

# **Five Year Housing Land Supply (2020 - 2025)**

## **Annual Position Statement at 1 April 2020**

**September 2020**

## 5 Year Housing Land Supply Position Statement 2020

<b>Section</b>	<b>Contents</b>	<b>Page</b>
1.0	Introduction	1
2.0	Planning Policy	1
2.1	National Planning Policy Framework (NPPF)	1
2.12	The Housing Delivery Test	4
2.17	Planning Practice Guidance (PPG)	5
2.21	Development plan position	6
2.25	Neighbourhood planning and housing land supply guidance	6
3.0	Additional land supply matters	7
3.1	Impact of raised levels of phosphate within the River Lugg catchment upon residential developments	7
3.10	2020 Approach to site survey work during the Covid 19 restrictions	9
4.0	Calculating the Housing Land Position	10
4.1	Core Strategy housing target and trajectory	10
4.4	Definition of a dwelling	11
5.0	Methodology and components of the supply	12
5.2	Sites with planning permission	13
5.6	Additional supply contributions from other types of permissions	13
5.11	Commitment sites discounts and considerations	14
5.14	Sites with a resolution to grant planning permission	15
5.15	Strategic urban extensions	16
5.19	Hereford western urban expansion, Three Elms	17
5.23	Hereford southern expansion, Lower Bullingham	18
5.27	Hereford, City Centre development	18
5.30	Bromyard, Hardwick Bank	20
5.33	Ledbury, Viaduct Site	20
5.35	Leominster Southern Expansion	21
5.36	Windfall assessment	22
5.41	Sites brought forward through Neighbourhood Development Plans	24
5.46	Past housing completions	26
5.48	Buffers	26
5.50	2020 Five year supply result	27
6.0	2020 Housing land supply for Herefordshire	28

## **1.0 Introduction**

- 1.1 This Statement sets out an assessment of the housing land supply position in Herefordshire taking into account the requirements of the National Planning Policy Framework (NPPF) at 1<sup>st</sup> April 2020.
- 1.2 With the government's aim of achieving faster delivery of new homes, a new approach to the method of calculating five year supply was set out in national planning policy and guidance last year. The context to the updated national framework, as has been repeatedly cited by Government, is to address the severe issues of housing undersupply and affordability prevalent across the country. It is of no surprise therefore that there have been substantial policy changes relating to the delivery of housing and the more effective use of land. Changes in policy are intended to ensure homes are actually built.
- 1.3 The approach to engagement on this supply paper is explained in the relevant sections within this document.

## **2.0 Planning Policy**

### **National Planning Policy Framework (NPPF)**

- 2.1 The NPPF indicates that local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide five years supply of housing against their housing requirements set out in adopted strategic policies or against the local housing need where the strategic policies are more than five years old (paragraph 73). The supply of specific deliverable sites should in addition include a buffer:
- 5% to ensure choice and competition in the market for land; 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<sup>1</sup>.
- 2.2 Paragraph 75 sets out that to maintain the supply of housing, local planning authorities should monitor progress in building out sites which have permission. This will be assessed by the Secretary of State in the *Housing Delivery Test* which is explained later.
- 2.3 NPPF Paragraph 11 sets out the presumption in favour of sustainable development for both plan making and decision taking. Paragraph 11d states 'where there are no

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<sup>1</sup> (NPPF Footnote 39) From November 2018, this will be measured against the Housing Delivery Test, where this indicates that delivery was below 85% of the housing requirement.

relevant development plan policies, or the policies which are most important for determining the application are out-of-date this means granting permission’.

- 2.4 Not being able to demonstrate a five year supply of housing land continues to be associated with policies that are ‘out of date’. This is clarified by Footnote 7 of the NPPF ‘where the local planning authority cannot demonstrate a five year supply of deliverable housing sites (with the appropriate buffer, as set out in paragraph 73); ...or where the Housing Delivery Test indicates that the delivery of housing was substantially below (less than 75% of) the housing requirement over the previous three years’ then granting permission is expected to be granted for sustainable development.
- 2.5 In emphasising the importance of the presumption in favour of sustainable development the NPPF is clear that the housing land supply position will need to be balanced against other factors in the development plan and/or NPPF which could result in the refusal of planning permission or restriction in development. Footnote 6 associated with paragraph 11 of the NPPF is helpful in stipulating those areas that the NPPF has in mind where development should be restricted. Such areas relevant to Herefordshire include:
- habitats sites (and those sites listed in paragraph 176<sup>2</sup>) and/or designated as Sites of Special Scientific Interest
  - irreplaceable habitats
  - land designated as Local Green Space
  - land designated as an Area of Outstanding Natural Beauty
  - land affected by designated heritage assets (and other heritage assets of archaeological interest referred to in footnote 6<sup>3</sup>)
  - land at risk of flooding
- 2.6 The latest NPPF contains an amended definition of ‘**deliverable**<sup>4</sup>’ sites. 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).

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<sup>2</sup> a) potential Special Protection Areas and possible Special Areas of Conservation;

b) listed or proposed Ramsar sites (see NPPF footnote 59); and

c) sites identified, or required, as compensatory measures for adverse effects on habitats sites, potential Special Protection Areas, possible Special Areas of Conservation, and listed or proposed Ramsar sites.

<sup>3</sup> Non-designated heritage assets of archaeological interest, which are demonstrably of equivalent significance to scheduled monuments, should be considered subject to the policies for designated heritage assets.

<sup>4</sup> NPPF pg.66.

- b) where a site has outline planning permission for major development<sup>5</sup>); 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.
- 2.7 The recent case of *East Northamptonshire Council v Secretary of State for Housing, Communities and Local Government*. Case Number: CO/917/2020<sup>6</sup> set about establishing more precisely, what should be considered a deliverable site. This was the result of an appeal decision by a planning inspector whereby the council's 5 year housing land supply was lowered from 6.03 years to just 4.28 years. The case put forward by the council sought to emphasise that the correct test is whether there is a realistic prospect of housing being delivered on a site within five years. It was argued that the inspector should have gone on to consider whether sites which did not fall within one of the specific listed categories were "deliverable anyway".
- 2.8 The Secretary of State conceded that "the proper interpretation of the definition is that any site which can be shown to 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 will meet the definition"...". The examples given (in the NPPF glossary) are not exhaustive of all the categories of sites which are capable of meeting that definition. Whether a site does or does not meet the definition is a matter of planning judgement on the evidence available." This approach will be applied in the supply set out in this paper.
- 2.9 Once a 5 year housing land paper is drafted, it then needs to meet the requirements of paragraph 74 as this provides a new mechanism to allow a local planning authority to demonstrate a five year supply of housing sites. However it is worth noting this applies to more recently adopted plans as explained at paragraph 2.9 below.
- 2.10 'A five year supply of deliverable housing sites, with the appropriate buffer, can be demonstrated where it has been established in a recently adopted plan, or in a subsequent annual position statement which:
- a) has been produced through engagement with developers and others with an impact on delivery;
  - b) considered by the Secretary of State; and
  - c) incorporates the recommendations of the Secretary of State where the position on specific sites cannot be agreed during the engagement process.

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<sup>55</sup> NPPF definition:- **Major development:** For housing, development where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more. For non-residential development it means additional floorspace of 1,000m<sup>2</sup> or more, or a site of 1 hectare or more, or as otherwise provided in the Town and Country Planning (Development Management Procedure) (England) Order 2015.

