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Guidance

Housing supply and delivery

Guidance on 5 year housing land supply and Housing Delivery Test.

From: [Department for Levelling Up, Housing and Communities \(/government/organisations/department-for-levelling-up-housing-and-communities\)](#) and [Ministry of Housing, Communities & Local Government \(/government/organisations/ministry-of-housing-communities-and-local-government\)](#)

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- — [Counting other forms of accommodation](#)
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This guidance includes updated sections that were previously included in the Housing and economic land availability assessment guidance – [see previous version](#)

(<https://webarchive.nationalarchives.gov.uk/20190607102654/https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>).

What policies are in place to encourage local authorities to promote a sufficient supply of land for housing and support delivery?

The standard method for calculating [local housing need](#) (<https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>) provides a minimum number of homes to be planned for. Authorities should use the standard method as the starting point when preparing the housing requirement in their plan, unless [exceptional circumstances](#) (<https://www.gov.uk/guidance/national-planning-policy-framework/5-delivering-a-sufficient-supply-of-homes#para60>) justify an alternative approach.

Paragraph 69 of the National Planning Policy Framework sets out what supply and mix of sites authorities should identify through their planning policies.

The Housing Delivery Test measures whether planned requirements (or, in some cases, local housing need) have been met over the last 3 years. The 5 year housing land supply is a calculation of whether there is a deliverable supply of homes to meet the planned housing requirement (or, in some circumstances, local housing need) over the next 5 years.

[ordable-housing-supply-in-england-2021-to-2022](#))

[Housing supply: net additional dwellings, England: 2020 to 2021](#)
([/government/statistics/using-supply-net-additional-dwellings-england-2020-to-2021](#))

[Housing statistics 1 April 2022 to 30 September 2022](#)
([/government/statistics/using-statistics-1-april-2022-to-30-september-2022](#))

[Housing supply: net additional dwellings](#)
([/government/collections/net-supply-of-housing](#))

[Net supply of housing in England: 2013 to 2014](#)
([/government/statistics/net-supply-of-housing-in-england-2013-to-2014](#))

Detailed guidance

[Housing Land Supply Annual Position Statements](#)
([/guidance/housing-land-supply-annual-position-statements](#))

Collection

[Planning practice guidance](#)

Paragraph: 001 Reference ID: 68-001-20240205

[\(/government/collections/](#)
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Revision date: 05 February 2024 See [previous version](#)

<https://webarchive.nationalarchives.gov.uk/ukgwa/20240103211113/https://www.gov.uk/guidance/housing-supply-and-delivery>)

5 year housing land supply

What is a 5 year land supply?

A 5 year land supply is a supply of specific [deliverable](https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary#deliverable) (<https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary#deliverable>) sites sufficient to provide 5 years' worth of housing (and appropriate buffer) against a [housing requirement](https://www.gov.uk/guidance/national-planning-policy-framework/5-delivering-a-sufficient-supply-of-homes#para73) (<https://www.gov.uk/guidance/national-planning-policy-framework/5-delivering-a-sufficient-supply-of-homes#para73>) set out in adopted strategic policies, or against a local housing need figure, using the standard method, as appropriate in accordance with paragraph 77 of the National Planning Policy Framework.

Where authorities meet the requirements of paragraph 226 of the National Planning Policy Framework, they only need to demonstrate a 4 year housing land supply (for decision making purposes only). References in this guidance to 5 year housing land supply in relation to decision-making will need to be read as relating to 4 year housing land supply, where appropriate. For clarity, this does not apply to the sections of the guidance concerned with Annual Position Statements.

Paragraph: 002 Reference ID: 68-002-20240205

Revision date: 05 February 2024 See [previous version](#)

<https://webarchive.nationalarchives.gov.uk/ukgwa/20240103211113/https://www.gov.uk/guidance/housing-supply-and-delivery#year-housing-land-supply>)

What is the purpose of the 5 year housing land supply?

The purpose of the 5 year housing land supply is to provide an indication of whether there are sufficient sites available to meet the housing requirement set out in adopted strategic policies for the next 5 years. Where strategic policies are more than 5 years old, or have been reviewed and found in need of updating, local housing need calculated using the standard method should be used in place of the housing requirement.

Paragraph: 003 Reference ID: 68-003-20190722

Revision date: 22 July 2019

Demonstrating a 5 year housing land supply

How can an authority demonstrate a 5 year supply of deliverable housing sites?

In plan-making, strategic policies should identify a 5 year housing land supply from the intended date of adoption of the plan.

For decision-taking purposes, an authority will need to be able to demonstrate a 5 year housing land supply when dealing with applications and appeals. They can do this in one of two ways:

- using the latest available evidence such as a Strategic Housing Land Availability Assessment (SHLAA), Housing and Economic Land Availability Assessment (HELAA), or an Authority Monitoring Report (AMR);
- [‘confirming’](#) the 5 year land supply using a recently adopted plan or through a subsequent annual position statement (as set out in paragraph 78 of the National Planning Policy Framework).

Paragraph: 004 Reference ID: 68-004-20240205

Revision date: 05 February 2024 See [previous version](#)

<https://webarchive.nationalarchives.gov.uk/ukgwa/20240103211113/https://www.gov.uk/guidance/housing-supply-and-delivery#year-housing-land-supply>

What housing land supply does a local planning authority need to demonstrate for the purposes of decision making?

The criteria for housing land supply requirements for decision-making purposes are set out in paragraphs 76, 77 and 226 of the National Planning Policy Framework.

Paragraph 76 sets out the criteria under which an authority is not required to annually demonstrate a housing land supply for decision making. If an authority does not meet the criteria in paragraph 76, paragraph 77 sets out the housing land supply of specific deliverable sites that authorities should demonstrate for decision-making against either their requirement figure or LHN as appropriate.

Paragraph 226 sets out criteria where, for a period of two years from the date of publication of the National Planning Policy Framework published on 19 December, an authority only needs, for the purposes of decision-making, to identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of four years' worth of housing (with a buffer, if applicable) against either its housing requirement figure or LHN as appropriate.

The glossary of the National Planning Policy Framework defines what can be counted as a deliverable site for these purposes - those that are available now, offer a suitable location for development now, and those that will be achievable with a realistic prospect that housing will be delivered on the site within five years. Both the 5 year housing land supply and the 4 year housing land supply that authorities should demonstrate for decision making should consist of deliverable housing sites demonstrated against the authority's five year housing land supply requirement, including the appropriate buffer.

Paragraph: 055 Reference ID: 68-055-20240205

Revision date: 05 February 2024

What housing land supply should local planning authorities demonstrate against their housing requirement (or LHN as appropriate) with respect to planning applications made prior to 19 December 2023?

Paragraph 76 of the National Planning Policy Framework is not a material consideration for applications made before 19 December 2023. For decision making, authorities will need to show a 5 year housing land supply with a 20% buffer, if appropriate. Where the criteria under paragraph 226 are met, an authority will need to demonstrate a 4 year housing land supply with a 20% buffer, if appropriate, against their five year housing land supply requirement.

Paragraph: 056 Reference ID: 68-056-20240205

Revision date: 05 February 2024

What transitional arrangements are in place for decision making following the publication of the National Planning Policy Framework on 19 December 2023?

There is a transitional arrangement in place for paragraph 76 of the National Planning Policy Framework which means that this policy does not apply to planning applications made prior to December 19, 2023.

Paragraph: 057 Reference ID: 68-057-20240205

Revision date: 05 February 2024

What housing requirement figure should authorities use when calculating their 5 year housing land supply?

