



Telford & Wrekin  
COUNCIL

**Telford and Wrekin  
Five Year Housing Land Supply Statement  
2015-2020**

**At April 2015**

**(Published October 2015)**

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## 1. Introduction

*This statement is an update to the previous statement in March of this year (2015). It includes updated figures on housing completions and existing commitments up to April 2015, and a revised land supply calculation for the period 2015-2020. The statement also updates the supporting commentary on matters relating to five year housing supply in Telford and Wrekin. The calculation (as set out in Table 4) indicates that the council has in excess of **10 years** worth of housing land supply at April 2015.*

1.1 The National Planning Policy Framework<sup>1</sup> (NPPF), in March 2012, requires all local authorities as part of their strategic planning function, to identify a continuous five-year supply of housing land. The ability to demonstrate whether or not a five year supply exists forms an important consideration when determining planning applications for new housing. It does not, of itself, however, provide justification for approval or refusal of a planning application.

1.2 The statement comprises four main parts:

- Section 2: the calculation of the five year housing land requirement;
- Section 3: the sources and methods used that form the housing land supply;
- Section 4: the calculation of the five year housing land supply position;
- Appendices: a schedule of sites related to the current housing land supply for the period 2015-20.

1.3 In preparing this statement, Telford & Wrekin Council (the 'council') has taken account of a number of key legal rulings issued by the High Court that relate to housing requirements and land supply issues.

1.4 The assessment also takes into account dwelling losses as part of proposals for new dwellings. This is explained further in section 3.

### Recent appeal decisions relating to five year supply in the borough

1.5 On 22 June 2015, an appeal against the refusal of up to 60 dwellings on a site on the edge of Tibberton village was dismissed by

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<sup>1</sup> Paragraph 47

the Planning Inspectorate<sup>2</sup>. A key part of the Inspector's decision was the acceptance of the overall approach to housing land supply set out in the statement published in March<sup>3</sup>. This was the first test of the council's approach in a public forum.

### Local Plan

1.6 The council is also consulting on the Telford & Wrekin Local Plan - Consultation Version (the 'local plan'). The consultation period finished on 25<sup>th</sup> September 2015. The plan identifies a revised housing requirement and the various sources of land that will deliver it. At this stage, the local plan has limited weight in determining planning applications and, so, the approach set out in this statement will continue to form the basis for the assessment of five year land supply, until the local plan gains development plan status.

1.7 In March 2015, Telford and Wrekin published the last statement on the five year supply position, which indicated that up to April 2014 the council had 8.2 years worth of housing land when measured against a revised housing requirement based on an up to date assessment of housing need. The purpose of this statement is therefore to present a updated five year land supply position based on the latest monitoring figures at April 2015.

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<sup>2</sup> APP/C3240/W/15/3003907

<sup>3</sup> Telford & Wrekin Five Year Housing Land Supply Statement, March 2015

## **2. Determining a Housing Requirement**

### **Introduction**

2.1 Since 2007, Telford & Wrekin has applied the Core Strategy (Policy CS1) as the basis for a housing requirement when assessing the five year housing supply position. The policy, in turn, finds its basis in the Regional Planning Guidance for the West Midlands (2004), which was formally revoked in May 2013. Consequently, this approach underpinned the Five Year Housing Land Supply Statement issued by the Council in November 2013.

2.2 However, since that time a number of High Court judgments have been handed down that are pertinent to the calculation of the borough's five year housing supply, in particular relating to what is an appropriate basis for a housing requirement. In March 2014, DCLG issued an online technical supporting guidance, Planning Practice Guidance, to assist local authorities in undertaking evidence base work relating to housing requirements to support local plan preparation and the assessment of five year land supply. And in July 2014, the Planning Advisory Service issued a technical note to provide greater clarity on how five year supply assessments should be carried out.

2.3 The recent legal and technical changes referred to here have a significant bearing on how the Council should undertake the housing supply assessment. The most critical aspect of this relates to establishing an appropriate housing requirement against which to assess delivery. The rest of the section deals with this issue specifically.