<sup>6</sup> *East Northamptonshire Council v Secretary of State for Housing, Communities and Local Government*. Case Number: CO/917/2020 <https://cached.offlinehbpl.hbpl.co.uk/NewsAttachments/RLP/CO009192020.pdf>

- 2.11 Footnote 38 of the NPPF states that ‘... a plan adopted between 1 May and 31 October will be considered ‘recently adopted’ until 31 October of the following year; and a plan adopted between 1 November and 30 April will be considered recently adopted until 31 October in the same year. Therefore only those Local Plans adopted in this timeframe will be considered acceptable for submission of their ‘Five Year Housing Land Supply Annual Position Statement’ to the Planning Inspectorate. Herefordshire Council’s Local Plan Core Strategy was adopted in October 2015 under the 2012 NPPF Framework and is therefore not suitable for submission. However, this supply paper has been approached as closely as possible to reflect the guidance.

### **The Housing Delivery Test**

- 2.12 The NPPF states that “the Housing Delivery Test measures net additional dwellings provided in a local authority area against the homes required, using national statistics and local authority data. The Housing Delivery Test is carried out by Central Government and the Secretary of State will publish the test results for each local authority in England every November”. The results for 2019 were delayed and published in February 2020.
- 2.13 The ‘presumption in favour of sustainable development’ at paragraph 11 states that that the presumption will apply where housing delivery is below 75% of the requirement; in line with the Housing Delivery Test. There are transitional arrangements in place until the 75% target is applied. Paragraph 215 of the NPPF sets out these requirements:
- a) November 2018 - If delivery falls below 25% of housing required over the previous three years;
  - b) November 2019 - Indicate that delivery was below 45% of housing required over the previous three years;
  - c) November 2020 and in subsequent years - Indicate that delivery was below 75% of housing required over the previous three years.
- 2.14 Regardless of passing the test, paragraph 75 of the NPPF states that where delivery falls below the above figures or if delivery falls below 95% over three years from 2020 then authorities are required to prepare an *action plan* to assess the causes of under-delivery and identify actions to increase delivery. In addition to maintaining a deliverable 5 year housing land supply, the Housing Delivery Test imposes a major incentive to process housing applications as swiftly as possible and work with developers to speed up implementation and delivery.
- 2.15 Whereas five-year supply tries to forecast what will be built in the future, the Housing Delivery Test looks at what has actually been delivered. Where targets have been missed over the last three-years, a variety of consequences will apply depending on the severity of the shortfall.

2.16 The Housing Delivery Test result for Herefordshire was 80% for 2019<sup>7</sup>. Therefore as the result is less than 95% delivery rate, the Housing Delivery Test action plan for 2020 will be published shortly to address under delivery. In addition, as set out in paragraph 2.1 above there is a requirement to add an additional 20% on to the requirement as housing delivery in the County has fallen below 85% of the target for the past three years. Note that the housing completion rate for 2019-20 has increased considerably, is the highest recorded over the Core Strategy period and has resulted in the backlog being reduced. This is expected to be reflected in the Housing Delivery Test results for 2020.

### **Planning Practice Guidance (PPG)**

2.17 The PPG Guidance was updated 13 Sept 2018 and again 22 July 2019. Local Planning Authorities are expected to be more transparent with regard to the information that is set out in the 5 year supply. Commentary on site progress including reasons for slow/fast rates of activity as well as build out rates are expected to be set out.

2.18 The following highlights the recent changes:

- Local Planning Authorities can have their Five Year Supply position confirmed by the Planning Inspectorate as long as they have a recently adopted Plan in line with Footnote 38 of the NPPF. Herefordshire Council does not have a recently adopted Plan in this case.
- The authority should engage with the typical stakeholders such as developers, landowners, land promoters and even utility providers.
- The authority needs to seek agreement on sites and the level of delivery.
- Authorities may wish to set up an assessment and delivery group which can assist authorities to not only identify any delivery issues but also help to find solutions to address them.

### **Site information required**

2.19 Assessments need to be realistic and made publicly available in an accessible format as soon as they have been completed. As set out in the updated PPG paragraph 14, assessments will be expected to include:

- for sites with detailed planning permission, details of numbers of homes under construction and completed each year; and where delivery has either exceeded or not progressed as expected, a commentary indicating the reasons for acceleration or delays to commencement on site or effects on build out rates;
- for small sites, details of their current planning status and record of completions and homes under construction by site;
- for sites with outline consent or allocated in adopted plans (or with permission in principle identified on Part 2 of brownfield land registers, and where included in the 5

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<sup>7</sup> The result for 2018 was 74%

year housing land supply), information and clear evidence that there will be housing completions on site within 5 years, including current planning status, timescales and progress towards detailed permission;

- permissions granted for windfall development by year and how this compares with the windfall allowance;
- details of demolitions and planned demolitions which will have an impact on net completions;
- total net completions from the plan base date by year (broken down into types of development e.g. affordable housing); and
- the 5 year housing land supply calculation clearly indicating buffers and shortfalls and the number of years of supply.

2.20 The majority of the above actions have been addressed in this Annual Position Statement. Any remaining information such as affordable housing completions will be set out in the Council's most up to date Authority Monitoring Report (AMR).

### **Development Plan Position**

2.21 The Herefordshire Local Plan - Core Strategy was adopted by Herefordshire Council on 16 October 2015. However the Council has now begun to update the Core Strategy in order to plan for a longer timescale up to 2041.

2.22 As a result of the lack of a five year supply the council issued an *Interim Statement* in *September 2016* setting out its position as a result of not having a five year land supply. Going forward the Council will be updating its Housing Delivery Action Plan to address the under delivery.

2.23 To date there has been good progress with the uptake of Neighbourhood Development Plans (NDPs) across the county. All Made Plans form part of the statutory development plan for the relevant parish area in conjunction with the Core Strategy. Further information on NDPs and their progress and contribution in the supply can be found at paragraph 4.42.

2.24 As the NPPF requires an annual update to the five year supply position of each local authority, this statement simply sets out the annual position at April 2020.

### **Neighbourhood planning and housing land supply policy guidance**

2.25 Neighbourhood Plans support the strategic policies contained within local plans. The policies and allocations within Neighbourhood Plans provide an important source of housing supply.

2.26 Paragraph 14 of the revised NPPF (2019) refers to paragraph 11d whereby it states in situations where the presumption applies ...'where there are no relevant development plan policies, or the policies which are most important for determining the application are out of date', it is expected that permission is granted unless there are other material matters. Therefore the presumption applies to applications involving the provision of housing, the adverse impact of allowing development that



conflicts with the neighborhood plan is likely to significantly and demonstrably outweigh the benefits, provided all of the following apply:

- a) The neighbourhood plan became part of the development plan two years or less before the date on which the decision is made;
- b) The neighborhood plan contains policies and allocations to meet its identified housing requirement;
- c) The local planning authority has at least a three year supply of deliverable housing sites (against its five year housing supply requirements, including the appropriate buffer as set out in paragraph 73); and
- d) The local planning authority's housing delivery was at least 45% of that required over the previous three years.