Housing requirement figures identified in adopted strategic housing policies should be used for calculating the 5 year housing land supply figure where:

- the plan was adopted in the last 5 years, or
- the strategic housing policies have been reviewed within the last 5 years and found not to

need updating.

In other circumstances the 5 year housing land supply will be measured against the area's local housing need calculated using the standard method.

Paragraph: 005 Reference ID: 68-005-20190722

Revision date: 22 July 2019

Which strategic housing policies are used to calculate the 5 year housing land supply where there is more than one strategic housing requirement policy for an area?

Where there is a conflict between adopted strategic housing requirement policies (for example if a new spatial development strategy supersedes an adopted local plan), the most recently adopted policies will need to be used for the purposes of calculating 5 year housing land supply, in accordance with Section 38 (5) of the Planning and Compulsory Purchase Act 2004.

Paragraph: 006 Reference ID: 68-006-20190722

Revision date: 22 July 2019

What constitutes a 'deliverable' housing site in the context of plan-making and decision-taking?

In order to demonstrate 5 years' worth of deliverable housing sites, robust, up to date evidence needs to be available to support the preparation of strategic policies and planning decisions. [Annex 2 of the National Planning Policy Framework \(https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary#deliverable\)](https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary#deliverable) defines a deliverable site. As well as sites which are considered to be deliverable in principle, this definition also sets out the sites which would require further evidence to be considered deliverable, namely those which:

- have outline planning permission for major development;

- are allocated in a development plan;
- have a grant of permission in principle; or
- are identified on a brownfield register.

Such evidence, to demonstrate deliverability, may include:

- current planning status – for example, on larger scale sites with outline or hybrid permission how much progress has been made towards approving reserved matters, or whether these link to a planning performance agreement that sets out the timescale for approval of reserved matters applications and discharge of conditions;
- firm progress being made towards the submission of an application – for example, a written agreement between the local planning authority and the site developer(s) which confirms the developers' delivery intentions and anticipated start and build-out rates;
- firm progress with site assessment work; or
- clear relevant information about site viability, ownership constraints or infrastructure provision, such as successful participation in bids for large-scale infrastructure funding or other similar projects.

Plan-makers can use the [Housing and Economic Land Availability Assessment](https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment) (<https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>) in demonstrating the deliverability of sites.

Paragraph: 007 Reference ID: 68-007-20190722

Revision date: 22 July 2019

What happens if an authority cannot demonstrate a 5 year housing land supply?

In plan-making, the Inspector examining the plan will test the evidence to ensure that the 5 year housing land supply identified in strategic policies is sound. If it is not, wherever possible the Inspector will recommend main modifications to the plan to ensure that the plan identifies a 5 year housing land supply from its date of adoption. In decision-taking,

if an authority cannot demonstrate a 5 year housing land supply, including any appropriate buffer, the presumption in favour of sustainable development will apply, as set out in [paragraph 11d of the National Planning Policy Framework](https://www.gov.uk/guidance/national-planning-policy-framework/2-achieving-sustainable-development#para011) (<https://www.gov.uk/guidance/national-planning-policy-framework/2-achieving-sustainable-development#para011>).

Paragraph: 008 Reference ID: 68-008-20190722

Revision date: 22 July 2019

How should local authorities monitor their land supply position?

All local planning authorities should monitor their deliverable land supply against their housing requirement, as set out in adopted strategic policies, including those not required to demonstrate a 5 year housing land supply as per paragraph 76 of the National Planning Policy Framework.

Monitoring deliverable land supply will allow local authorities to identify sites which are not coming forward as planned as well as identify delivery on windfall sites, and help maintain housing delivery, which will be measured by the Housing Delivery Test.

Paragraph: 058 Reference ID: 68-058-20240205

Revision date: 05 February 2024

How can a 5 year housing land supply be identified as part of the examination of plan policies?

In accordance with paragraph 69(a) of the National Planning Policy Framework, planning policies should identify a supply of specific, deliverable sites for five years following the intended date of adoption.

A 5 year supply of specific, deliverable sites at the time of the conclusion of its examination is one of the criteria under paragraph 76 of the National

Planning Policy Framework which a plan must meet in order for a local authority to not be required to demonstrate a 5 year housing land supply for the purposes of decision-making.

When identifying a supply of sites through this process, local planning authorities will need to apply a 20% buffer where the [Housing Delivery Test \(https://www.gov.uk/guidance/housing-supply-and-delivery#housing-delivery-test\)](https://www.gov.uk/guidance/housing-supply-and-delivery#housing-delivery-test) indicates that delivery has fallen below 85% of the requirement.

Where a local plan is being examined under a previous version of the National Planning Policy Framework, additional buffers may also be applicable. Paragraphs 227-230 of the National Planning Policy Framework set out the transitional arrangements for plan making.

Paragraph: 059 Reference ID: 68-058-20240205

Revision date: 05 February 2024

Confirming 5 year housing land supply

How can authorities confirm their 5 year housing land supply?

When local planning authorities wish to confirm their 5 year housing land supply position once in a given year they can do so by using an [annual position statement \(https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary#annualposition\)](https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary#annualposition).

Paragraph: 009 Reference ID: 68-009-20240205

Revision date: 05February 2024 See [previous version \(https://webarchive.nationalarchives.gov.uk/ukgwa/20240103211113/https://www.gov.uk/guidance/housing-supply-and-delivery#confirm-5-year\)](https://webarchive.nationalarchives.gov.uk/ukgwa/20240103211113/https://www.gov.uk/guidance/housing-supply-and-delivery#confirm-5-year)

Paragraph: 010 removed

Revision date: 05 February 2024 See [previous version](#)

(<https://webarchive.nationalarchives.gov.uk/ukgwa/20240103211113/https://www.gov.uk/guidance/housing-supply-and-delivery#confirm-5-year>)

Paragraph: 011 removed

Revision date: 05 February 2024 See [previous version](#)

(<https://webarchive.nationalarchives.gov.uk/ukgwa/20240103211113/https://www.gov.uk/guidance/housing-supply-and-delivery#confirm-5-year>)

How is a 5 year housing land supply confirmed through an annual position statement?

Where a local planning authority wishes to confirm their 5 year land supply position through an [annual position statement](#)

(<https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary#annualposition>), they will need to advise the Planning Inspectorate of their intention to do so by 1 April each year.

To ensure their assessment of the deliverability of sites is robust, the local planning authority will also need to carry out an engagement process to inform the preparation of the statement, before submitting their statement to the Planning Inspectorate for review by 31 July of the same year.

So long as the correct process has been followed, and sufficient information has been provided about any disputed sites, the Planning Inspectorate will issue their recommendation in October of the same year. The local planning authority can then confirm their housing land supply until the following October, subject to accepting the recommendations of the Planning Inspectorate.

Paragraph: 012 Reference ID: 68-012-20240205

Revision date: 05 February 2024 See [previous version](#)

(<https://webarchive.nationalarchives.gov.uk/ukgwa/20240103211113/https://www.gov.uk/guidance/housing-supply-and-delivery#confirm-5-year>)

How will an annual position statement be assessed?

When assessing an annual position statement, the Planning Inspectorate will carry out a 2 stage assessment:

- first, they will consider whether satisfactory stakeholder engagement has been carried out
- second, they will look at whether the evidence is sufficient to demonstrate a 5 year supply of deliverable housing sites (with the appropriate buffer), using 1 April as the base date in the relevant year. In doing so, they will consider whether the sites identified in the assessment are 'deliverable' within the next five years, in line with the definition in [Annex 2 of the Framework \(https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary#deliverable\)](https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary#deliverable).