### **Approach to determining an up to date housing requirement**

2.4 In line with both paragraph 47 of the National Planning Policy Framework (NPPF), and more recent legal rulings<sup>4</sup> the starting point for establishing an appropriate housing requirement is the 'full, objectively assessed need for market and affordable housing'. The council therefore commissioned consultants Peter Brett Associates (PBA) to determine what the objectively assessed needs for the borough are up to 2031, in line with the local plan.

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<sup>4</sup> Most notably, *Hunston Properties Ltd v SSCLG and St Albans City and District Council* 2013 EWHC 2678 (Admin); and *Gallagher Homes Ltd and Lioncourt Homes Ltd v Solihull MBC* 2014 EWHC 1283 (Admin)

2.5 PBA undertook the work in line with the most up to date guidance set out in the Planning Practice Guidance (PPG), as well as applying advice in the PAS technical note and their own technical expertise. PBA incorporated the latest population and household projections into the assessment as a starting point. These are the 2012-based population projections, with reference to the 2012-based household projections recently published by DCLG.

2.6 The study also considered various factors that might justify an upward adjustment to the base assessed need figures, including assessing the potential for under-supply based on an analysis of local market signals. Affordable housing need and economic growth issues as they applied to Telford and Wrekin were also taken into account.

2.7 The council published the findings of the PBA study in April 2015. This resulted in a figure of 9,940 homes required for the period 2011 to 2031. The base requirement figure for the 5 year housing supply calculation is therefore 2,485, which represents the OAN for a five year period. In line with the NPPF and PPG, and reflecting on the planning and legal judgments referred to here, the Council proposes to apply as its housing requirement the up to date assessed need identified in the PBA report.

2.8 In assessing the need for the period 2011-31, the council has not applied any notional amount of additional supply for the period 2006-11. In doing so, the Council relies on the ruling in *Zurich Assurance*<sup>5</sup>. This helpfully clarifies how backlog should be dealt with in assessing future housing need. Furthermore, the issue of under-supply has been addressed in the PBA study, in line with the latest guidance in the PPG. The study concludes that there is no evidence of under-supply, based on an assessment of market signals, including measures of affordability and local house prices.

## Buffers

2.9 In establishing a robust housing requirement, the council also must consider adding an appropriate buffer to the basic figure of 2,485 referred to above. The NPPF<sup>6</sup> identifies that this should be a minimum of

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<sup>5</sup> *Zurich Assurance Ltd v Winchester City Council and South Downs National Park Authority* 2014 EWHC 758 (Admin), para 94-95

<sup>6</sup> Paragraph 47

5%, to account for choice in the local market or, alternatively, 20% to reflect a record of persistent under-delivery.

2.10 Set out below in Table 1 is a summary of delivery since 2011 compared to the assessed need. Since that time, net completions have averaged 810 dwellings each year, with over one thousand new dwellings delivered in the 2014-15 period alone. When comparing the up to date assessed housing need to actual delivery of dwellings since 2011, the Council considers that it has not under-delivered against its needs and therefore it is a '5%' authority.

**Table 1: Telford & Wrekin Housing Completions 2011-15**

	Net new completions <sup>7</sup>	Assessed Need (as an annual average)	Comparison (Delivery vs need)	Cumulative difference
2011-12	720	497	+223	-
2012-13	607	497	+110	+333
2013-14	842	497	+345	+678
2014-15	1,074	497	+577	+1,255
Total	3,243	1,988		

2.11 On the basis of the approach to assessed need and the assumptions regarding the buffer explained above, the revised five year housing requirement for 2015-20 is set out below (Table 2).

**Table 2: Housing Requirement for the period 2015-20**

A	Objectively Assessed Housing Need (OAN) for period 2011-31	9,940
B	OAN for the five year period 2015-20 (A divided by 20, multiply by 5)	2,485
	Annual housing requirement based on OAN	497

<sup>7</sup> Data based on Telford & Wrekin Council annual monitoring figures up to 2015. The AMR 2015 report will be published shortly.

	(B divided by 5)	
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2.12 This establishes an annual housing requirement of 497 dwellings each year over the five year period up to April 2020.