### 3.0 Additional housing land supply matters

#### **Impact of raised levels of phosphate within the River Lugg catchment (part of the River Wye Special Area of Conservation) upon residential developments**

- 3.1 In Herefordshire, the River Wye and its tributaries are recognised as being of international importance for their unique character and wildlife, requiring the highest level of protection, management, enhancement and, where appropriate, restoration. Herefordshire Council as the 'competent authority' under the Habitats Regulations, (The Conservation of Habitats and Species Regulations 2017) is legally required to assess the potential impacts of projects and plans, on internationally important sites which include the River Wye SAC (Special Area of Conservation).
- 3.2 The River Lugg is a tributary of the River Wye and forms part of the designated site covering predominantly the north of the Herefordshire administrative area<sup>8</sup>. A list of parishes within the River Lugg hydrological catchment can be found at Appendix 6. The River Lugg is currently failing its conservation targets of phosphate levels as a result of water pollution from both 'point' source; in particular sewage outlets and 'diffuse' sources; agricultural run-off. In light of the Dutch Case<sup>9</sup> developments which cannot demonstrate within a Habitat Regulation Assessment that they will not affect the integrity of the River Wye or have a likely significant effect' are unlikely to be acceptable.
- 3.3 See latest '*Position Statement*' with regard to development in the River Lugg catchment<sup>10</sup>. The elevated levels of phosphates within the SAC is currently preventing the approval of developments which could release any additional

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<sup>8</sup> Map of River (Special Area of Conservation) Lugg catchment

[https://www.herefordshire.gov.uk/download/downloads/id/20536/map\\_showing\\_river\\_wye\\_and\\_river\\_lugg\\_sac\\_catchment\\_area\\_in\\_herefordshire.pdf](https://www.herefordshire.gov.uk/download/downloads/id/20536/map_showing_river_wye_and_river_lugg_sac_catchment_area_in_herefordshire.pdf)

<sup>9</sup> Dutch Case Cooperatie Mobilisation handed down in November 2018 by the Court of Justice of the European Union (Joined Cases C-293/17 and C-294/17) (known as the Dutch Case)

<http://curia.europa.eu/juris/liste.jsf?num=C-293/17&language=en>

<sup>10</sup> Current Development in the River Lugg Catchment

[https://www.herefordshire.gov.uk/downloads/download/2039/development\\_in\\_the\\_river\\_lugg\\_catchment](https://www.herefordshire.gov.uk/downloads/download/2039/development_in_the_river_lugg_catchment)

phosphates into the River Lugg. Only where development proposals are able to meet a number of criteria which provide certainty that the development will not increase the level of phosphate within the River can such developments be permitted at this time. This has resulted in a significant number of planning applications being undetermined and others where conditions applied to planning permissions are not able to be discharged until the issue is resolved.

- 3.4 To address the issue, the River Wye Nutrient Management Plan<sup>11</sup> (NMP) is being updated with a series of actions to address the phosphate issue. The NMP is a partnership project developed to reduce phosphate levels in the Wye catchment, including the River Lugg, to below the target level by 2027 in line with the Water Framework Directive. The NMP is managed by the Nutrient Management Board (NMB), which includes amongst its members Herefordshire Council, Powys Council, Natural England, Natural Resources Wales, the Environment Agency, Dwr Cymru Welsh Water, the Wye and Usk Foundation, National Farmers' Union and the County Land and Business Association.
- 3.5 It is intended that the range of new actions being advanced through the NMP will look to provide sufficient certainty to demonstrate that new residential development will be nutrient neutral or will provide betterment. The revised set of actions being developed by the NMB can be viewed below<sup>12</sup>.
- 3.6 As part of this work, the council are actively looking to develop solutions with plans for the creation of a series of integrated wetlands in the Lugg catchment area. A *Memorandum of Understanding* entitled 'River Wye Special Area of Conservation, Phosphate Neutral Development<sup>13</sup> - Interim Measures' is being developed with key partners, including to reach agreement on the steps to be taken. The council is also preparing to commission an 'Interim Plan' which will demonstrate how the council will proceed with the design, planning applications, land acquisition and development of Integrated wetlands to ensure new development can be demonstrated to be phosphate neutral or provide betterment, therefore allowing development to come forward.
- 3.7 These wetlands will effectively absorb the phosphates produced from new housing developments by natural processes thereby eliminating additional phosphate pollutants into the river. The installation of the wetlands is expected to provide betterment for all sites in the Lugg catchment rather than being specific to individual sites. The Council has resolved to provide funding for new integrated wetlands<sup>14</sup>. This decision sets out a clear and comprehensive framework for their provision by addressing funding, legal, land acquisition and operational aspects. The report

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<sup>11</sup> NMP <https://www.gov.uk/government/publications/nutrient-management-plan-river-wye>

<sup>12</sup> NMP Board July 2020 Additional Actions Added  
[https://www.herefordshire.gov.uk/downloads/download/102/nutrient\\_management\\_plan](https://www.herefordshire.gov.uk/downloads/download/102/nutrient_management_plan)

<sup>13</sup> The MoU is made between the following parties: Environment Agency (EA), Natural England (NE), Herefordshire Council (HC) and Welsh Water (WW)

<sup>14</sup> Integrated Wetlands key decision 10<sup>th</sup> August 2020  
<https://councillors.herefordshire.gov.uk/mgIssueHistoryHome.aspx?Id=50033896&Opt=0>

indicates that scientific certainty does not necessarily require any wetlands to be operational, but rather to be sufficiently advanced. It is recognised by the Nutrient Management Board that the construction of wetlands is an interim measure. A series of longer term measures are also being progressed.

- 3.8 The council has committed some £2 million in funding from the New Homes Bonus for the project. In addition a bid for £1 million funding from the Local Economic Partnership has been made, although this has yet to be confirmed. In addition the Council understand that there are private sector proposals for the development of integrated wetlands which are also being developed to enable the release of housing development.
- 3.9 It is anticipated that these actions will provide sufficient certainty to allow new housing developments in the Lugg catchment to be permitted early in 2021. However, in recognition of the complexity of this issue and potential difficulties in demonstrating the level of certainty required, the five year supply calculation in this paper has assumed a longer two year delay should be applied to impacted developments. Therefore, appropriate discounting has been applied on impacted sites identified in Appendix 2. This is addressed further on in the section on discounting in section 4 of this report.

#### **2020 Approach to site survey work during the Covid 19 restrictions**

- 3.10 There was an unprecedented national lockdown from 23<sup>rd</sup> March 2020 when the UK and many other countries across the world placed heavy restrictions on the movements of people due to the Covid 19 pandemic. This included the closure of businesses, retail, leisure outlets and schools for varying lengths of time dependant on activity. This led to limited rights to travel only for essential journeys by key workers. Therefore the usual approach to on site surveying by planning officers was required to be revised. A predominately desktop approach was used and information was gathered in the following ways to determine progress on sites with planning permission.
- Assessing building control records (commencements & completion records) to determine what stage a development had reached.
  - In house council mapping of new dwellings on sites with permission
  - Local estate agent/surveyors websites for information on sites
  - Local knowledge of areas and sites
  - Contacting agents and house builders for latest information with some being furloughed during that time period.
  - Search of applications for discharge of conditions depending on the type of condition could help to show stage of progress.
  - Checking with Development Management colleagues to determine local and working knowledge of sites.
  - Depending on the date of planning permission and conditions at the time (from February 2020 until May 2020), there was a judgement on the likelihood of a site commencing based on the locations of severe flooding in many parts

of the county during February 2020 and with the lockdown following soon after at the end of March. February – May 2020 was a difficult time for construction across the county due to these issues.