The Planning Inspector's assessment will be made on the basis of the written material provided by the authority, and the Inspector will not refer back to the local planning authority or other stakeholders to seek further information or to discuss particular sites. It is therefore important that the authority has carried out a robust stakeholder engagement process and that adequate information is provided about disputed sites.

Paragraph: 013 Reference ID: 68-013-20240205

Revision date: 05 February 2024 See [previous version \(https://webarchive.nationalarchives.gov.uk/ukgwa/20240103211113/https://www.gov.uk/guidance/housing-supply-and-delivery#confirm-5-year\)](https://webarchive.nationalarchives.gov.uk/ukgwa/20240103211113/https://www.gov.uk/guidance/housing-supply-and-delivery#confirm-5-year)

What information will annual position statements need to include?

Assessments need to be realistic and made publicly available in an accessible format as soon as they have been completed. 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 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.

Paragraph: 014 Reference ID: 68-014-20190722

Revision date: 22 July 2019

Which housing requirement figure should authorities use for the purposes of an annual position statement?

Local planning authorities should use their housing requirement set out in adopted strategic policies, or local housing need where the strategic policies are more than five years old, unless those policies have been reviewed and found not to need updating.

Paragraph: 060 Reference ID: 68-060-20240205

Revision date: 05 February 2024

What engagement will an authority need to undertake to prepare an annual position statement?

Authorities will need to engage with stakeholders who have an impact on the delivery of sites. The aim is to provide robust challenge and ultimately seek as much agreement as possible, so that the authority can reach a reasoned conclusion on the potential deliverability of sites which may contribute to the 5 year housing land supply. Those authorities who are seeking to confirm a 5 year housing land supply through an annual position statement can produce an engagement statement and submit this to the Planning Inspectorate, including:

- an overview of the process of engagement with site owners / applicants, developers and other stakeholders and a schedule of site-based data resulting from this;
- specific identification of any disputed sites where consensus on likely delivery has not been reached, including sufficient evidence in support of and opposition to the disputed site(s) to allow a Planning Inspector to reach a reasoned conclusion; as well as an indication of the impact of any disputed sites on the number of years of supply;
- the conclusions which have been reached on each site by the local planning authority in the light of stakeholder engagement;
- the conclusions which have been reached about the overall 5 year housing land supply position.

Paragraph: 015 Reference ID: 68-015-20190722

Revision date: 22 July 2019

Who can the authority engage with?

Local planning authorities will need to engage with developers and others who have an impact on delivery. This will include:

- small and large developers;
- land promoters;
- private and public land owners;

- infrastructure providers (such as utility providers, highways, etc) and other public bodies (such as Homes England);
- upper tier authorities (county councils) in two-tier areas;
- neighbouring authorities with adjoining or cross-boundary sites; and
- any other bodies with an interest in particular sites identified.

Beyond this, it is for the local planning authority to decide which stakeholders to involve. This may include any general consultation bodies the authority considers are appropriate.

Local planning authorities may wish to set up an assessment and delivery group which could contribute towards [Housing and Economic Land Availability Assessments](https://www.gov.uk/guidance/housing-and-economic-land-availability-assessments) (<https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>), annual 5 year housing land supply assessments and Housing Delivery Test action plans for the delivery of housing. Delivery groups can assist authorities to not only identify any delivery issues but also help to find solutions to address them. They may also set out policies in their Statement of Community Involvement setting out who will be consulted when applying to confirm their 5 year housing land supply.

The Planning Inspectorate will publish on their website a list of local authorities who have notified them of their intention to seek confirmation of their 5 year housing land supply. However, interested parties who wish to be involved in the process should contact the local planning authority directly.

Paragraph: 016 Reference ID: 68-016-20190722

Revision date: 22 July 2019

What happens where there is disagreement about sites?

Where agreement on delivery prospects for a particular site has not been reached through the engagement process, the Planning Inspectorate will

consider the evidence provided by both the local authority and stakeholders and make recommendations about likely site delivery in relation to those sites in dispute.

Paragraph: 017 Reference ID: 68-017-20190722

Revision date: 22 July 2019

What can an authority do once the Planning Inspectorate has reached a conclusion and provided recommendations?

When considering an annual position statement, the Planning Inspectorate will assess whether the evidence provided by the local authority is sufficient to demonstrate that there is a 5 year housing land supply, including the [appropriate buffer](#). If this is the case, the Planning Inspectorate will then recommend that the authority can confirm that they have a 5 year housing land supply for one year. This will be a material consideration in the determination of planning applications and appeals.

The local planning authority will need to publish their annual position statement incorporating the recommendations of the Planning Inspectorate in order to confirm their 5 year housing land supply position for a one year period.

Paragraph: 018 Reference ID: 68-018-20190722

Revision date: 22 July 2019

Demonstrating a housing land supply beyond 5 years

Is it essential to identify specific developable sites or broad locations for housing growth, beyond 5 years?

As set out in the National Planning Policy Framework, local planning authorities should identify a supply of specific, developable sites or broad locations for growth for years 6-10 and, where possible, for years 11-15. Local plans and spatial development strategies may be able to

satisfy the tests of soundness where they have not been able to identify specific sites or broad locations for growth in years 11-15. However, if longer-term sites are to be included, for example as part of a stepped requirement, then plan-makers will need to demonstrate that there is a reasonable prospect that they are likely to come forward within the timescale envisaged.

Paragraph: 019 Reference ID: 68-019-20190722

Revision date: 22 July 2019

How can plan-making authorities demonstrate there is a reasonable prospect that housing sites are ‘developable’?

[Annex 2 of the National Planning Policy Framework](https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary#developable) (<https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary#developable>) defines what constitutes a developable site. In demonstrating that there is a ‘reasonable prospect’ plan-makers can use evidence such as (but not exclusively):

- written commitment or agreement that relevant funding is likely to come forward within the timescale indicated, such as an award of grant funding;
- written evidence of agreement between the local planning authority and the site developer(s) which confirms the developers’ delivery intentions and anticipated start and build-out rates;
- likely buildout rates based on sites with similar characteristics; and
- current planning status - for example, a larger scale site with only outline permission where there is supporting evidence that the site is [suitable and available](https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment) (<https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>), may indicate development could be completed within the next 6-10 years.

A pragmatic approach is appropriate when demonstrating the intended phasing of sites. For example, for sites which are considered developable within 6-10 years, the authority may

need to provide a greater degree of certainty than those in years 11-15 or beyond. When producing annual updates of the housing land supply trajectory, authorities can use these to provide greater certainty about the delivery of sites initially considered to be developable, and those identified over a longer time span.

Further guidance is provided in the [plan-making chapter \(https://www.gov.uk/guidance/plan-making#delivery-of-strategic-matters\)](https://www.gov.uk/guidance/plan-making#delivery-of-strategic-matters) about how authorities can demonstrate that strategic matters can be delivered within a particular timescale. Plan-makers can use the [Housing and Economic Land Availability Assessment \(https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment\)](https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment) in demonstrating the developability of sites.

Paragraph: 020 Reference ID: 68-020-20190722

Revision date: 22 July 2019

When is a stepped housing requirement appropriate for plan-making?

