

Action 334 - Council to provide a technical note explaining its preferred approach to dealing with the shortfall of 1,055 dwellings over the first 3 years of the Plan period, when calculating the 5 Year Housing Supply Position (i.e. Sedgefield or Liverpool approach) justifying the approach to be taken. The note should also include evidence to demonstrate that a rolling 5YHLS would be achieved throughout the Plan period and to confirm that the 10% small sites allowance would be met.

To maintain supply and delivery of housing, paragraph 74 of the NPPF requires Local Planning Authorities to identify and update annually a supply of specific deliverable sites sufficient to provide 5 years' worth of housing against their housing requirements with an additional buffer of 5%, 10% or 20% depending on local circumstances.

The city council has applied a buffer of 20% in accordance with Para 74 and the Planning Practice Guidance to address the past under delivery of housing for calculating the 5yhls position as at 1st April 2024.

The council has produced the 5yhls calculations below based on two methods. Firstly, the 'Sedgefield' method, by which the past under-provision in supply is addressed in the first 5 years of the assessment period. Secondly the 'Liverpool' method by which the under-provision is addressed over the totality of the remaining plan period.

Using the Sedgefield method, the council is able to demonstrate 5.2 years of supply as at 1st April 2024 and a rolling supply position of just under 5 years for most years as shown in Table 3. Whilst using the Liverpool method, the council is able to demonstrate 5 year housing land supply for the first two years (2024/25 and 2025/26) and a rolling supply position of just under 5 years for the remainder of the plan period as shown in Table 3.

Table 1 – Sedgefield Method (shortfall from previous years spread across the first five years 2024/25 – 2028/29)

Housing land supply position as at 1st April 2024 (Sedgefield method)

a.	Annual housing requirement	1,296
b.	Shortfall from previous years 2020-2024	1,055
c.	Dwellings per annum from shortfall (1,055 / 5)	211
d.	Annual housing requirement including shortfall as per Sedgefield method (1,296 + 211)	1,507
e.	Number of dwellings required for five years 1 April 2024 to 31 March 2029 (1,507 x 5)	7,535
f.	20% buffer to address past under delivery (NPPF paragraph 74 c)	1,507

g.	Total number of dwellings required for five years 1 April 2024 to 31 March 2029 (e + f).	9,042
h.	Estimated supply of deliverable sites for five years 1 April 2024 to 31 March 2029	9,448
i.	Surplus over requirement (h – g)	406
j.	Annual housing requirement (g / 5 years)	1,808
k.	Number of years supply (h / j).	5.22 years supply

Table 2 – Liverpool Method (shortfall from previous years spread across remainder plan period)

Housing land supply position as at 1st April 2024 (Liverpool method)

a.	Annual housing requirement	1,296
b.	Shortfall from previous years 2020-2024	1,055
c.	Dwellings per annum from shortfall rounded (1,055 / 12)	88
d.	Annual housing requirement including shortfall as per Liverpool method (1,296 + 88)	1,384
e.	Number of dwellings required for five years 1 April 2024 to 31 March 2029 (1,384 x 5)	6,920
f.	20% buffer to address past under delivery (NPPF paragraph 74 c)	1,384
g.	Total number of dwellings required for five years 1 April 2024 to 31 March 2029 (e + f).	8,304
h.	Estimated supply of deliverable sites for five years 1 April 2024 to 31 March 2029	9,448
i.	Surplus over requirement (h – g)	1,144
j.	Annual housing requirement rounded (g / 5 years)	1,661
k.	Number of years supply (h / j).	5.69 years supply

Housing delivery is expected to improve over coming years as explained in Exam 96, therefore a buffer of 5% has been applied from 2029/30 onwards in accordance with Para 74 to ensure choice and competition. This is reflected in the rolling supply position.

Table 3: Rolling supply position

Plan Year	Comparison											
	4	5	6	7	8	9	10	11	12	13	14	15
Housing Supply Component	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Sedgefield Land supply	5.22	4.78	4.28	4.04	3.90	5.09	4.99	4.80				
Liverpool Land Supply	5.69	5.20	4.66	4.40	4.24	4.77	4.67	4.50				

The council's preferred method is Sedgefield approach because with this approach the council will address the past backlog of under delivery in the next five years, and with improvement in future delivery and commitments as explained in the Exam 96, we are confident that the overall supply position will improve, and the council will be able to demonstrate a rolling 5yhls.

On the other hand, if the council were to adopt the Liverpool approach, even though the supply position might be slightly better next year the council would have to deal with the past under delivery across whole of the plan period which would impact the future supply position even with the predicted increase in commitments and delivery in future years.