- It was only towards the middle of June when officers were eventually able to carry out site visits. A check was made on any sites under construction from last year where there was no desk base evidence that this sites had been completed. This was to establish whether they had been completed during the survey year. This was a useful exercise as many of the sites were in fact completed and not still under construction.

### **Covid 19 and its effect on the construction industry in Herefordshire**

- 3.11 In the main, the construction industry was out of action, from 23 March until 11 May 2020 for a seven-week period. This had varying effects on the industry. Like many businesses, risk assessments were required to be put in place which would have temporarily delayed work on sites due to rearrangements for workers. Building materials were low in stock due to the cessation of work of many suppliers as only essential businesses were operating. Due to new health and safety measures, sites are required to have limits on the number of trades working within each house which may have slowed down operations. However, based on communication with house builders and developers they have been adapting reasonably well as rates are expected to continue as planned. Therefore on the whole, the temporary lockdown will have a minimal impact on the 5 year supply so no allowances have been made as a result of this.

## **4.0 Calculating the Housing Land position**

### **Core Strategy housing target and trajectory**

- 4.1 The NPPF states that strategic policies should be informed by a local housing needs assessment conducted using the standard method in national planning guidance (paragraph 60). As the Herefordshire Core Strategy was adopted nearly four years ago its housing targets are still considered to be up to date. The Core Strategy covers the period 2011-31 and provides for a minimum **16,500 homes** between 2011 and 2031.
- 4.2 This report therefore provides an assessment of the housing land supply against the Core Strategy targets. Policies SS2 and SS3 of the Core Strategy set out the Council's strategy to secure the delivery of a minimum of 16,500 homes in Herefordshire between 2011 and 2031. In respect of a housing target for Herefordshire the expectation is that the highest rate of housing completions will be towards the latter end of the plan period.
- 4.3 The Core Strategy indicative trajectory suggests that in the early years of the plan anticipated delivery rates will be lower but as the housing market improves and key infrastructure is provided, delivery rates will increase. The anticipated Core Strategy trajectory from 2011–2031 is set out in Figure 1. The stepped target is a basis for monitoring and assessing land supply (including the five year housing land supply)

throughout the plan period and a detailed annualised trajectory is provided in Appendix 5).

**Figure 1. Overall Core Strategy housing trajectory**

	2011-16	2016-21	2021-26	2026-31	Average per annum
Core Strategy	600	850	900	950	825
<b>Totals</b>	<b>3000</b>	<b>4250</b>	<b>4500</b>	<b>4750</b>	<b>16500</b>

### Definition of a dwelling

4.4 For the purposes of this exercise it is necessary to define what a dwelling is for it to be included in the supply count. [The Town and Country Planning \(Fees for Applications, Deemed Applications, Requests and Site Visits\) \(England\) Regulations 2012](#) defines it as follows - "a building which is used as a single private dwelling house and for no other purpose" where 'building' is interpreted as per the [Town and Country Planning Act 1990](#). The Planning Portal's definition is helpful in setting it out: A dwelling is a self-contained building or part of a building used as residential accommodation, and usually housing a single household.

4.5 For the purposes of this position statement a dwelling is a:

- house
- bungalow
- flat/apartment
- maisonette
- converted farm building
- replacement dwelling
- permanent house situated in the open countryside with an agricultural tie by means of a planning condition or obligation.
- separate annex/granny annex which can be clearly used as a separate unit (own main door, no shared facilities, no restrictive planning conditions)
- house in multiple occupation for up to 6 persons (one dwelling)
- park home as part of a site of similar homes, or individual residential caravans for permanent use all year round by residents

4.6 It does not include:

- dwellings with conditional restrictions on occupancy during the year or in connection with temporary employment
- temporary static caravans/mobile homes annexes with access via the main house or shared facilities.

- student accommodation, care home accommodation or communal accommodation as this does not form part of the original Core Strategy housing requirement and therefore cannot be said to be meeting its target<sup>15</sup>.
- holiday homes

## 5.0 Methodology and components of the supply

5.1 In assessing the components of the 5-year housing supply position in Herefordshire the contents of the NPPF and NPPG have been considered.

In assessing the 5-year supply position the following elements have been considered:

1. Sites with planning permissions include sites with full planning permission, sites with outline permission, hybrid<sup>16</sup> applications and sites currently under construction as at 1 April 2020.
2. Sites which have received a resolution to grant planning permission between 31 March 2019 and 1 April 2020. There are also some sites with awaiting completion of Section 106 agreements from previous years which have been included in the assessment
3. Sites with prior approval for permitted development rights which would create a dwelling, Certificate of Lawful Existing Use or Development (CLEUD) since the start of the plan period and sites with permission in principle,
4. The contribution that Core Strategy strategic housing proposals can make to the five year supply.
5. A windfall site allowance. The Council has made no allowance for windfalls in the first three years in order to avoid double counting with existing commitments. As such there would be a windfall calculation for years 4 & 5.
6. An assessment of the realistic number of dwellings which are likely to be delivered through neighbourhood development plans over the five year period.

Other factors are also considered against the calculation of five year supply and these relate to:

7. Past housing completions at the time of calculation.
8. The shortfall against plan targets during the same period. Comparisons are made against the indicative trajectory.
9. It is acknowledged that Herefordshire should be considered as a 20% authority as there has been an under-provision in the previous three years which has been less than 85% delivery on completion rates as per NPPF Footnote 39.

The section below explains how each of these factors has been taken into account.

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<sup>15</sup> The inclusion of such accommodation in the supply will be reviewed next year as the Core Strategy target will not be in use due to it being replaced by the standard method calculation.

<sup>16</sup> seeks outline planning permission for one part and full planning permission for another part of the same site

## Sites with planning permission

- 5.2 Sites with full or reserved matters permission which are considered to be deliverable can contribute to housing supply. The NPPF includes a definition of *deliverable*. It confirms that sites with detailed planning permission or sites which are not a major housing development (less than 10 dwellings) should be included unless there is clear evidence to indicate they will not be developed. In this report sites have been assessed to determine if any are experiencing delays. Where problems have been identified discounts have been applied.
- 5.3 Sites with outline permission which are considered to be deliverable can still contribute to housing supply. However, the NPPF requires more evidence to demonstrate that the site is expected to be delivered in order to be included in the supply. This is particularly the case on sites accommodating 10 or more dwellings. The standard lead in times allows an additional period for such sites to obtain full planning permission and discharge conditions as required. An assessment of all sites in this category has been carried out and discounting has been applied where inactivity exists. Communications with development management officers, agents, house builders and developers have been undertaken to establish a picture of the progress being made. Sites which have been shown to be progressing through activities such as: land sales; reserved matters applications; discharge/variation of conditions; and housebuilder involvement are considered to be making progress through the system. Where there has been inactivity or site progress has not been made then a partial or complete discount of the site has been applied.
- 5.4 Sites which were due to expire between 23 - 31 March 2020 have the ability to have an extension of time by the Government<sup>17</sup> through the Business and Planning Act (20 July 2020) therefore the expiry dates on these sites were amended and taken into account within the figures as it has been assumed that they may apply for an extension. There were just two sites in total both in Hereford.
- 5.5 Sites that are under construction are considered to be deliverable and such sites continue to deliver completions. Such sites are making steady progress and evidence suggests that they will continue to do so.

