

## Housing Land Supply and Housing Delivery Test Briefing Note No. 24-13

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**Date Prepared:** 12 June 2024

### BRIEFING NOTE ON HOUSING LAND SUPPLY AND HOUSING DELIVERY TEST

#### Summary

We have now completed the update to Wiltshire's housing land supply position. The current position is a **4.2 years** supply using a base date of 1 April 2023. This will be used to inform decision-making of planning applications and appeals.

This is the first Housing Land Supply Statement to be published since the update to the National Planning Policy Framework (NPPF) was issued on 19 December 2023. This made changes to how housing land supply should be assessed for councils that have made sufficient progress in developing their Local Plan. An update on how the revised NPPF impacts on the council's planning function is provided in [Briefing Note 24-01](#).

These changes mean that for a period of two years from the date that the NPPF was updated, local planning authorities such as Wiltshire that have an emerging local plan that has reached Regulation 19 stage, will only be required to demonstrate a four-year requirement, rather than a five-year requirement.

In addition, recent housing delivery in Wiltshire remains strong, with the latest Housing Delivery Test results (from 2022) indicating the council has met **106%** of its housing targets over the past three years.

This briefing note provides information on both these Government measures and what the implications are for decision making.

#### 1. Introduction

1.1 Government policy as set out in the National Planning Policy Framework (NPPF) includes two measures that are designed to drive the delivery of housing:

- (i) Five-year / four-year housing land supply (see below)

(ii) Housing Delivery Test

1.2 The main difference between the two is that:

- the five-year / four-year housing land supply measures the level of 'supply' that can be expected to come forward over a five-year period of time i.e. the number of homes that it is anticipated **will be** built; whereas
- the Housing Delivery Test measures the number of homes that **have been** built over a set period.

1.3 Both measures have established methodologies and assess the expected delivery of homes, and homes that have been delivered respectively, against the housing requirement for a local authority area. There is no latitude as to how the methods are applied.

## 2. What is the housing land supply requirement ?

2.1 The latest NPPF (December 2023) states that:

### Paragraph 76

*“Local planning authorities are not required to identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years’ worth of housing for decision making purposes if the following criteria are met:*

- a) their adopted plan is less than five years old; and*
- b) that adopted plan identified at least a five-year supply of specific, deliverable sites at the time that its examination concluded.”*

### Paragraph 77

*“In all other circumstances, local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide either a minimum of five years’ worth of housing, **or a minimum of four years’ worth of housing if the provisions in paragraph 226 apply**<sup>1</sup> the supply should be demonstrated against either the housing requirement set out in adopted strategic policies, or against the local housing need where the strategic policies are more than five years old (unless they have been reviewed and do not require updating).*

*Where there has been significant under delivery of housing over the previous three years<sup>2</sup>, the supply of specific deliverable sites should in addition include a buffer of 20% (moved forward from later in the plan period).”*

2.2 As the Wiltshire Core Strategy (adopted January 2015) is more than five years old, the provisions in ‘Paragraph 76’ do not apply in Wiltshire, the council is a ‘Paragraph 77’

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<sup>1</sup> Where the council has an emerging local plan that has either been submitted for examination or has reached Regulation 18 or Regulation 19 (Town and Country Planning (Local Planning) (England) Regulations 2012) stage, including both a policies map and proposed allocations towards meeting housing need. This concession applies until December 2025.

<sup>2</sup> Where the Housing Delivery Test results indicate delivery below 85%.

authority. The council carried out a Regulation 19 consultation on its Local Plan during autumn 2023. This included a policies map and proposed allocations to meet the housing need identified in the Local Plan. As such, the council is only required to meet a four-year housing land supply against the five-year requirement. The requirement to meet a four-year housing land supply only runs for two years until 18 December 2025, at which time the requirement will revert back to the council needing to demonstrate a five-year housing land supply.