A stepped housing requirement may be appropriate where there is to be a significant change in the level of housing requirement between emerging and previous policies and / or where strategic sites will have a phased delivery or are likely to be delivered later in the plan period. Strategic policy-makers will need to identify the stepped requirement in strategic housing policy, and to set out evidence to support this approach, and not seek to unnecessarily delay meeting identified development needs. Stepped requirements will need to ensure that planned housing requirements are met fully within the plan period. In reviewing and revising policies, strategic policy-makers should ensure there is not continued delay in meeting identified development needs.

Where there is evidence to support a prioritisation of sites, local authorities may wish to identify priority sites which can be delivered earlier in the plan period, such as those on brownfield land and where there is supporting infrastructure in place e.g.

transport hubs. These sites will provide additional flexibility and more certainty that authorities will be able to demonstrate a sufficient supply of [deliverable](https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary#deliverable) (<https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary#deliverable>) sites against the housing requirement.

Paragraph: 021 Reference ID: 68-021-20190722

Revision date: 22 July 2019

Calculating 5 year housing land supply

When should the 20% buffer be added to the 5 year housing land supply requirement?

To ensure that there is a realistic prospect of achieving the planned level of housing supply, the local planning authority should add a 20% buffer where delivery of housing taken as a whole over the previous 3 years has fallen below 85% of the housing requirement figure, as set out in the last published Housing Delivery Test results. This buffer should be applied to the supply [requirement](#) figure in the following 5 years and should include any shortfall, bringing forward additional sites from later in the plan period. This will result in a requirement over and above the level indicated by the strategic policy requirement or the local housing need figure.

Authorities who are not required to demonstrate a 5 year housing land supply should disregard this requirement.

Paragraph: 022 Reference ID: 68-022-20240205

Revision date: 05 February 2024 See [previous version](#) (<https://webarchive.nationalarchives.gov.uk/ukgwa/20240103211113/https://www.gov.uk/guidance/housing-supply-and-delivery#calculating>)

How is 5 year housing land supply calculated in National Parks and the Broads Authority?

Within National Parks and the Broads Authority, and those local planning authorities where local authority boundaries overlap with these areas, housing requirements identified in strategic policies that are less than 5 years old are used. Where plans are more than 5 years old (unless those policies have been reviewed and found not to require updating), a [locally derived](https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments#para014) (<https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments#para014>) housing requirement figure may be used.

Paragraph: 023 Reference ID: 68-023-20190722

Revision date: 22 July 2019

How is 5 year housing land supply calculated in Development Corporation areas?

In areas covered by Development Corporations with plan-making powers, housing requirements identified in strategic policies that are less than 5 years old, or older and found not to require updating will be used (this can be in local plan(s) or a spatial development strategy). For Development Corporations which do not have, or do not exercise, plan-making powers the requirement will be set in the relevant strategic policies and monitored by the strategic policy-making authority.

Paragraph: 024 Reference ID: 68-024-20190722

Revision date: 22 July 2019

How is 5 year housing land supply calculated in new local planning authorities which result from a local government reorganisation?

Planning policies adopted by predecessor authorities will remain part of the development plan for their area upon reorganisation, until they are replaced by adopted successor authority policies or until the fifth anniversary of reorganisation.

Where a newly formed local planning authority is covered by strategic housing requirement policies adopted by predecessor authorities, these policies can continue to be used as the housing

requirement for calculating the 5 year housing land supply in the areas they apply where these are less than 5 years old, or they are older but have been reviewed within the last 5 years and found not to need updating.

Where strategic housing requirement policies, covering the predecessor authority area, are older than 5 years and require updating, local housing need should be used, where this is available. Where the data required to calculate local housing need is not available [an alternative approach \(https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments#para014\)](https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments#para014) will have to be used.

Paragraph: 025 Reference ID: 68-025-20190722

Revision date: 22 July 2019

How is 5 year housing land supply measured where authorities have stepped rather than annual average requirements?

Five year land supply is measured across the plan period against the specific stepped requirements for the particular 5 year period.

Paragraph: 026 Reference ID: 68-026-20190722

Revision date: 22 July 2019

How is 5 year housing land supply measured where authorities set out their housing requirements as a range?

Where strategic policy-makers have successfully argued through plan-making and examination for a requirement set out as a range, the 5 year housing land supply will be measured against the lower end of the range.

Paragraph: 027 Reference ID: 68-027-20240205

Revision date: 05 February 2024 See [previous version \(https://webarchive.nationalarchives.gov.uk/ukgwa/20240](https://webarchive.nationalarchives.gov.uk/ukgwa/20240)

[103211113/https://www.gov.uk/guidance/housing-supply-and-delivery#calculating](https://www.gov.uk/guidance/housing-supply-and-delivery#calculating))

How will areas with joint plans be monitored for the purposes of a 5 year housing land supply?

Areas which have a joint plan have the option to monitor their 5 year housing land supply and have the Housing Delivery Test applied over the whole of the joint planning area or on a single authority basis. The approach to using individual or combined housing requirement figures will be established through the plan-making process and will need to be set out in the strategic policies.

Where the 5 year housing land supply is to be measured on a single authority basis, annual housing requirement figures for the joint planning area will need to be apportioned to each area in the plan. If the area is monitored jointly, any policy consequences of under-delivery or lack of 5 year housing land supply will also apply jointly.

Paragraph: 028 Reference ID: 68-028-20240205

Revision date: 05 February 2024 See [previous version](#)

<https://webarchive.nationalarchives.gov.uk/ukgwa/20240103211113/https://www.gov.uk/guidance/housing-supply-and-delivery#calculating>)

Counting completions when calculating 5 year housing land supply

What counts as a completion?

For the purposes of calculating 5 year housing land supply, housing completions include new build dwellings, conversions, changes of use and demolitions and redevelopments. Completions should be [net figures](#) (<https://www.gov.uk/government/collections/net-supply-of-housing>), so should offset any demolitions.

Paragraph: 029 Reference ID: 68-029-20240205

Revision date: 05 February 2024 See [previous version](#)
(<https://webarchive.nationalarchives.gov.uk/ukgwa/20240103211113/https://www.gov.uk/guidance/housing-supply-and-delivery#counting-completions-when-calculating-5-year-housing-land-supply>)

How should authorities count bringing empty homes back into use?

To be included as a contribution to completions it would be for the authority to ensure that empty homes had not already been counted as part of the existing stock of dwellings to avoid double counting.

Paragraph: 030 Reference ID: 68-030-20190722

Revision date: 22 July 2019

How can past shortfalls in housing completions against planned requirements be addressed?

Where shortfalls in housing completions have been identified against planned requirements, strategic policy-making authorities may consider what factors might have led to this and whether there are any measures that the authority can take, either alone or jointly with other authorities, which may counter the trend. Where the standard method for assessing local housing need is used as the starting point in forming the planned requirement for housing, Step 2 of the standard method factors in past under-delivery as part of the affordability ratio, so there is no requirement to specifically address under-delivery separately when establishing the minimum annual local housing need figure. Under-delivery may need to be considered where the plan being prepared is part way through its proposed plan period, and delivery falls below the housing requirement level set out in the emerging relevant strategic policies for housing.

Where relevant, strategic policy-makers will need to consider the recommendations from the local authority's action plan prepared as a result of past under-delivery, as confirmed by the Housing Delivery Test.

The level of deficit or shortfall will need to be calculated from the base date of the adopted plan and should be added to the plan requirements for the next 5 year period (the Sedgefield approach), then the appropriate buffer should be applied. If a strategic policy-making authority wishes to deal with past under delivery over a longer period, then a case may be made as part of the plan-making and examination process rather than on a case by case basis on appeal.