## Additional supply contributions from other types of permissions

- 5.6 Included in the commitments, is a certificate of lawfulness (CLEUD) decision P142613/U at Lea Villa, Lea. This was a historic permission dating back to 1969 for use of land for the siting of 52 caravans for residential purposes and occupied by persons of 50 years of age and over. The CLEUD is allowing the intensification of the site. The actual number of additional park homes is not set out in the application but

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<sup>17</sup> Gov.UK Press Release [https://www.gov.uk/government/news/new-plans-to-get-britain-building-in-coronavirus-recovery?utm\\_source=54854b02-b444-40b8-9639-2530955c296c&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/government/news/new-plans-to-get-britain-building-in-coronavirus-recovery?utm_source=54854b02-b444-40b8-9639-2530955c296c&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)

after investigation, the plan is for an additional 18 more homes. 13 park homes have been sited and completed in 2018 whilst another 5 have not yet started.

- 5.7 Similarly, a planning decision for a CLEUD (160813) on Yew Tree Residential Park, Peterstow allows for additional siting of mobile homes. The CLEUD is not specific about the number of mobile homes but it is estimated that the site has capacity for a minimum of 10 homes. 2 of these homes have been completed in 2020 with 6 not started.
- 5.8 Permission in Principle (PIP) is an alternative way of obtaining planning consent for housing led development. It separates the consideration of the principle of planning permission from the technical detail of the permission, and so is split into two stages. There is one such permission in the supply located at Richards Castle 191749/TD5. The principle of development on the site has already been established, not only through the grant of Permission in Principle, but also given that the site is allocated for housing in the NDP. The Technical Details Consent (TDC) for the housing element of the scheme was been approved January 2020.
- 5.9 Certain types of development are granted planning permission by national legislation without the need to submit a planning application. This is known as 'Permitted Development'. In order to be eligible for these permitted development rights, each 'Class' specified in the legislation has associated limitations and conditions that proposals must comply with.
- 5.10 One such condition on certain classes of permitted development is the need to submit an application to the Local Planning Authority to determine if its 'Prior Approval' will be required. This allows the Local Planning Authority to consider the proposals, their likely impacts in regard to certain factors (e.g. transport and highways) and how these may be mitigated. Generally in this county they tend to be Class Q type developments which is the conversion of an agricultural building to a dwelling house. There are a small number of these permission types within the commitment list for example P192257/PA4. Notably, under Class Q (a) & Class Q (b) if any, must be completed within a period of 3 years starting with the date of the permission. Appendix 1 lists all commitment sites with planning permission at 1 April 2020.

**Figure 2a. Commitments (before discount)**

<b>Commitments</b>	<b>2019/20</b>
Not started	4668
Under construction	692
Total (Gross)	5360
Total (net)	5166

**Commitment sites discounts and considerations**

- 5.11 In line with the requirements of the NPPF and PPG a more detailed assessment of sites has taken place. Some of the larger sites may still have further applications, land assembly and purchases to complete before commencement on site can begin



therefore their ability to contribute fully to the supply has been considered and discounts and adjustments have been applied where necessary. All outline permissions capable of accommodating 10 or more dwellings have been assessed to determine their deliverability. A combination of contact with the Council's Development Management team as well as agents, and the house builders associated with the sites has been used to determine how much these sites will contribute to the supply.

5.12 The **phosphates** issue in the catchment of the River Lugg is summarised elsewhere in this report and is acknowledged to have implications for a number of impacted sites. All sites with permission in the Lugg catchment<sup>18</sup> have been assessed to consider whether they should be included as part of the five year supply. Sites which are due to expire beyond two years from July 2020 are included, (subject to other constraints). This is based on available knowledge at the time of drafting in July 2020 as the phosphate issue is expected to be resolved by then, see section 2 of this report.

- Sites with outline permission expiring within two years (by July 2020) have had appropriate discounts applied, as the phosphate issue is not expected to be resolved to allow them to come forward before then.
- All sites with full permission (including those with capacity for 10 or less) approved with pre-commencement conditions, pertaining to acceptable drainage plan requirements have also been discounted if they expire in the next two years. A list of these discounted sites can be found in Appendix 2.

5.13 Where sites with full planning permission are known to have some other factors causing delays to delivery they have also been discounted in part or full where necessary. Full details of the discounted sites can be seen in Appendix 2 including the reasons for discounting and retention of sites as part of the supply are also set out. Discounting has been considered and applied to certain sites with:

- full planning permission
- full planning permission on sites situated in the Lugg catchment with Phosphate issues
- outline planning permission
- and sites with a resolution to grant planning permission, see para 4.11 below.

#### **Sites with a resolution to grant planning permission**

5.14 All sites which have been to planning committee and have achieved a resolution to grant permission between 31 March 2019 and 1 April 2020 have been considered as part of the supply. There are also sites from previous years which are still awaiting a section 106 sign off which are also assessed for their potential to contribute to the five year supply. They too have been assessed and discounted where necessary. As these sites currently have no expiry date but due to their location in the Lugg catchment, the sign off of the Section 106 legal agreement is preventing further

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<sup>18</sup> Map of River (Special Area of Conservation) Lugg catchment  
[https://www.herefordshire.gov.uk/download/downloads/id/20536/map\\_showing\\_river\\_wye\\_and\\_river\\_lugg\\_sac\\_catchment\\_area\\_in\\_herefordshire.pdf](https://www.herefordshire.gov.uk/download/downloads/id/20536/map_showing_river_wye_and_river_lugg_sac_catchment_area_in_herefordshire.pdf)

progress. However, they still have potential to come forward beyond the two year expected timeframe subject to a solution to the phosphate issue being achieved. All of these sites are also set out in Appendix 2.

Figure 2b indicates the commitments once all of the above discounts have been applied.

### Figure 2b Commitment figures (post discounting)

A total of **4427** is the final commitment figure that will contribute to the supply.

<b>Commitments (net)</b>	<b>2019/20</b>	<b>Discounted</b>	<b>Sub Total</b>
Total commitments (net)	5166		
Dwellings on Resolution to grant permission sites	101		
Commitments and resolution to grant permission sites	5267		5267
Discounted full permissions		305	
Discounted full permissions (sites with capacity <10 units) Lugg catchment		56	
Discounted outline permissions		429	
Discounted resolution to grant permission sites		50	
Total discounted			840
All commitment sites after discounting			<b>4427</b>

### Strategic urban extensions

- 5.15 The Core Strategy strategic housing proposals have the potential to make a significant contribution to the overall housing land supply over the plan period. They were vigorously examined as part of the Core Strategy examination in public. Detailed discussions with developers, agents and landowners have been progressing on a regular and productive basis and as outlined in the following sections.
- 5.16 Projected out-turns on these sites have been assumed at levels currently advised by the in house planning officers to establish lead in times for each decision milestone. This has also been balanced against the views of the relevant applicants or agents associated with each site. Estimations on commencement and build out rates have been advised by the development industry during June/July 2020. Figure 4 sets out the projected annual build rate for each of the strategic sites. However, given the size of these sites and the potential for more than one house-builder to be active on site at any one time, there is potential for a significant increase in the levels of delivery should there be a further increase in market demand for housing in the area. The

delivery of strategic site allocations will be a key focus as these will make a substantial contribution to housing delivery in the longer-term.