- 2.3 As the Wiltshire Core Strategy (adopted January 2015) is more than five years old, the housing requirement to be used in the five-year housing land supply calculation is Wiltshire's local housing need based on the Government's standard method<sup>3</sup>. The local housing need is based on future household growth and an adjustment to take account of housing affordability in the local authority. It is recalculated every year based on the latest data, which is applicable at the base date. The standard methodology operates on a local authority basis and does not disperse the local housing need figure to a smaller geographic level.
- 2.4 The annual update for Wiltshire has now been completed and the results of the assessment, using a base date of 1 April 2023, are set out in the 2023 Housing Land Supply Statement (HLSS). This is available on our website via this [link](#). Key points:
- The council can demonstrate a four-year housing land supply. The current position indicates there is a **4.2 years** supply.
  - The deliverable supply has decreased since the previous version due to a number of factors, including a significantly higher number of completions than in previous years, and the effect of the changes to nutrient neutrality by statutory bodies and approach adopted in response by the council.

### 3. How is the housing land supply calculated?

- 3.1 Housing land supply is calculated using a base date from which calculations are made to avoid double counting.
- 3.2 We have now updated the housing land supply calculation using a base date of 1 April 2023. Using this base date, an explanation is provided below:

Starting point for calculation at base date of 1 April 2023:

Local housing need (1 April 2023) = **1,952** homes per annum

No buffer needs to be applied to the housing requirement as the council has passed the latest Housing Delivery Test (see section 5 below)

4-year requirement = **7,808 homes**

5-year requirement = **9,760 homes**

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<sup>3</sup> Planning Practice Guidance (DLUHC, July 2019) - <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

## What can be included in supply?

- (i) Number of homes on small sites (less than 10 homes) with planning permission or resolution to grant at 1 April 2023 = **1,371 homes** outstanding of which **1,160 homes** were considered to be deliverable within five years (the reduced number takes into account a delivery rate that is based on historic data on non-implementation and delivery timescales).
- (ii) Number of homes on large sites (10 or more homes) with full planning permission at 1 April 2023 = **4,444 homes** outstanding of which **3,741 homes** were considered deliverable within five years (the reduced number reflects delivery timescales).
- (iii) For other large sites with either outline planning permission; resolution to grant planning permission; or allocated<sup>4</sup> at 1 April 2023: the number of homes where there is clear evidence of delivery over a five year period from 1 April 2023 to 31 March 2028 = **10,399** homes outstanding, of which **1,920 homes** were considered deliverable within five years.
- (iv) Windfall allowance: number of homes expected to be completed on new 'windfall' sites (which do not have planning permission as at 1 April 2023) over a five-year period from 1 April 2023 to 31 March 2028 = **1,372 homes**

Therefore, in total **8,193 homes** can be included in the deliverable supply.

- 3.3 (i) and (ii) are relatively straightforward statistical exercises, which involve an understanding of delivery timescales for individual sites.
- 3.4 (iv) is also a statistical exercise that requires understanding of past delivery trends and the potential for development opportunities to come forward in the future. As these are matters which vary year-on-year, the allowance is reviewed and refreshed as part of each annual update. The position includes an allowance for delivery on brownfield sites and small greenfield sites.
- 3.5 (iii) is more complex, and clear evidence must be provided for each site to meet the requirements of paragraph 77 of the NPPF, which requires that sites are deliverable over the five-year period being assessed. This means that for large sites, which take time to deliver, we may only be able to include the first few phases of development in the five-year land supply.
- 3.5 So, while on the face of it there is a substantial pool of large sites, for **17,586 homes** in total, and a higher level of supply could be expected, the timescales within which these can be delivered is key. An assessment of the deliverability of these sites has indicated that only **47 %** of these are capable of delivery during the five-year period 1 April 2023 to 31 March 2028. Factors determining housing delivery are often outside our control, as the

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<sup>4</sup> Wiltshire Core Strategy, Chippenham Site Allocations Plan, Wiltshire Housing Site Allocations Plan, and allocations in Neighbourhood Plans which do not yet have planning permission.

development industry ultimately determines how and when sites come forward, despite planning permissions being granted and sites allocated within the development plan.

- 3.6 It is important for credible judgements to be made in undertaking these assessments because they are subject to scrutiny at appeal by appellants, third parties and the appointed Planning Inspector.