Where strategic policy-making authorities are unable to address past shortfalls over a 5 year period due to their scale, they may need to reconsider their approach to bringing land forward and the assumptions which they make. For example, by considering developers' past performance on delivery; reducing the length of time a permission is valid; re-prioritising reserve sites which are 'ready to go'; delivering development directly or through arms' length organisations; or sub-dividing major sites where appropriate, and where it can be demonstrated that this would not be detrimental to the quality or deliverability of a scheme.

Paragraph: 031 Reference ID: 68-031-20190722

Revision date: 22 July 2019

How can past over-supply of housing completions against planned requirements be addressed?

Where areas deliver more completions than required, the additional supply can be used to offset any shortfalls against requirements from previous years.

Paragraph: 032 Reference ID: 68-032-20190722

Revision date: 22 July 2019

Does the 5 year housing land supply calculation affect a Housing Delivery Test result?

No. The 5 year housing land supply calculation is not used to determine future Housing Delivery Test

results. Adopted strategic housing policies or local housing need calculated using the standard method are used, subject to the rules set out in the [Housing Delivery Test rule book](https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book) (<https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book>).

Paragraph: 033 Reference ID: 68-033-20190722

Revision date: 22 July 2019

Counting other forms of accommodation

How can authorities count student housing in the housing land supply?

All student accommodation, whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus, can in principle count towards contributing to an authority's housing land supply based on:

- the amount of accommodation that new student housing releases in the wider housing market (by allowing existing properties to return to general residential use); and / or
- the extent to which it allows general market housing to remain in such use, rather than being converted for use as student accommodation.

This will need to be applied to both communal establishments and to multi bedroom self-contained student flats. Several units of purpose-built student accommodation may be needed to replace a house which may have accommodated several students.

Authorities will need to base their calculations on the average number of students living in student only accommodation, using the published [census data](https://www.ons.gov.uk/peoplepopulationandcommunity/housing/adhocs/008207ct07732011censusnumberofstudentsinstudentonlyhouseholdnationaltoauthoritylevel) (<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/adhocs/008207ct07732011censusnumberofstudentsinstudentonlyhouseholdnationaltoauthoritylevel>), and take steps to avoid double-counting. The exception to this approach is studio flats designed for students, graduates or young professionals,

which can be counted on a one for one basis. A studio flat is a one-room apartment with kitchen facilities and a separate bathroom that fully functions as an independent dwelling.

Paragraph: 034 Reference ID: 68-034-20190722

Revision date: 22 July 2019

How can authorities count older people's housing in the housing land supply?

Local planning authorities will need to count housing provided for older people, including residential institutions in Use Class C2, as part of their housing land supply. This contribution is based on the amount of accommodation released in the housing market. Further guidance is set out in [Housing for Older and Disabled People](https://www.gov.uk/guidance/housing-for-older-and-disabled-people#para016a) (<https://www.gov.uk/guidance/housing-for-older-and-disabled-people#para016a>).

Paragraph: 035 Reference ID: 68-035-20190722

Revision date: 22 July 2019

Housing Delivery Test

How is the Housing Delivery Test calculated?

The method for calculating the Housing Delivery Test measurement is set out in the [Housing Delivery Test measurement rule book](https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book) (<https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book>).

The rule book needs to be read in conjunction with this guidance on the Housing Delivery Test.

Paragraph: 036 Reference ID: 68-036-20190722

Revision date: 22 July 2019

Which organisations does the Housing Delivery Test apply to?

It applies to local planning authorities in a plan-making authority area: non-metropolitan districts, development corporations with plan-making and decision-making powers, metropolitan boroughs and London boroughs. The Housing Delivery Test does not apply to National Park Authorities, the Broads Authority and development corporations without (or not exercising) both plan-making and decision-making functions.

Paragraph: 037 Reference ID: 68-037-20190722

Revision date: 22 July 2019

Which delivery years does the Housing Delivery Test apply to?

The Housing Delivery Test, published annually, provides a measure based on the preceding 3 financial years.

Paragraph: 038 Reference ID: 68-038-20240205

Revision date: 05 February 2024 See [previous version](#)

(<https://webarchive.nationalarchives.gov.uk/ukgwa/20240103211113/https://www.gov.uk/guidance/housing-supply-and-delivery#housing-delivery-test>)

What counts as a stepped housing requirement for the purposes of the Housing Delivery Test?

A stepped requirement can be demonstrated through a local plan policy which sets out the authority's annual housing requirement figure year-on-year over the plan period.

Paragraph: 061 Reference ID: 68-061-20240205

Revision date: 05 February 2024

What happens in areas with stepped requirements?

Where the adopted housing requirement is stepped, these stepped requirements will be used in the Housing Delivery Test in place of annual

average requirement figures. A stepped requirement allows authorities to reflect step changes in the level of housing expected to be delivered across the plan period. The [buffer applied](#) to the 5 year housing land supply does not constitute a stepped requirement.

Paragraph: 039 Reference ID: 68-039-20190722

Revision date: 22 July 2019

What happens in areas with requirements set out as a range?

Where plan makers have successfully argued through plan-making and examination for a requirement set out as a range, the Housing Delivery Test will measure authorities against the lower end of the range.

Paragraph: 040 Reference ID: 68-040-20190722

Revision date: 22 July 2019

How does the Housing Delivery Test account for delivering communal accommodation?

Communal accommodation, including student accommodation and other communal accommodation, can count towards the Housing Delivery Test. Self-contained dwellings are included in the National Statistic for net additional dwellings. Communal accommodation will be accounted for in the Housing Delivery Test by applying adjustments in the form of two nationally set ratios. These are based on England Census data. The ratios for both net student and net other communal accommodation are found in the [Housing Delivery Test measurement rule book](#) (<https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book>).

Paragraph: 041 Reference ID: 68-041-20190722

Revision date: 22 July 2019

What happens if the identified housing requirement is not delivered?

From the day following publication of the Housing Delivery Test measurement, where delivery of housing has fallen below the housing requirement, certain policies set out in the National Planning Policy Framework will apply. Depending on the level of delivery, these are:

- the authority should publish an action plan if housing delivery falls below 95%;
- a 20% buffer on the local planning authority's 5 year land supply if housing delivery falls below 85%; and
- application of the presumption in favour of sustainable development if housing delivery falls below 75%.

These consequences apply concurrently, for example those who fall below 85% should produce an action plan as well as the 20% buffer. The consequences will continue to apply until the subsequent Housing Delivery Test measurement is published. The relevant consequence for any under-delivery will then be applied. Should delivery meet or exceed 95%, no consequences will apply.

Where an authority is not required to demonstrate a 5 year housing land supply as set out in paragraph 76 of the National Planning Policy Framework, the 20% buffer consequence cannot be applied. Other consequences should be applied as usual.

Where a new housing requirement is adopted after the publication of the measurement, the Housing Delivery Test calculation will be re-run using the new requirement as set out in paragraphs 17 to 18 of the [Housing Delivery Test rule book](https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book) (<https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book>). Any consequences for under-delivery will be applied from the day after the publication of the re-run measurement.

Paragraph: 042 Reference ID: 68-042-20240205

Revision date: 05 February 2024 See [previous version](#)

(<https://webarchive.nationalarchives.gov.uk/ukgwa/20240103211113/https://www.gov.uk/guidance/housing-supply-and-delivery#housing-delivery-test>)

How will areas with joint plans be monitored for the purposes of the Housing Delivery Test?