### 3. Components of Supply - Methodology

#### Overall Approach

3.1 In determining whether or not a sufficient supply of housing land exists to meet the housing requirement established in Table 2, the council must assess the deliverability of the sites currently identified for housing. Deliverability is defined in the National Planning Policy Framework (NPPF) as sites that, '*should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable.*'<sup>8</sup>. The *Hunston*<sup>9</sup> ruling handed down in St Albans provides further clarification as to how a council should proceed in assessing whether or not they have sufficient deliverable supply of sites to meet their housing requirement. Other helpful guidance is provided by the *Wainhomes* ruling<sup>10</sup>.

3.2 It is necessary to point out that planning permission is not a prerequisite to a site being assessed as 'deliverable' (in line with the *Wainhomes*). Indeed, many a council include additional sources of land within their five year supply calculation; sites with resolution to grant subject to legal agreements being signed which it can be demonstrated will come forward in five years, or existing site allocations and windfall allowances. Telford and Wrekin Council has included only those sources it considers justified in forming part of the five year supply, In line with the *Wainhomes* ruling, the council has kept under review the other potential sources of supply, that is sites that the council has resolved to grant permission for subject to a signed legal agreement, and has included additional sites which it considers have realistic prospects of coming forward within the next five year period. The council has also excluded those sites where uncertainties exist regarding delivery, including where a planning permission has been granted and no legal obstacles exist.

3.3 Consequently, in assessing the deliverability of sites, the council considers the following sources, or components, as appropriate for inclusion:

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<sup>8</sup> NPPF paragraph 47, footnote 11

<sup>9</sup> See footnote 4

<sup>10</sup> *Wainhomes (South West) Holdings Limited v SSCLG v Wiltshire Council 2013 EWHC 597 (Admin)*, paragraph 34

- Sites with planning permission with dwellings under construction, as at April 2015;
- Sites with planning permission but not yet started, as at April 2015;
- Sites with resolution to grant, subject to signing of a legal agreement, that are expected to deliver homes in the five year period;
- An allowance for small windfall sites.

3.4 This is the approach that has been applied to the assessment of sites for the purposes of the supply calculation. The results of the assessment of sites are set out in the appendices. Table 3 below sets out the various assumptions underpinning the total five year supply.

**Table 3: Summary of supply calculation 2015-20 (at April 2015)**

A	Dwellings from major sites <sup>11</sup> currently under construction, at April 2015	2,367
B	Dwellings from major sites not yet started, at April 2015	2,566 <sup>12</sup>
C	Dwellings from small sites <sup>13</sup> currently under construction, at April 2015	152
D	Dwellings from small sites not yet started, at April 2015	346
E	Dwellings from sites with resolution to grant, at April 2015	266
<b>F</b>	<b>Total 'gross' deliverable supply from sites with planning permission at April 2015 (A+B+C+D+E)</b>	<b>5,697</b>
G	Discount of 10% for non-implementation on sites not yet started at April 2015 (10%	318

<sup>11</sup> Sites comprising ten dwellings or more

<sup>12</sup> Comprising 325 dwellings with full planning permission but not yet started, and 2,241 dwellings on sites with outline planning permission not yet started, at April 2015. See appendix 2 and 3 for details.

<sup>13</sup> Sites with net delivery of nine dwellings or less

	of B+D+E)	
H	Sub-Total (F minus G)	5,379
I	Allowance for windfalls over the period 2018-20 (sites less than 0.1 ha)	60
	<b>Total 'discounted' deliverable housing land supply as at April 2015 (H+I)</b>	<b>5,439</b>

### Sites with Planning Permission at April 2015

3.5 In line with the NPPF, the principal source of land supply for the purposes of the five year calculation is sites with planning permission. The NPPF states that:

*'Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans.'*<sup>14</sup>

3.6 This is important for Telford & Wrekin as a significant amount of current supply is related to a small number of large, strategic sites, principally those identified in the Core Strategy (Lawley, Lightmoor, and Telford Millennium Community) plus a number of other large development sites approved across the borough, which continue to be delivered in a phased manner. Therefore, the assessment recognises where certain sites have either lead-in times that extend over a number of years, or which are subject to phased delivery. Therefore, where development of sites is expected to take more than five years to complete, only that part of the supply is included within the five year period. This is achieved by applying appropriate lead-in times and assessing the likely rate of delivery, otherwise known as build out rates.