- 5.17 Two of the urban extension sites within the Core Strategy now have planning permission following two separate Planning Committee meetings. Holmer West (150478) in Hereford achieved a planning permission for 460 dwellings in August 2016 with a section 106 agreement signed 19 May 2017. Phase 1 for 88 dwellings is complete and the Phase 2 application (182712) for 221 dwellings is well underway. The site is making good progress and has been accounted for in the commitments at Appendix 1.
- 5.18 In March 2018, land at Hildersley in Ross on Wye (150930) achieved outline planning permission for 212 dwellings and is currently for sale. There is housebuilder interest in the site. Due to the land not having a reserved matters permission a cautious approach has been taken as to its potential delivery and this is accounted for in the discounted sites at Appendix 2.

### **Hereford western urban expansion, Three Elms**

- 5.19 Three Elms is principally in the ownership of the Church Commissioners who provide active support for the development proposed. An outline planning application (162920) was validated in September 2016. Smaller areas of land to the south of the expansion area are covered by options to Taylor Wimpey. Development at Three Elms is subject to planning policy requirements for a range of social, transport and environmental infrastructure. The range and scale of matters to be addressed is generally typical for a scheme of this nature. Flood risk considerations are addressed in the policy.
- 5.20 Policy HD5 as currently drafted requires the development to make contributions to Hereford transportation improvements (infrastructure and sustainable transport measures), and to deliver land and infrastructure to facilitate the construction of the adjoining phase of the Hereford Bypass. The Council is currently undertaking a review<sup>19</sup> of both the South Wye Transport Package and the Hereford Transport Package (HTP), which includes the bypass. As a result, work and studies on the new road infrastructure has paused. Therefore, the applicant of any proposal for the Western Urban Expansion (Three Elms) will need to demonstrate that their development would not cause unacceptable impacts upon the existing road network. Transport modelling is underway to investigate network capabilities with the additional housing.
- 5.21 Due to concerns raised by neighbouring food and drink industries regarding the impact of the development upon their water supply, further investigations were required. These are now complete and are being reviewed by the Environment Agency and Natural England. The council is awaiting the results of this work and a review of the masterplan to take into account drainage and landscape may be

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<sup>19</sup> Hereford Transport Package & South Wye Transport Package  
<http://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?ID=6200>

required. In light of the above changes, revised plans for the Three Elms site are being prepared and are expected to be resubmitted in the near future.

- 5.22 As a result of these additional investigations commencement on the site is not expected until October 2022 with delivery of 35 dwellings in year 4 (2023/24) and 75 dwellings in year 5 (2024/25) giving a total of 110 dwellings in the five year period.

### **Hereford southern expansion, Lower Bullingham**

- 5.23 Lower Bullingham is controlled by a single developer (Bloor Homes). Significant technical work undertaken by the developer has been discussed with the Council and other stakeholders. A hybrid application (194402) was submitted in December 2019. This is an outline application for the whole site but phase 1 of the development is identified in the same level of detail as a full or reserved matters application. This will allow commencement on site with phase 1 whilst remaining phases are agreed. This is to expedite the process of delivery on such a large site. It will also allow the developers to respond to the market with regard to house types in later phases.
- 5.24 The developer anticipates a comprehensive scheme coming forward for planning approval for 1,300 dwellings and other uses in line with the Core Strategy policy HD6. The principal site access will be onto the B4399 (Rotherwas Access Road).
- 5.25 The development of Lower Bullingham is subject to planning policy requirements for social, transport and environmental infrastructure. The range and scale of matters to be addressed is generally typical for a scheme of this nature. Flood risk considerations are addressed in the policy.
- 5.26 Policy HD6 requires the development to make contributions to Hereford transportation improvements (infrastructure and sustainable transport measures). However, as set out above regarding the strategic site at Three Elms, the pause and review decision affects this site in a similar way. The outcome of the pause & review has yet to be set out in terms of how it will affect the site coming forward as a whole for it to be compliant with policy HD6. However, as this site already has a housebuilder on board it is expected to have less delay in delivering the site once a decision has been made. The site is expected to commence delivery of phase 1 in 2022/23, with 40 dwellings programmed to be completed in the initial year following site preparation and continuing with 50 dwellings per annum thereafter, yielding a total 140 dwellings in the five year period.

### **Hereford, City Centre development**

- 5.27 The Core Strategy identifies the city centre as providing 800 houses over the plan period. This area is not an SUE as such but more of a strategic policy priority to be delivered as part of a co-ordinated redevelopment with the majority of those new houses to be delivered within the urban village, a policy area; formed by a conglomeration of underutilised sites located to the north of the river bounded by the railway line to the north. The remainder is comprised of individual planning

permissions across the policy area. The policy area of HD2 is situated in the centre of Hereford, see Appendix 7 for map of the area covered by HD2.

- 5.28 The new Link Road traverses across Merton Meadow from Commercial Road to Edgar Street and opens up previously land locked sites for development. Other than the Link Road, which is complete, delivery of housing in the city centre is not dependent on the delivery of any other strategic infrastructure, and applications for housing schemes are regularly coming forward. Welsh Water are fully engaged in discussions on the improvements required to the water and sewerage infrastructure. Contributions towards additional educational needs would be expected to come forward as part of this development.
- 5.29 The completion rate to date in this area is 372 dwellings<sup>20</sup> since 2011. This completion figure set against the target for delivery of 800 dwellings shows that approximately, a further 430 dwellings should be delivered to meet the Core Strategy growth targets for this area. In addition, commitments within this area amount to 188 dwellings yet to come forward. Based on recent year's performance, the build out has been revised down as it is more reflective of delivery rates in the area over the past nine years. Therefore a rate 40 dwellings per annum for years 4 and 5 is forecast to avoid double counting with current permissions. This is also the anticipated rate without any duplication with the windfall allowance. The council is working alongside its strategic partners, to deliver redevelopment of the land it owns in and around the city centre, particularly within the area close to the link road known as Station Approach. Three sites have been identified with capacity for 140 units as well as units for the assisted living. Flood mitigation work is required to release this land. Homes England will be supporting the council and its partners with increased financial help to include infrastructure grants and this will include the Registered Providers. There will be joint development agreements on strategic land purchases as well as capacity support for the council. Figure 3 below outlines the current rate of commitment and completions for this area. Appendix 1 contains a list of all the HD2 commitments and Appendix 4 for the completions in this area of Hereford.

**Figure 3. HD2 City Centre progress**

City Centre HD2	Completions (net)	Commitments (net)
2011-2019	239	188
2020	133	
Total to date	<b>372</b>	

<sup>20</sup> The completion and commitment figure has already been incorporated into figures above to avoid double counting.