For the purposes of the Housing Delivery Test, joint plans are joint local development documents as defined under [Section 28 of the Planning and Compulsory Purchase Act 2004](#) (<https://www.legislation.gov.uk/ukpga/2004/5/section/28>).

Areas which have adopted joint plans will have the option to monitor their Housing Delivery Test over the whole of the joint planning area or on a single authority basis. This will be established through the plan-making process.

Where an adopted joint plan has a joint housing requirement and trajectory that is not demarcated by local planning authority boundaries, the authorities will be treated as one authority for the purposes of the Housing Delivery Test, with the consequences of their result applied to both authorities.

Where an adopted joint plan has a housing requirement and trajectory that is demarcated by local planning authorities, they will be treated separately for the purposes of the Housing Delivery Test, according to the apportionment outlined in the adopted plan. The consequences for each authority will be separate, according to their demarcated Housing Delivery Test results.

Paragraph: 043 Reference ID: 68-043-20190722

Revision date: 22 July 2019

How will Housing Delivery Test consequences apply to areas with a joint plan?

Housing Delivery Test consequences will apply to all local planning authorities with a joint plan collectively if the housing figure used to measure

against the delivery test is the joint housing requirement. The consequences will apply individually if the housing figure used is the apportioned one.

Paragraph: 044 Reference ID: 68-044-20190722

Revision date: 22 July 2019

How do Housing Delivery Test consequences apply to areas covered by a Spatial Development Strategy (SDS)?

Local planning authorities covered by a Spatial Development Strategy will be monitored against their requirement as set out in the individual borough or district plan for the purposes of the Housing Delivery Test, where this requirement is less than 5 years old (or is older and a review has found this does not require updating). Housing Delivery Test consequences will therefore apply to local planning authorities covered by a spatial development strategy individually. The [Housing Delivery Test measurement rule book](https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book) (<https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book>) sets out the circumstances for the calculation where the requirement is over 5 years old, or there is no individual borough or district plan.

Paragraph: 045 Reference ID: 68-045-20190722

Revision date: 22 July 2019

How is the Housing Delivery Test calculated in new local planning authorities formed as a result of recent reorganisation?

For those authorities who have recently undergone re-organisation, their Housing Delivery Test result, and any relevant consequences, will be based on predecessor authority boundaries in the first year following reorganisation.

Paragraph: 046 Reference ID: 68-046-20190722

Revision date: 22 July 2019

Housing Delivery Test – Action Plans

What is the Housing Delivery Test action plan?

The action plan is produced by the local planning authority where delivery is below 95% of their housing requirement. It will identify the reasons for under-delivery, explore ways to reduce the risk of further under-delivery and set out measures the authority intends to take to improve levels of delivery.

Paragraph: 047 Reference ID: 68-047-20190722

Revision date: 22 July 2019

Who can produce an action plan?

Local planning authorities, in collaboration with key stakeholders, are expected to produce the action plan. This will apply for each year of under-delivery where the Housing Delivery Test score is below 95%.

Apart from where an action plan is required as a consequence of the Housing Delivery Test, any authority may produce an action plan as a matter of good practice to identify ways to support delivery. In areas not measured by the Housing Delivery Test, such as National Park Authorities, the Broads Authority and development corporations without (or which do not exercise) both plan-making and decision-making functions, the use of an action plan is encouraged where appropriate to help identify any causes of under-delivery and actions to address these.

Paragraph: 048 Reference ID: 68-048-20190722

Revision date: 22 July 2019

Who can be involved in the creation of the action plan?

The local planning authority is responsible for producing the action plan, involving relevant stakeholders in the process. It is for the local

planning authority to decide which stakeholders to involve, although representatives of those with an impact on the rate of delivery should be included, such as:

- small and large developers;
- land promoters;
- private and public land owners;
- infrastructure providers (such as utility providers, highways, etc) and other public bodies (such as Homes England);;
- upper tier authorities (county councils) in two-tier areas;
- neighbouring authorities with adjoining or cross-boundary sites.

Paragraph: 049 Reference ID: 68-049-20190722

Revision date: 22 July 2019

What could local planning authorities review as part of the action plan?

The local planning authority may wish to include an analysis of under-delivery considering:

- barriers to early commencement after planning permission is granted and whether such sites are delivered within permitted timescales;
- barriers to delivery on sites identified as part of the 5 year housing land supply (such as land banking, scheme viability, affordable housing requirements, pre-commencement conditions, lengthy section 106 negotiations, infrastructure and utilities provision, involvement of statutory consultees etc.);
- whether sufficient planning permissions are being granted and whether they are determined within statutory time limits;
- whether the mix of sites identified is proving effective in delivering at the anticipated rate.
- whether proactive pre-planning application discussions are taking place to speed up determination periods;
- the level of ongoing engagement with key stakeholders (for example, landowners,

developers, utility providers and statutory consultees), to identify more land and encourage an increased pace of delivery;

- whether particular issues, such as infrastructure or transport, could be addressed at a strategic level - within the authority, but also with neighbouring and upper tier authorities where applicable. Paragraph: 050 Reference ID: 68-050-20240205

Revision date: 05 February 2024 See [previous](#)

[version](#)

(<https://webarchive.nationalarchives.gov.uk/ukgwa/20240103211113/https://www.gov.uk/guidance/housing-supply-and-delivery#housing-delivery-test--action-plans>)

What actions could local planning authorities consider as part of the action plan?

Actions to boost delivery could include:

- revisiting the Strategic Housing Land Availability Assessment (SHLAA) / [Housing and Economic Land Availability Assessment \(HELAA\)](#) (<https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>) to identify sites potentially suitable and available for housing development that could increase delivery rates, including public sector land and brownfield land;
- working with developers on the phasing of sites, including whether sites can be subdivided;
- offering more pre-application discussions to ensure issues are addressed early;
- considering the use of Planning Performance Agreements;
- carrying out a new Call for Sites, as part of plan revision, to help identify deliverable sites;
- revising site allocation policies in the development plan, where they may act as a barrier to delivery, setting out new policies aimed at increasing delivery, or accelerating production of an emerging plan incorporating such policies;
- reviewing the impact of any existing Article 4 directions for change of use from non-residential uses to residential use;

- engaging regularly with key stakeholders to obtain up-to-date information on build out of current sites, identify any barriers, and discuss how these can be addressed;
- establishing whether certain applications can be prioritised, conditions simplified or their discharge phased on approved sites, and standardised conditions reviewed;
- ensuring evidence on a particular site is informed by an understanding of viability;
- considering compulsory purchase powers to unlock suitable housing sites;
- using Brownfield Registers to grant permission in principle to previously developed land; and
- encouraging the development of small and medium-sized sites.

Paragraph: 051 Reference ID: 68-051-20190722

Revision date: 22 July 2019

When can the action plan be published?

To ensure the document is as useful as possible, local planning authorities will need to publish an action plan within 6 months of publication of the Housing Delivery Test measurement.

Paragraph: 052 Reference ID: 68-052-20190722

Revision date: 22 July 2019

Will an action plan require formal public consultation?

The action plan will work best as a transparent, publicly accessible document. The decision about whether to consult on an action plan is for the local planning authority. Local planning authorities should be mindful of the need to both produce and implement the document's proposals in a timely fashion.

Paragraph: 053 Reference ID: 68-053-20190722

Revision date: 22 July 2019

How could the action plan be monitored?

Responsibility for creating the action plan lies with the local planning authority, as does monitoring of the action plan. However, the action plan is a collaborative process between various stakeholders, and all stakeholders have a responsibility to deliver the action plan.