### Lead-in times and build out rates

3.7 A critical aspect in assessing likely future delivery is to apply lead-in times and build out rates that are a fair and reasonable reflection of the local housing market. Rather than applying a blanket or mechanistic approach, the applied rates for the identified sites has been determined

<sup>14</sup> NPPF, paragraph 47, footnote 11

by the council's Development Delivery Group Specialist, who works closely with developers both on the delivery of both small and large-scale, strategic sites and therefore has a thorough understanding of local market and can apply rates that are informed rather than being arbitrarily set.

3.8 Whilst no legal definition exists, 'lead-in' time is the period from when a developer or house builder physically commences on site to the point of first legal completion. Typically, this is around 6 months, but can be extended to 9 or 12 months where demolition is involved or where other constraints or 'abnormals' associated with the site have to be dealt with prior to the physical construction of dwellings.

3.9 Similarly, build out rate is the estimate of what a site or outlet (ie. one sales centre) will achieve in any 12 month period once the lead-in period has been completed. Therefore, a volume house builders should, generally, achieve around 40 new build completions per annum (potentially more) once the site is under construction, whilst regional and local builders are likely to deliver at a slightly slower rate (36 dpa and 20 dpa, respectively). Where some sites have been judged to have capacity to deliver above the 40 dpa built out rate, this is normally due to there being multiple outlets on these sites, or where a builder (for example a Registered Provider) is building homes to meet specific needs rather than building homes in response to market demand.

#### Allowances for non-implementation

3.10 As with other aspects of the five year assessment, there is no definitive guidance on how to take proper account of the potential for non-delivery within the five year period. Planning Advisory Service (PAS)<sup>15</sup> provide some assistance on this matter, but essentially the final decision on how this is dealt is left to each local authority based on its own circumstances.

3.11 Where construction has commenced on sites (see appendix 1 for details), it is assumed that the expected delivery from those sites will occur within five years, given that all these sites have builders on site at April 2015. Therefore, it is not considered necessary or indeed appropriate to apply a further discount to this element of the supply. However, it is recognised that a proportion of sites with planning

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<sup>15</sup> Planning Advisory Service 'Five Year Land Supply FAQ'

[http://www.pas.gov.uk/web/pas1/local-planning/-/journal\\_content/56/332612/7363780/ARTICLE](http://www.pas.gov.uk/web/pas1/local-planning/-/journal_content/56/332612/7363780/ARTICLE)

permission may not be implemented in the five year period where construction has not yet started.

3.12 To take account of this, the calculation of deliverable sites with full and outline planning permission on site not yet started at April 2015 (see appendix 2, 3 and 4) has been subject to a percentage discount of 10%. This is considered to be reasonable based on the fact that the assessment is concerned with 'deliverable' sites only, rather than the full list of sites that have planning permission at April 2015, some of which will be considered 'developable' and so would not form part of the five year supply. Consequently, an allowance has effectively already been applied to the total potential supply and so an additional allowance over and above the 10% is not required in order to reflect non-implementation in the five year period. The annual appraisal process will keep this under review, and so both the scale of the allowance, and how it is applied, is subject to change in the light of changes in the progress of commencements.

#### Accounting for demolitions

3.13 The council has accounted for losses in the existing stock, both in terms of past delivery and future supply, as part of the five year supply calculation. Annual delivery (dwelling completions) is presented as *net* of losses as part of the annual monitoring process. This means that each year the gross number of dwellings completed in given period is discounted by the number of demolitions that occur in the same monitoring period. In terms of the supply from future sites, the losses will be accounted for slightly differently depending on when those losses have occurred, or are likely to occur. For example, where an existing dwelling(s) has been demolished or converted in the preceding period, up to April 2015, these will be accounted for in the net completions figure. The performance of the plan against the requirement will then be judged using the net figure.

3.14 This has occurred for three applications at April 2015 date; TWC/2014/0444 (Land at Eyton Place, Dawley); TWC/2014/0794 (Land at Charles St/Haygate Rd); and TWC/2014/0905 (The Glebelands/The Common, Donnington).