### **Bromyard, Hardwick Bank**

- 5.30 The Core Strategy strategic urban extension site in the town is in the controlling interest of Bovis Homes. A planning application (163932) was submitted in April 2017 for up to 500 homes which is 250 dwellings more than the urban extension identified in the Core Strategy.
- 5.31 Contributions towards additional educational needs, a new park, or any other identified infrastructure requirements will be provided for as part of any planning permission and associated s.106 agreement. Discussions with Welsh Water are ongoing to identify a suitable potable water source and additional infrastructure may be needed to deliver this. These discussions are at an early stage in identifying deliverable solutions. Active transport links and improvements to footways, cycleways, crossing facilities and bus stops will be provided as part of the Hardwick Bank development.
- 5.32 The site is currently being considered by the District Valuer to determine any viability issues. The site is also affected by the phosphates issue as it is located in the River Lugg hydrological catchment and this will cause a delay to bringing the site forward. Although the phosphate issue prevents the site coming forward in the short term. The matters relating to water supply and waste water pose potential longer delays as there is a need for infrastructure according to Welsh Water. How this is addressed has yet to be set out. Therefore in this year's supply the contribution from Hardwick Bank is 0 due to lack of evidence.

### **Ledbury, Viaduct Site**

- 5.33 A planning application (171532) for up to 625 homes was submitted in April 2017 together with an Environmental Statement. The application was refused by Planning Committee 11 December 2019 on highways access and conservation grounds. An appeal was lodged and commenced by virtual inquiry on 13<sup>th</sup> July 2020 but the inquiry did not finish as planned and will be resuming on 22 September 2020. Herefordshire Council withdrew its reasons for refusal shortly after the planning committee decision was made and therefore provided only summary information relating to the 5 year housing land supply going forward into the inquiry. Ledbury Town Council provided evidence as a Rule 6 party. The application has also been called in by the Secretary of State who will review the Planning Inspector's report.
- 5.34 An allowance for the canal forms part of the strategic site. The intention is for this land to be transferred to the Canal Trust as part of a future planning permission. The Section 106 agreement is in drafts heads of terms. According to the applicant who is a housebuilder, pending on the outcome of the decision, if the appeal is allowed by the Secretary of State, then development could commence on site in October 2021 with delivery in year 3 of 36 dwellings and 50 dwellings in each year 4 and 5. The site is expected to yield a total 136 dwellings in the five-year period. If the appeal is dismissed and a new application is required there could be a further delay of one year in bringing this site forward which would reduce the yield on the site to 86 dwellings for the five-year period.

## Leominster Southern Expansion

5.35 Policy LO2 sets out a number of planning policy requirements for a range of social, transport and environmental infrastructure. A critical element of this is the provision of a link road from east to west at the southern limit of the urban extension to serve the new development. The likeliest section of the site to provide for early release of land would be on the eastern side of the site on Hereford Road. The Council is currently looking at a timetable to bring the site and the road forward. However due to the site's progress to date it is not expected to deliver in the short term and is more likely to be in the medium term future.

**Figure 4. Strategic Urban Extension Sites build out rate at April 2020**

Strategic location	Estimated Core Strategy site capacity	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	Sub total
<b>Hereford</b>							
Hereford, Three Elms	1000				35	75	110
Hereford, Lower Bullingham	1000			40	50	50	140
Hereford, City Centre Urban Village	800 (-372)				40	40	80
	Remainder to be delivered = 428						
<b>Leominster</b>							
Leominster, Southern expansion	1500	0	0	0	0	0	0
<b>Bromyard</b>							
Bromyard, Hardwick Bank	250	0	0	0	0	0	0
<b>Ledbury</b>							
Ledbury, Viaduct <sup>21</sup>	625			36	50	50	136
<b>Total</b>	<b>4803</b>		0	76	175	215	<b>466</b>

<sup>21</sup> Note: This Strategic site has been subject to a recent refusal of planning permission which is currently the subject of an appeal. The yield suggested in the table is based on discussions with the developer and should the appeal be dismissed the build out rates in the table would be at risk as a further planning application would need to be submitted.

## Windfall assessment

- 5.36 Windfall sites are those that have not been specifically identified as available in the Local Plan process. They normally comprise previously-developed sites that have unexpectedly become available. Herefordshire is a predominantly rural county and experiences a number of windfalls that also come forward on greenfield land. The Revised NPPF states at paragraph 70, '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'. In her report regarding the soundness of the Core Strategy the Inspector indicated in paragraph 50 that the Core Strategy's windfall allowance *"is justified by figures from past monitoring reports showing a consistent level of windfalls throughout the county over many years."*
- 5.37 The SHLAA is an assessment of the likely total numbers of new houses that could be achieved on sites with potential to deliver 5 or more dwellings. Historically, larger windfall sites have not formed a major part of the housing supply. Therefore it was decided to continue to focus this assessment on the smaller windfall sites as they have a stronger pattern of occurrence. The historic performance of windfall sites accommodating four or less dwellings was assessed as these sites would not be identified through SHLAA. Historic windfall completions are detailed in the table below.
- 5.38 The evidence in Figure 5 however indicates that on average 197 dwellings come forward per annum on sites with capacity for 4 or less dwellings. While the NPPF does not support the inclusion of garden land as windfall development, the Council believes there is clear evidence and policy support that supply from this source will continue and it is suggested there is additional flexibility for these sites to come forward. In Neighbourhood Development plans without specific site allocations, there are 28 which contain settlement boundaries and criteria based policies to allow for continuing growth within the settlement for these windfall developments.



**Figure 5. Historic windfall completion rates**

<b>YEAR</b>	<b>Net Windfall Completions (all sites)</b>	<b>Net Windfall<sup>22</sup> (site capacity 4 or less)</b>
2004/05	454	297
2005/06	610	278
2006/07	552	243
2007/08	559	263
2008/09	449	191
2009/10	342	176
2010/11	267	158
2011/12	233	89
2012/13	137	57
2013/14	281	95
2014/15	647	303
2015/16	253	122
2016/17	347	128
2017/18	707	319
2018/19	583	238
2019/20	641	188
<b>TOTAL</b>	<b>7062</b>	<b>3145</b>

5.39 Windfall sites accommodating four or less dwellings provide about 40% of the total housing completions over the past ten years. The Council therefore considers it realistic and reasonable to expect 100 windfall units will be delivered per year over the next 5 years (in line with the windfall estimate set out in the Core Strategy). Based on past trends and the number of windfall sites that are currently either undetermined applications or at an advanced stage of preparation, this is considered to be a conservative estimate of what is likely to be delivered.

5.40 To avoid double counting, the Council has applied the windfall allowance within the housing trajectory from year 4 onwards only (2023/24 and 2024/25) to recognise the contribution small sites make to the housing land supply. This is because planning permissions lasts for 3 years and some of the existing housing commitments will already be windfall developments. As past windfall rates have been steady and more than reflect the current allowance there may be a potential review of the windfall rate next year.