Paragraph: 054 Reference ID: 68-054-20190722


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Guidance

Housing and economic needs assessment

Guides councils in how to assess their housing needs.

From: [Department for Levelling Up, Housing and Communities \(/government/organisations/department-for-levelling-up-housing-and-communities\)](#) and [Ministry of Housing, Communities & Local Government \(/government/organisations/ministry-of-housing-communities-and-local-government\)](#)

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Related content

[Household projections \(/government/collections/household-projections\)](#)

[Household projections \(2008 to 2033\) in](#)

This guidance was updated on 20 February 2019. See [previous guidance \(https://wearchive.nationalarchives.gov.uk/20181220233634/https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments\)](https://wearchive.nationalarchives.gov.uk/20181220233634/https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments)

Housing need

What is housing need?

Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations. For further details on how constraints should be considered once a housing need figure has been identified, please see [Housing and economic land availability assessment guidance \(https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment\)](https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment).

Paragraph: 001 Reference ID: 2a-001-20190220

Revision date: 20 02 2019

What is the standard method for assessing local housing need?

The National Planning Policy Framework expects strategic policy-making authorities to follow the standard method in this guidance for assessing local housing need.

The standard method uses a formula to identify the minimum number of homes expected to be planned for, in a way which addresses projected household growth and historic under-supply.

The standard method set out below identifies a minimum annual housing need figure. It does not produce a housing requirement figure.

Paragraph: 002 Reference ID: 2a-002-20190220

[England](#)

[\(/government/statistics/household-projections-2008-to-2033-in-england\)](https://government/statistics/household-projections-2008-to-2033-in-england)

[Updating DCLG's household projections to a 2008 base: methodology \(https://government/statistics/updating-dclgs-household-projections-to-a-2008-base-methodology\)](https://government/statistics/updating-dclgs-household-projections-to-a-2008-base-methodology)

[Housing and economic land availability assessment \(https://guidance/housing-and-economic-land-availability-assessment\)](https://guidance/housing-and-economic-land-availability-assessment)

[2012-based household projections: detailed data for modelling and analytical purposes \(https://government/statistical-data-sets/2012-based-household-projections-detailed-data-for-modelling-and-analytical-purposes\)](https://government/statistical-data-sets/2012-based-household-projections-detailed-data-for-modelling-and-analytical-purposes)

Collection

[Revised National Planning Policy Framework \(https://government/collections/revised-national-planning-policy-framework\)](https://government/collections/revised-national-planning-policy-framework)

Revision date: 20 02 2019

[Planning practice guidance \(/government/collections/planing-practice-guidance\)](#)

Is the use of the standard method for strategic policy making purposes mandatory?

No, if it is felt that circumstances warrant an alternative approach but authorities can expect this to be scrutinised more closely at examination. There is an expectation that the standard method will be used and that any other method will be used only in exceptional circumstances.

Paragraph: 003 Reference ID: 2a-003-20190220

Revision date: 20 02 2019

How is a minimum annual local housing need figure calculated using the standard method?

The standard method can be used to calculate a minimum annual local housing need figure as follows:

Step 1 - Setting the baseline

Set the baseline using national [household growth projections](#) (<https://www.gov.uk/government/collections/household-projections>) (2014-based household projections in England, table 406 unitary authorities and districts in England) for the area of the local authority. Using these projections, calculate the projected average annual household growth over a 10 year period (this should be 10 consecutive years, with the current year being used as the starting point from which to calculate growth over that period). Note that the figures displayed are rounded and individual cells need to be viewed in order to see the full number.

For information on re-organised authorities please see section below [“How should local housing need be calculated for re-organised authorities?”](#)

Step 2 - An adjustment to take account of affordability

Then adjust the average annual projected household growth figure (as calculated in step 1) based on the affordability of the area.

The most recent [median workplace-based affordability ratios](https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian) (<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>), published by the Office for National Statistics at a local authority level, should be used.

No adjustment is applied where the ratio is 4 or below. For each 1% the ratio is above 4, the average household growth baseline should be increased by a quarter of a percent. An authority with a ratio of 8 will have a 25% increase on its annual average household growth baseline.

Where an adjustment is to be made, the precise formula is as follows:

$$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

For information on re-organised authorities please see section below [“How should local housing need be calculated for re-organised authorities?”](#)

Step 3 - Capping the level of any increase

A cap is then applied which limits the increases an individual local authority can face. How this is calculated depends on the current status of relevant strategic policies for housing.

Where these policies were adopted within the last 5 years (at the point of making the calculation), the local housing need figure is capped at 40% above the average annual housing requirement figure set out in the existing policies.

This also applies where the relevant strategic policies have been reviewed by the authority within the 5 year period and found to not require updating.

Where the relevant strategic policies for housing were adopted more than 5 years ago (at the point of making the calculation), the local housing need figure is capped at 40% above whichever is the higher of:

- a. the projected household growth for the area over the 10 year period identified in step 1; or
- b. the average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).

For areas covered by spatial development strategies, the relevant strategic policies are those contained within the spatial development strategy. Where a requirement figure for an authority in a spatial development strategy differs from that in a local plan, the figure in the spatial development strategy should be used as long as the spatial development strategy is no older than 5 years.

Where the relevant strategic policies within a spatial development strategy are over 5 years old, the relevant strategic policies at individual local authority level set out in the authority's local plan can be used in calculating the cap (if these policies are adopted after the relevant spatial development strategy, and the policies set out in the local plan are less than five years old, or older and has been found not to require updating as part of a plan review). If the relevant strategic housing requirement policies in the local authority's local plan are over 5 years old, then the local housing need figure is capped at 40% above whichever is the higher of:

- a. the projected household growth for the area over the 10 year period identified in step 1; or b. the

most recent number taken from the spatial development strategy

For information on re-organised authorities please see section below [“How should local housing need be calculated for re-organised authorities?”](#)

Step 4 - cities and urban centres uplift

A 35% uplift is then applied for those urban local authorities in the top 20 cities and urban centres list.

Whether a cities and urban centres uplift applies depends on whether the local authority contains the largest proportion of population for one of the 20 cities or urban centres in England within the list.

The cities and urban centres list is devised by ranking the [Office for National Statistics list of Major Towns and Cities](#) (<https://geoportal.statistics.gov.uk/datasets/major-towns-and-cities-december-2015-names-and-codes-in-england-and-wales/data>) by population size using the latest mid-year population estimates (nomis, official labour market statistics).

As at December 2020, this list of urban local authorities are: Birmingham, Bradford, Brighton and Hove, Bristol, Coventry, Derby, Kingston upon Hull, Leeds, Leicester, Liverpool, London, Manchester, Newcastle upon Tyne, Nottingham, Plymouth, Reading, Sheffield, Southampton, Stoke-on-Trent, and Wolverhampton.

To note: where a cap is applied in Step 3, the 35% uplift is applied after the cap.

Worked examples

Step 1 - Setting the baseline

An authority's household projections are:

- 110,500 households in 2019
- 120,000 households in 2029

This is a total of 9,500 new households over the 10 year period, equivalent to an average household growth of 950 per year. (Note: in this example 2019 is the starting point to measure the growth over a 10 year period; the difference between 2019 and 2020 is one year's worth of growth and the difference between 2019 and 2029 is 10 years' worth of growth).

Step 2 - An adjustment to take account of affordability

The authority's median workplace-based affordability ratio is 12.4. As this is above 4, then the following adjustment should be made.