3.16 However, if any losses proposed in relation to a new housing proposal have not yet occurred as at April 2015, then the future supply will take account of this by being discounted from the total number of new dwellings proposed on those sites. This is to ensure that future supply (during the period 2015-20) does not over estimate future

delivery. This approach ensures that the figures that are presented properly account for losses in the existing stock on the April monitoring date each year.

### Windfall sites

3.14 In response to *Wainhomes*<sup>16</sup> case, an allowance has been included for those dwellings that could be delivered during the five year period, but which currently are not specifically identified. The council has included a very modest allowance for future windfall sites (0.1 ha or less) likely to come forward during the next five year period, based on assessment of past delivery during the last ten years. The modest nature of the allowance recognises that many small sites may have already been identified through the SHLAA<sup>17</sup> process, or will have planning permission already and so, by definition, cannot be defined as new windfalls.

3.15 It is also important to point out that the allowance has only been applied to an assessment of windfalls involving previously-developed sites, for example conversions. This is to exclude residential garden land from within the allowance, in line with the NPPF (para 48).

3.16 In addition, and in line with other councils across England, the allowance is only applied in the latter stages of the period (2018/19 and 2019/20)<sup>18</sup>. This is to ensure that, as far as reasonably possible, the risk of double-counting is minimised within the windfall allowance by excluding from the allowance those dwellings that are already approved and in the process of coming forward. The analysis indicates that an average of 30 dwellings have come forward on windfall sites since 2001.

3.17 The average has then been multiplied by two to establish the allowance for the last two years of the period, as set out in Table 3.

### **Housing land supply - summary**

3.18 Based on the application of the methodology set out above and shown in Table 3, the council considers there to be 5,697 dwellings judged to be 'deliverable' when assessed against the requirements of

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<sup>16</sup> See footnote 10 for the specific reference

<sup>17</sup> Strategic Housing Land Availability Assessment

<sup>18</sup> This approach follows the method applied by Shropshire Council in their 2014 statement

the NPPF. When applying an additional discount to take account of potential non-implementation, this reduces the supply to 5,439 dwellings. When comparing the gross deliverable supply of 5,697 against the total number of dwellings with planning permission at April 2015 (10,275)<sup>19</sup>, this represents an overall discount of 45%. On this basis, the council considers the assessment of supply to be conservative.

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<sup>19</sup> At April 2015, existing commitments totalled 968 dwellings under construction, 8,368 dwellings not yet started, and 939 dwellings on sites subject to section 7(1) permission under the New Towns Act.

## 4 Five Year Housing Land Supply Calculation

4.1 Table 4 below sets out the housing land supply position for the period 2015-20, as at April 2014. The table incorporates information from table 2 and 3, in particular the housing requirement and the number of dwellings considered to be deliverable.

**Table 4: Five Year Supply of Housing Land for Telford & Wrekin  
2015-20**

A	Five year housing requirement (2014-19) (see Table 2)	2,485
B	Annual rate (A divided by 5)	497
C	Total 'discounted' deliverable housing land supply (see Table 3)	5,439 <sup>20</sup>
	<b>Number of years' housing supply (C divided by B)</b>	<b>10.9 years</b>

4.2 The result of the assessment delivery and likely supply over the next five years, compared to the five year housing requirement, demonstrates that the Council has far in excess of the minimum five years worth of housing land supply.

4.3 As stated above, Telford & Wrekin is required to demonstrate that there is an additional buffer of 5% to ensure choice and competition in the market for land. Based on the figures presented in this assessment, it is clear that Telford & Wrekin has not only met this requirement but has considerably exceeded it.

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<sup>20</sup> includes the additional discount for non-implementation calculated in Table 3

## Appendix 1

Major Sites under construction, at 1st April 2015

## Appendix 2

Major Sites with Full Planning not yet started, at 1st April 2015

## **Appendix 3**

Major Sites with Outline Planning not yet, at 1st April 2015

## Appendix 4

Major Sites with Resolution to Grant, at 1st April 2015