<sup>22</sup> These completions exclude residential garden land completions

**Figure 6. Anticipated windfall**

Windfall allowance for yrs. 4 & 5 is 100 dwellings pa	100	
Account for yrs. 4 & 5 in five year supply		200

**Sites brought forward through Neighbourhood Development Plans**

- 5.41 The Council has been proactive in working with local communities on the preparation of Neighbourhood Development Plans. There are currently 111 Neighbourhood Development Plans (NDPs) being prepared which covers all the market towns except Bromyard and over 87% of those rural settlements highlighted for growth. It is expected that they will take between 12 and 18 months to reach adoption. Once adopted, these NDPs will add local detail to the policies set within the Core Strategy, as required by national planning policy set within the NPPF, as well as playing a major part in the delivery of the level of housing required in the plan period. Paragraph 40 of the NPPG is clear that Neighbourhood plans should deliver against the *up to date evidence of housing needs*.
- 5.42 Housing delivery in the rural areas has historically been strong and has provided approximately half of development in the County. Housing allocations within rural areas are contained within neighbourhood development plans. As at 28 July 2020 there are 72 adopted/made NDPs and 6 further plans awaiting referendum. A further 8 plans have reached examination stage and 1 plan have reached submission (regulation 16). In addition a further 4 plans have reached draft plan stage (regulation 14). Therefore a total of 91 NDPs have material weight in planning decisions. 48 of these plans contain site allocations.
- 5.43 This estimate takes account of the progress made to date. Those more advanced NDPs include proposals for approximately 1538 dwellings which equates to 434 dwellings excluding those identified sites with planning permission. This includes Plans that are at Regulation 14, Regulation 16 post examination, those with scheduled referendums and those that are due to be Made or have been Made. The following build out rate anticipated for NDPs is based on the yield of allocations set out in current NDPs that have been adopted/made. This amounts to a 337 dwelling yield from all these allocations, see Appendix 3 for a list of these sites.
- 5.44 The parishes have provided confirmation of these sites coming forward through their knowledge of the sites and landowners. An analysis of planning interest on certain sites has also been included in the estimate. Due the early stages these sites are at in the planning process, they are not expected to come forward before two years and this is considered a reasonable approach with the phosphate issue. The estimate below is considered to be cautious as it only amounts to a fraction of the total allocations there are in the NDPs. Where issues have been identified with sites,

discounting has also been carried out and this is reflective of the discounting carried out earlier with the commitment sites.

**Figure 7. Anticipated Neighbourhood Development Plan supply**

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
NDP allowance for yr2 - yr5			112	112	113	
<b>Total</b>						<b>337</b>

5.45 The table below sets out all the aforementioned deliverable sites with a sum total of **5430** deliverable dwellings.

**Figure 8. Total deliverable sites**

<b>Deliverable (net)</b>	<b>Amount</b>	<b>Discount</b>	<b>Total</b>
Total commitments	5166		
Total dwellings on Resolution to grant permission sites (net) discounted	101		
Total before discount	5267		
Commitments discount (full pp) large sites		305	
Commitments discount (full pp) small sites		56	
Commitments discount (outline permission)		429	
Resolution to grant permission sites discount		50	
Discount total		<b>840</b>	
Commitments post discount	<b>4427</b>		4427
Strategic Urban Extensions			466
Neighbourhood Plans allocations (without planning permission)	337		337
Windfall allowance for yrs. 4 & 5 in five year supply			200
<b>Total deliverable sites</b>			<b>5430</b>

## Additional calculation factors

### Past housing completions

- 5.46 Completions are monitored annually and are deducted from the overall target to establish progress. See Appendix 4 for a list of completions.

**Figure 9. Completions compared with Core Strategy indicative trajectory**

Year	Core Strategy year	Net requirements with stepped trajectory	Net Completions	Shortfall Difference
1	2011/2012	600	341	-259
2	2012/2013	600	201	-399
3	2013/2014	600	331	-269
4	2014/2015	600	774	174
5	2015/2016	600	327	-273
6	2016/2017	850	405	-445
7	2017/2018	850	776	-74
8	2018/2019	850	666	-184
9	2019/2020	850	904	54
	<b>Total</b>	6400	4725	<b>-1675</b>

### Shortfall of housing supply from previous years

- 5.47 The shortfall is calculated from the start of the Plan period to the time of calculation (2011- 2020). The shortfall itself comprises the difference between the number of homes that should have been built in trajectory terms and those that have actually been built over this period. The Council's shortfall is 1675 when assessed against the indicative Core Strategy target as set out earlier in Figure 1.

### Buffers

- 5.48 As set out earlier at para 2.1 the NPPF states that supply should include a buffer. Due to not having a 5 year housing land supply for the past three years and to improve the prospect of achieving the planned supply the council continues to apply the 20% buffer rather than the 5% or 10 % buffer to the housing requirement. The buffer is added after the shortfall in the calculation.
- 5.49 Taking into account all the variables set out above, Figure 10 provides a summary of how the five year supply is calculated. The table shows that with a stepped trajectory target and the shortfall being addressed over the forthcoming five years there is currently not a five year supply of housing land in the County.

## 5.50 2020 Five year supply result

Figure 10. Assessment against Core Strategy stepped trajectory

	Source	Homes	Notes
A	Core Strategy	16500	
	2011 – 2031		
B	Core Strategy requirement	6400	Using Trajectories: 600 dpa 2011-2016 (5yrs.) 850 dpa 2016-20120 (4 yrs.)
	1/4/2011 – 1/4/2020		
C	Homes Completed (net)	4725	Net reduction includes demolitions and conversions
	1/4/2011 – 31/3/2020 (past nine years)		
D	Requirement for next five years	4450	Using Trajectories 20/21 –21/22 850 pa (1 yrs.) 21/22 – 24/25 900 pa (4 yrs.)
E	Plus Residual Shortfall	1675	(over next five years as per NPPG)
F	Plus 20% buffer	1225	As recommended by Core Strategy Inspector and NPPF 2018
G	<b>Total Requirement</b>	<b>7350</b>	
H	<i>Annualised requirement</i>	1470	
I	<b>Total Deliverable dwellings</b>	5430	
J	<b>Housing Supply</b>	<b>3.69 years</b>	I / H

## 6.0 2020 Housing land supply for Herefordshire

- 6.1 When assessed against the Core Strategy, the current supply is **3.69 years**. Before any discounting of sites was carried out this year's permissions were just over 200 dwellings less than in 2019. Changes to the NPPF over the past two years has meant there is a requirement to be more rigorous with sites in terms of what is considered to be deliverable. Sites with permissions and allocations have been discounted where there is inactivity or lack of information on them coming forward through the planning process or being developed.
- 6.2 This year the progress of planning applications has been effected by the phosphate issue in the north of the county within the Lugg catchment. This is impacting on sites with planning permission as they cannot proceed until the issue is resolved. A total of 840 dwellings have been discounted from the housing supply for following detailed assessment, primarily due to the phosphate issue in the Lugg catchment.
- 6.3 There are sites within the Lugg catchment which have not been discounted as they are at the very early stages of planning. This includes some NDP Allocations where delivery is expected later in the five year period. The strategic site at Bromyard has also been impacted by the issue delaying delivery. The windfall allowance has also been reduced to acknowledge the impacts of the phosphate issue.
- 6.4 The pause and review decision on the Hereford Transport Packages may have implications on the progress of two strategic sites in Hereford at Three Elms and Lower Bullingham. This has resulted in an anticipated lower yield over the five-year period.
- 6.5 Other reasons for the discounting are set out in the appendices but phosphate issue has been a key reasons for the decline in the supply from 2019 where the supply was 4.05yrs to 3.69yrs in 2020.
- 6.6 However, Herefordshire has seen the highest number of completions since the start of the plan period in 2011, this is a clear indication of that the construction industry is very active within the county. This year's completions has helped to reduce the shortfall and will be reflected in the results of the national Housing Delivery Tests due for November and potentially impacting positively upon future five-year housing supply targets.