year housing land supply throughout the Local Plan period

5.11 Table 7 demonstrates how a five year supply can be maintained throughout the Local Plan period. The five year supply cannot be calculated after 1 April 2027 as the five year period extends beyond the end of the Local Plan period. However, a healthy five year supply can be demonstrated for each year up to that point.

Table 7: Maintaining a five year housing land supply

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Projected annual supply	431	483	448	574	407	618	575	452	402	407	386	375
Projected 5 year supply	2,343	2,530	2,622	2,626	2,454	2,454	2,222	2,022	-	-	-	-
Residual annual requirement	292	280	259	238	196	166	91	-6	-	-	-	-
Residual 5 year requirement	1,461	1,398	1,297	1,192	982	831	455	-29	-	-	-	-
Residual 5 year requirement + 5% buffer	1,534	1,468	1,361	1,251	1,031	873	478	-30	-	-	-	-
5 year supply (years)	7.6	8.6	9.6	10.5	11.9	14.1	23.3	-332	-	-	-	-

Total housing delivery over the Local Plan period (2011-2031)

5.12 Table 8 combines the various sources of housing supply and estimates that approximately 10,451 dwellings will be delivered over the Local Plan period.

Table 8: Housing delivery over the Local Plan period (2011-2031)

SETTLEMENTS	Built 01/04/2011 to 31/03/2019	Extant planning permissions at 01/04/2019	Local Plan Allocations (excludes those with planning permission)	Windfalls 01/04/2019 - 31/03/2031	Total housing delivery 2011-2031
Andoversford	69	2	25	–	96
Blockley	12	36	19	–	67
Bourton-on-the-Water	399	21	–	–	420
Chipping Campden	91	108	36	–	235
Cirencester	1,005	1,987*	20	–	3,012
Down Ampney	3	45	28	–	76
Fairford	403	24	61	–	488
Kemble	55	3	32	–	90
Lechlade	96	11	18	–	125
Mickleton	256	8	–	–	264
Moreton-in-Marsh	717	212	186	–	1,115
Northleach	85	3	17	–	105
South Cerney	169	101	–	–	270
Stow-on-the-Wold	119	132	–	–	251
Tetbury	544	312	61	–	917
Upper Rissington	374	27	–	–	401
Willesley	34	60	54	–	148
Outside Principal Settlements	462	602	–	–	1,064
Windfalls	–	–	–	1,411	1,411
Planning permissions expected to lapse between 01/04/2019 - 31/03/2031	–	-104	–	–	-104
TOTAL	4,893	3,590	557	1,411	10,451

*Includes 1,800 dwellings from Chesterton strategic site that are expected to be delivered by 31 March 2031. The delivery of the remaining 550 dwellings is expected after this date.

- 5.13 The Local Plan does not impose a limit to the amount of housing delivered over the Plan period. Furthermore, the estimated number of housing delivered over the Plan period is subject to changes from various factors, such as changes to national policy.

6. Housing Delivery Test

6.1 The NPPF requires a Housing Delivery Test, which is a percentage measurement of the number of net homes delivered against the number of homes required in a plan-making authority area.

$$\text{Housing Delivery Test (\%)} = \frac{\text{Total net homes delivered over a three year period}}{\text{Total number of homes required over a three year period}}$$

6.2 The NPPF specifies the consequences of the Housing Delivery Test, which are summarised below:

- <75% = Presumption in favour of sustainable development in accordance with paragraph 11d (footnote 7)
- 75 – <85% = 20% buffer on five year housing land supply requirement (paragraph 73c and footnote 39)
- 85 – <95% = Prepare an action plan in line with national planning guidance, to assess the causes of under-delivery and identify actions to increase delivery in future years (paragraph 75).
- >95% = Pass

6.3 Table 9 shows how the housing delivery in Cotswold District in the past three years compares to the residual requirement for that period.

Table 9: Housing Delivery Test

	Residual annual requirement	Completed dwellings	Surplus dwellings
2016/17	399	755	356
2017/18	373	911	538
2018/19	332	806	474
Total	1,104	2,472	1,368

6.4 In the past three years, Cotswold District has delivered 224% of its residual requirement. The District therefore comfortably passes the Housing Delivery Test.

7. Conclusion

7.1 Cotswold District has a supply of specific deliverable sites in excess of its housing requirement for the five year period 1 April 2019 to 31 March 2024. Taking account of a 5% buffer, the District can demonstrate a supply of 7.6 years' worth of deliverable housing sites.

7.2 It is estimated that approximately 10,451 dwellings will be delivered in the District over the period of the Cotswold District Local Plan (2011-2031). This is nearly 125% of the 8,400 dwelling housing requirement. This will significantly boost the supply of housing whilst also providing sufficient flexibility to ensure that the District's housing requirement is delivered in full.

7.3 Cotswold District also passes the Housing Delivery Test. In the past three years, the District has delivered 2,472 dwellings. This is measured against a residual housing

requirement of 1,104 dwellings, giving Cotswold District a Housing Delivery Test score of 224%.

DRAFT