#### **4. What are the implications of having a four-year housing land supply?**

- 4.1 The implications for not having a five-year housing land supply and decision making were set out in previous briefing notes, specifically Briefing Notes No. 20-20 (June 2020), No. 20-37 (December 2020), No. 22-09 (April 2022), and No. 23-15 (May 2023). These indicated that the presumption in favour of sustainable development applied when determining planning applications.
- 4.2 Following the December 2023 changes to the NPPF, the council is now only required to provide a four-year housing land supply to prevent the presumption in favour of sustainable development applying when determining planning applications. This was set out in Briefing Note 24-01 (January 2024) which superseded the council's approach set out in the earlier Briefing Notes specified in paragraph 4.1.
- 4.3 As these figures exceed the four-year requirement, the planning balance is now 'level'. This indicates that there is now a lower threshold in place for being able to justify the refusal of planning applications. Pragmatically, this means that fewer 'speculative' residential planning applications are likely to be granted.

#### **5. What is the Housing Delivery Test and consequences?**

- 5.1 It measures net homes delivery (i.e. net homes built) in a local authority area, such as Wiltshire, against the homes required using local authority completions statistics and planning data.
- 5.2 The results are published for each local authority area by the Secretary of State annually, see [Housing Delivery Test \(www.gov.uk\)](https://www.gov.uk/government/publications/housing-delivery-test)
- 5.3 As set out in the NPPF the Housing Delivery Test will apply the day following publication of the results, at which point they supersede previously published results. The most up to date result, at the time of writing, is for 2022.
- 5.4 Since the inception of the Housing Delivery Test the published results for Wiltshire are:
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|------|---|
| 2018 | 139% (years measured 2015/16 - 2017/18) |
| 2019 | 149% (years measured 2016/17 - 2018/19) |
| 2020 | 140% (years measured 2017/18 - 2019/20) |
| 2021 | 141% (years measured 2018/19 - 2020/21) |
| 2022 | 106% (years measured 2019/20 - 2021/22) |
- 5.5 The three consequences of failing the Housing Delivery Test (HDT) are set out in paragraph 79 of the NPPF, as follows:

1. Triggering the presumption in favour of sustainable development (HDT below 75%)

The presumption in favour of sustainable development (paragraph 11d, NPPF), as explained above, should be applied to decisions where the HDT indicates delivery has fallen below 75% of the housing requirement.

2. 20% buffer (HDT below 85%)

The five-year land supply must include an additional buffer of 20% where the HDT indicates that delivery was below 85% of the housing requirement.

3. Requirement to prepare an action plan (HDT below 95%):

The authority should prepare an action plan in line with national planning guidance, to assess the causes of under-delivery and identify actions to increase delivery in future years.

- 5.6 Wiltshire has consistently performed well against the HDT and has passed the test in the latest results. As a result, none of the consequences set out above apply in Wiltshire.

## **6. What can we do to maintain housing land supply?**

- 6.1 The changes to the NPPF relating to the four-year housing land supply are time-limited - the concession under paragraph 226 only lasts until December 2025. It is therefore very important that the council gains the support of local communities to secure the adoption of its emerging Local Plan as soon as possible as this will provide a much longer period of 'protection'.
- 6.2 The council will look to restore a five-year housing land supply through the Local Plan, which should be in place prior to December 2025, and permitting appropriate housing developments in the meantime. The Plan looks to allocate additional housing land, some of which can be delivered within five years, and therefore contribute towards meeting a five-year housing land supply.
- 6.3 The council's housing land supply figure can only be retained during the concessionary period if suitable planning applications for housing development continue to be granted. If the council refuses too many planning applications, housing supply will fall below four years and the 'tilted' balance in favour of approval will once again apply.
- 6.4 Since the base date of 1 April 2023, consents have continued to be granted permission on suitable sites. While these do not currently contribute to the housing land supply because they were permitted after the base date of 1 April 2023, they will help to increase the housing land supply in the future. New permissions help replenish the housing land supply as it is reduced due to housing completions, planning permissions lapsing, and delays in delivery on key sites. Table 4 of the HLSS contains a list of large new sites (10 or more dwellings) that have been permitted since the base date up to the date of publication.

- 6.5 Work can now commence on the preparation of the next HLSS using a base date of 1 April 2024. These statements take time to prepare, particularly for authorities the size of Wiltshire, and typically take around 9-12 months from the base date to publication.