

Mendip District - Statement on Five Year Housing Land Supply

Headline Position

1. This note sets out a five year housing land position for the district as at April 2020. It also takes account of updated evidence for individual housing sites as at January 2021.
2. The Local Housing Need (LHN) target over five years is 3,145 dwellings as at April 2020. The Council estimate of deliverable supply is 2,198 dwellings. This equates to a 3.5 years supply and represents a shortfall against the LHN requirement of 947 dwellings.
3. This position statement confirms the Council cannot demonstrate a five year supply. This means that policies in the Local Plan which are related to the delivery of housing may be considered as 'out of date' where they are relevant to the determination of a housing application.

The Five Year Housing Supply Target

4. National Planning Policy Framework (NPPF) in para 73 states that *Local planning authorities should 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, or against their local housing need where the strategic policies are more than five years old*
5. Housing requirements are set in the **Mendip District Local Plan Part I: Strategy and Policies 2006-2029** which was adopted on 15th December 2014. The housing requirement is 9,635 dwellings over the plan period or **420 dwellings per annum** from 2011-2029. As these policies are now more than five years old from adoption, the target figure is now based on the Local Housing Need (LHN).
6. LHN is a nationally set formula based on published statistics. It comprises a figure based on ten-year household growth plus an 'uplift' which reflects the local 'affordability' of housing in the district. The formula reflects a national policy intent that more houses should be planned for in districts where there is a significant gap between local incomes and house prices. The latest data shows that average house prices at 10.98 times more than average local earnings. This is incorporated into the formula and the full calculation for 1st April 2020 is set out in Appendix 1. The applicable **Local Housing Need Requirement figure is 599 dwellings per annum**.
7. The government consulted on proposals to change the formula for LHN in August 2020. On 16th December 2020 it confirmed the current approach for many LPAs, including Mendip, will be retained¹.
8. NPPF Para 74 also states that the target should include a 5% buffer, to be added to the five year supply to ensure '*choice and competition in the market for land*'. Other buffers may be applied where Council is seeking to fix its five year supply (a 10% buffer) or where there is under-delivery based on the national Housing Delivery Test (a 20% buffer).

¹ <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system/outcome/government-response-to-the-local-housing-need-proposals-in-changes-to-the-current-planning-system>

9. The most recent Housing Delivery Test was published on 13th February 2021 which covers housing completions from 2017 to 2020. The published results of the test are shown in Table 1. This confirms the delivery test has been passed and the correct buffer to apply is 5%

	Target	Period	No of homes required	No of homes built	Result
MHCLG Published 19.02.19	419	2015-2018	1257	1561	124%
MHCLG Published 13.02.20	419	2016-2019	1257	1590	127%
MHCLG Published 13.02.21	419	2017-2020	1256	1579	126%
<i>Table updated on 13th Feb 2021</i>					

Calculation of a Five Year Supply Target Figure

10. Table 2 shows the target five-year housing supply requirement based on the LHN requirement of 599 units per annum. The adopted plan housing requirement is shown for comparison. The LHN requirement totals 2,995 dwellings over five years. Adding a 5% buffer makes an **overall target requirement of 3,145 dwellings**.

		Local Plan 2014	Local Housing Need
(a)	Housing Requirement -annual	420	599
(b)	Over 5 Years (a) x 5	2100	2995
(c)	Plus 5% buffer (b)* 5%	105	150
	5YS Target (b) +(c)	2205	3145

Mendip Housing Trajectory and Progress Reports on major sites

11. The starting point for calculating the short term supply of housing over five years is an update of recent completions and the outstanding sites with permission. These figures are published as at 31st March each year. The latest development monitor can be found [here](#).
12. The 'stock' of housing sites with planning consent and other sites is then used to produce an updated trajectory for the district. The trajectory lists sites which are considered likely to deliver housing over the next 15 years and provides estimates for when dwellings could come forward. The trajectory takes into account evidence sought from developers, agents and promoters on timing and prospects for development, updates from planning officers and council records (building control and council tax).
13. For sites over 10 units (known as major sites), planning information and assumptions are set out in a series of published progress reports. Four reports cover Frome, Glastonbury & Street, Shepton Mallet/Wells/sites in north Mendip and Mendip Villages. The latest update is at January 2021.
14. The housing trajectory and progress reports can be found on this page <https://www.mendip.gov.uk/housinglandsupply> .