Therefore, council would prefer to adopt the Sedgefield approach. Importantly the council will be commencing the plan review as soon as the plan is adopted.

Small sites allowance

The council has identified about 305 dwellings from small sites (sites less than 1ha) from allocations. This only includes the small sites allocations -- the CDA sites are not included in this. This does not meet the 10% - this is because these sites are outside the CDA in the rest of the city where the capacities have been calculated at 35dph. Due to the constraints of land availability in the City the council has exhausted its options on small sites. The allocations are based on the call for sites, and it was not possible to identify suitable further small sites during the plan preparation process. In reality the small sites will come forward within the CDA where the densities are very much higher.

Sedgefield Method																	
Plan Year		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
Housing Supply Component	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	
Completions	1050	842	1645	592													
Commitments					1644	1704	1101	738	376	308	265	210	210	210	210	210	7186
CDA					515	515	515	515	515	515	515	515	515	515	514	514	6178
Allocations					41	168	182	207	307	364	499	438	460	351	306	298	3621
Windfall					0	0	0	200	205	205	205	204	214	214	214	214	1875
Total Supply	1050	842	1645	592	2200	2387	1798	1660	1403	1392	1484	1367	1399	1290	1244	1236	22989
Cumulative Supply	1050	1892	3537	4129	6329	8716	10514	12174	13577	14969	16453	17820	19219	20509	21753	22989	
Overall Need	1296	1296	1296	1296	1296	1296	1296	1296	1296	1296	1296	1296	1296	1296	1296	1296	20736
Cumulative Need	1296	2592	3888	5184	6480	7776	9072	10368	11664	12960	14256	15552	16848	18144	19440	20736	20736
Balance	-246	-454	349	-704	904	1091	502	364	107	96	188	71	103	-6	-52	-60	2253
Cumulative Difference	-246	-700	-351	-1055	-151	940	1442	1806	1913	2009	2197	2268	2371	2365	2313	2253	
Expected 5 year Supply					9448	8640	7737	7306	7045	6932	6784	6536					
Additional Need					211	211	211	211	211								
5 Year Need + 20% Buffer					9042	9042	9042	9042	9042								
5 Year Need + 5% Buffer										6804	6804	6804					
Land Supply (Years)					5.224508	4.777704	4.278368	4.040035	3.895709	5.094062	4.985303	4.803057					

Liverpool Method																		
Plan Year		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total	
Housing Supply Component	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36		
Completions	1050	842	1645	592														
Commitments					1644	1704	1101	738	376	308	265	210	210	210	210	210	7186	
CDA					515	515	515	515	515	515	515	515	515	515	514	514	6178	
Allocations					41	168	182	207	307	364	499	438	460	351	306	298	3621	
Windfall					0	0	0	200	205	205	205	204	214	214	214	214	1875	
Total Supply	1050	842	1645	592	2200	2387	1798	1660	1403	1392	1484	1367	1399	1290	1244	1236	22989	
Cumulative Supply	1050	1892	3537	4129	6329	8716	10514	12174	13577	14969	16453	17820	19219	20509	21753	22989		
Overall Need	1296	1296	1296	1296	1296	1296	1296	1296	1296	1296	1296	1296	1296	1296	1296	1296	20736	
Cumulative Need	1296	2592	3888	5184	6480	7776	9072	10368	11664	12960	14256	15552	16848	18144	19440	20736	20736	
Balance	-246	-454	349	-704	904	1091	502	364	107	96	188	71	103	-6	-52	-60	2253	
Cumulative Difference	-246	-700	-351	-1055	-151	940	1442	1806	1913	2009	2197	2268	2371	2365	2313	2253		
Expected 5 year Supply					9448	8640	7737	7306	7045	6932	6784	6536						
Additional Need					87.91667	87.91667	87.91667	87.91667	87.91667	87.91667	87.91667	87.91667	87.91667	87.91667	87.91667	87.91667	87.91667	
5 Year Need + 20% Buffer					8303.5	8303.5	8303.5	8303.5	8303.5									
5 Year Need + 5% Buffer										7265.563	7265.563	7265.563						
Land Supply (Years)					5.689167	5.202625	4.658879	4.39935	4.242187	4.77045	4.668599	4.497931						

Comparison												
Plan Year	4	5	6	7	8	9	10	11	12	13	14	15
Housing Supply Component	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Sedgefield Land supply	5.22	4.78	4.28	4.04	3.90	5.09	4.99	4.80				
Liverpool Land Supply	5.69	5.20	4.66	4.40	4.24	4.77	4.67	4.50				