15. Table 3 summarises the results of the Trajectory update setting out net additional dwellings by settlement over the five years from 1st April 2020. The trajectory estimates a delivery of just around 500 houses per year over this period totalling **2,512 dwellings**.

Settlement	2020-21	2021-22	2022-23	2023-24	2024-25	Total
Frome	78	69	148	223	205	723
Glastonbury	36	99	41	49	2	227
Street	12	10	12	35	46	115
Shepton Mallet	4	7	12	14	52	89
Wells	130	133	113	91	61	528
Primary Villages	56	57	58	58	58	287
Secondary Villages	25	25	25	25	26	126
Other villages/rural	46	46	47	49	49	237
NE District	0	0	0	45	135	180
	387	446	456	589	634	2512

Assessment of deliverable dwellings

16. For the purposes of calculating a five year supply, national planning guidance advises that only certain categories of sites in planning can be automatically counted as deliverable without evidence. This term is defined in Annex 2 of the NPPF².

Housing sites that are automatically counted by the council towards the five year supply include

- Sites under construction
- Major sites which are not started but benefit from a full or reserved matters permission
- All minor sites (1- 9 net dwellings) with either a full or outline/permission

Other types of sites such as those below can only be included where there is clear supporting evidence to demonstrate there is a realistic prospect of housing delivery within five years.

- Major sites with an outline planning permission
- Sites agreed in principle subject to a s106 agreement being made,
- Adopted or emerging housing allocations in the Local Plan
- Other sites with potential - eg land on a brownfield register, sites promoted for affordable housing, current planning applications and medium-long term opportunities.

17. This means that additional assessment is needed of certain sites in the trajectory reflecting the extent the council can be confident a scheme will be started and there is clear supporting evidence. This is a matter of planning judgement but will reflect:

- Whether a site is being actively progressed by the applicant through the planning process
- Information on deliverability/viability submitted with an application, appeal or as evidence to the local plan examination.
- The extent to which the council is actively engaged in the bringing the scheme forward – such as an affordable housing scheme or development on council land.

² <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary#deliverable>

- Any other issues or uncertainties affecting development

18. In the 2019 position statement, the council identified a number of sites where it considered additional evidence would be needed to establish they were deliverable sites. The contribution of these sites to the five year supply was then discounted from the trajectory totals.
19. In terms of the 2020 position statement there are some additional issues around establishing a 'the realistic prospect of delivery' . This includes the status of sites at examination and the potential impact of the Covid-19 pandemic on development activity. A further consideration is the advice issued by Natural England in August 2020 on the need for phosphate mitigation for housing sites within the catchment area of the Somerset Levels and Moors RAMSAR.
20. A national lockdown in response to the Covid-19 pandemic was implemented in March 2020 halting all construction work and the housing market. In terms of planning activity, many aspects of the council's service as well as the capacity of the private sector were also affected for a short period. However, government moved quickly to allow the restart of development activity together with 'emergency measures' to allow for continued determination of applications and support for the housing market. While there is likely to be an impact on development completions and progress on some applications in the current year (2020-2021), the council do not consider there is a case to discount the supply over the whole five year period as a consequence. Feedback from the Council's contact with applicants as part of its monitoring survey highlights many applicants on smaller schemes wanting to take sites forward as soon as lockdown is lifted.
21. Natural England advice in relation to the Somerset Levels and Moors RAMSAR site affects certain planning applications and local plan allocations. A detailed explanation of the background can be found in the [council statement of common ground](#) with Natural England and submitted to the Local Plan Part II examination. The need for mitigation solutions and its impact on timescales has been included as a factor in the trajectory and explained in the progress reports.
22. Work on identifying and developing mitigation solutions is in progress but may take 9-12 months to implement in Mendip. However, this does mean that for the purposes of the fiveyear supply, a number of major sites have been identified which cannot be confirmed as 'deliverable' at this point in time. These are summarised in table 4 and their contribution has been discounted from the five year supply.
23. Mendip, along with other affected LPAs have raised with government their concerns regarding phosphates and the impact on housing delivery targets and the five year supply MHCLG have responded indicating they are aware of the difficulties and supportive of the joint working. However, there is no indication local housing targets will be changed or suspended. Correspondence with MHCLG and details of joint work on phosphate mitigation in Somerset can be found on the Mendip website here. <https://www.mendip.gov.uk/phosphates>
24. The Mendip Local Plan Part II is currently at examination. Draft allocations are included in the trajectory which are capable of early delivery and contributing to five year supply. These sites have been discounted as they remain subject to confirmation in the Inspectors Report – due April 2021
25. Table 4 summarises the discounts made from the trajectory estimates. This has the impact of reducing the supply figure by 387 dwellings.

Site	Issue or evidence*	Units Discounted
Land south of Elm Close	phosphates mitigation	30
Cannards Grave Road	viability/phosphates mitigation	48
land at Somerton Road, Street	phosphates mitigation	55
Land adj to Street Cemetery	phosphates mitigation	22
Glastonbury Road (affordable housing scheme)	phosphates mitigation	23
Land at West View - sub Road, Butleigh	phosphates mitigation	15
Land east of Toy Farm	phosphates mitigation	14
Land west of A367, Fosseyway	remains subj to LP2 report	70
Underhill Lane	remains subj to LP2 report	30
Land at White Post, Fosseyway	remains subj to LP2 report	80
Total		387
*See progress reports for additional detail and updates		

26. An annual 'windfall allowance' is not included in the trajectory estimates. However in recognition of the lag between the end of the monitoring year and publication of the position statement, an upward adjustment is made for additional minor permissions granted since 1st April 2020 - see table 5.

27. Table 6 summarises the adjustments made to the trajectory figure to arrive at a figure for deliverable supply of **2,198 dwellings**.

Five Year Supply Calculation

28. The five year supply calculation is set out in Table 7 which compares the target figure of 3.145 dwellings against the deliverable supply of 2,198 dwellings. The five year supply position is calculated to equate to 3.5 years and shortfall of 947 dwellings. As consequence of not being able to demonstrate a five year supply, the 'presumption in favour of sustainable development' as set out in Para 11 of the NPPF may apply.

April, May & June 2020	38
July, Aug & Sept 2020	35
Total	73

Total delivery from housing Trajectory 2020/21-2024/25	2512
plus - minor sites granted (from 1.4.20 to 30.09.20)	73
less discount for sites relating to evidence/ certainty of a start within five years	-387
Total deliverable Housing Supply	2198

Five Year Supply Requirement	3145
Total Deliverable dwellings	2198
Five Year Requirement (annual rate)	629
No of Years supply	3.5
Surplus/shortfall over five year supply target	-947

Appendix 1

Mendip District Council Area :Calculation of Local Housing Need using the Standard Method 2020

Calculation last made on 20th May 2020

Step 0 Inputs to the LHN Calculation

Table 406 - 2014-based household projections
Published on 12 July 2016
Table 5c - Ratio of median house price to median gross annual workplace based earnings by District 1997-2019
Published 19th March 2020

Step 1 Household Growth over 10 Years

(a)	(b)	(b) - (a)	divide/10
2020	2030		
50,170	54,447	4277	427.7
Annual HH Growth (A)			427.7

Step 2 Median Workplace Based Affordability Ratio (from ONS)

10.98 From 2019

Affordability Adjustment

Aff Ratio	10.98	4	6.98
divide by 4			1.745
x0.25			0.43625
plus 1			1.43625

Minimum annual Local Housing Need Figure (LHN).....>

614

Step 3 Applying the 'cap'

Plan is over 5 years from adoption

The cap is the higher of annual HH growth (step 1) plus 40% or most recent plan figure (plus 40%)

But if the 'cap' is above the min LHN - you then use the LHN figure instead.

The most recent plan housing requirement (HR) is	420
Average annual household growth over 10 years is	427.7
The minimum local housing need figure (LHN) is	614

3.1 calculate HH growth plus 40%

Hh Growth	40%	Final
427.7	171.08	599

3.2 calculate plan HR plus 40%

Requirement	40%	Final
420	168	588

3.3 check which is higher cap figure ?

HH Growth plus 40%	599	is higher than plan HR plus 40%	588
The cap figure is	599		

3.4 compare 'cap' with min LHN

The cap figure of 599 is lower than the minimum LHN 614

The cap figure is lower than LHN and therefore has an effect in constraining the LHN. The cap figure is applied in this case

conclusion

The current minimum local housing need figure for Mendip in 2020 is 599