The adjustment is calculated as:

$$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

$$\text{Adjustment factor} = \left(\frac{12.4 - 4}{4} \right) \times 0.25 + 1 = \left(\frac{8.4}{4} \right) \times 0.25 + 1 = 2.1 \times 0.25 + 1 = 1.525$$

The adjustment factor is therefore 1.525 and is used as:

Minimum annual local housing need figure = (adjustment factor) x projected household growth

Minimum annual local housing need figure = 1.525 x 950

The resulting figure is 1,449.

Step 3 - Capping the level of any increase

How the cap applies depends on the current status of relevant strategic policies for housing. Below are 3 examples. Example 1 relates to a plan that has

been adopted or reviewed within the last 5 years. Examples 2a and 2b relate to plans that were adopted more than 5 years ago and have not been updated, and demonstrates situations where the cap does and does not limit the minimum annual local housing need figure.

Cap example 1

The local authority has adopted a local plan within the last 5 years, or has reviewed (and if necessary updated) the housing requirement figure in a plan adopted more than 5 years ago.

- The average annual housing requirement figure in the existing relevant policies is 850 a year
- The minimum annual local housing need figure is 1,449 (as per step 2)
- The cap is set at 40% above the housing requirement figure:

$$\text{Cap} = 850 + (40\% \times 850) = 850 + 340 = 1,190$$

The capped figure is lower than the minimum annual local housing need figure and therefore limits the increase to the local authority's minimum annual housing need figure. The minimum figure for this local authority is therefore 1,190.

Cap example 2a

A local authority adopted a local plan more than 5 years ago and has not reviewed their housing requirement figure since then.

- The average annual housing requirement figure in the existing relevant policies is 850 a year
- Average annual household growth over 10 years is 950 (as per step 1)
- The minimum annual local housing need figure is 1,449 (as per step 2)
- The cap is set at 40% above the higher of the most recent average annual housing requirement figure or household growth:

$$\text{Cap} = 950 + (40\% \times 950) = 950 + 380 = 1,330$$

The capped figure is lower than the minimum annual local housing need figure and therefore limits the increase to the local authority's minimum annual housing need figure. The minimum figure for this local authority is therefore 1,330.

Cap example 2b

A local authority adopted a local plan more than 5 years ago and has not reviewed their housing requirement figure since then.

- The average annual housing requirement figure in the existing relevant policies is 1,200 a year
- Average annual household growth over 10 years is 950 (as per step 1)
- The minimum annual local housing need figure is 1,449 (as per step 2)
- The cap is set at 40% above the higher of the most recent average annual housing requirement figure or household growth:

$$\text{Cap} = 1,200 + (40\% \times 1,200) = 1,200 + 480 = 1,680$$

The capped figure is greater than the minimum annual local housing need figure and therefore does not limit the increase to the local authority's minimum annual housing need figure. The minimum figure for this local authority is therefore 1,449.

Cities and urban centres uplift example

An urban local authority, where it is listed in Step 4, would uplift their figure generated by step 1-3 by 35%.

Paragraph: 004 Reference ID: 2a-004-20201216

Revision date: 16 12 2020 See [previous version \(https://webarchive.nationalarchives.gov.uk/20201126210055/https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments#contents\)](https://webarchive.nationalarchives.gov.uk/20201126210055/https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments#contents)

Why are 2014-based household projections used as the baseline for the standard method?

The 2014-based household projections are used within the standard method to provide stability for

planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government's objective of significantly boosting the supply of homes.

Paragraph: 005 Reference ID: 2a-005-20190220

Revision date: 20 02 2019

Why is an affordability adjustment applied?

An affordability adjustment is applied as household growth on its own is insufficient as an indicator of future housing need because:

- household formation is constrained to the supply of available properties – new households cannot form if there is nowhere for them to live; and
- people may want to live in an area in which they do not reside currently, for example to be near to work, but be unable to find appropriate accommodation that they can afford.

The affordability adjustment is applied in order to ensure that the standard method for assessing local housing need responds to price signals and is consistent with the policy objective of significantly boosting the supply of homes. The specific adjustment in this guidance is set at a level to ensure that minimum annual housing need starts to address the affordability of homes.

Paragraph: 006 Reference ID: 2a-006-20190220

Revision date: 20 02 2019

Why is a cap applied?

The standard method may identify a minimum local housing need figure that is significantly higher than the number of homes currently being planned for. The cap is applied to help ensure that the minimum local housing need figure calculated using the standard method is as deliverable as possible.

The cap reduces the minimum number generated by the standard method, but does not reduce housing need itself. Therefore strategic policies adopted with a cap applied may require an early review and updating to ensure that any housing need above the capped level is planned for as soon as is reasonably possible.

Where the minimum annual local housing need figure is subject to a cap, consideration can still be given to whether a higher level of need could realistically be delivered. This may help prevent authorities from having to undertake an early review of the relevant policies.

Paragraph: 007 Reference ID: 2a-007-20190220

Revision date: 20 02 2019

Which cities and urban centres does the uplift apply to?

It should be noted that places can move in and out of the list of the top 20 local authorities in which a cities or urban centre uplift applies. To establish if an uplift applies, the Office for National Statistics list of Major Towns and Cities should be ranked in order of population size using the latest mid-year population estimates. If an authority is based in one of the top 20 most populated cities or urban centres and they contain the largest proportion of population in that city or urban centre, a 35% uplift is applied to that local authority area.

Paragraph: 033 Reference ID: 2a-033-20201216

Revision date: 16 12 2020

Is a cities and urban centres uplift applied in London and if so, how does it work?

Yes, an uplift applies in London. London is unique in that it has no single city centre which can carry need for the city area. Therefore a 35% uplift is applied to the entire SDS area (which covers all the London boroughs), rather than to the local authority which contains the largest proportion of London's population. However, it should be noted that the

responsibility for the overall distribution of housing need in London lies with the Mayor as opposed to individual boroughs so there is no policy assumption that this level of need will be met within the individual boroughs.

Paragraph: 034 Reference ID: 2a-034-20201216

Revision date: 16 12 2020

Where should the cities and urban centres uplift be met?

This increase in the number of homes to be delivered in urban areas is expected to be met by the cities and urban centres themselves, rather than the surrounding areas, unless it would conflict with national policy and legal obligations. In considering how need is met in the first instance, brownfield and other under-utilised urban sites should be prioritised and on these sites density should be optimised to promote the most efficient use of land. This is to ensure that homes are built in the right places, to make the most of existing infrastructure, and to allow people to live nearby the service they rely on, making travel patterns more sustainable.

Paragraph: 035 Reference ID: 2a-035-20201216

Revision date: 16 12 2020

Is there a transition period for plan-making for those authorities where the cities and urban centres uplift applies?

Yes, there is a transition period for plan-making for those authorities where the cities and urban centres uplift applies. These transitional arrangements give those authorities already at Regulation 19, (for Spatial Development Strategies this would refer to consultation under s335(2) of the Greater London Authority Act 1999) six months from the publication date of this guidance to submit (for spatial development strategies, 'submission' in this context means the point at which the Mayor sends to the Panel copies of all representations made in

accordance with regulation 8(1) of the Town and Country Planning (London Spatial Development Strategy) Regulations 2000, or equivalent) their plans to the Planning Inspectorate under the existing standard method i.e. without the cities and urban centres uplift. In recognition that some areas will be very close to publishing their Regulation 19 plan (for Spatial Development Strategies this would refer to consultation under s335(2) of the Greater London Authority Act 1999), these areas will be given three months from the publication date of this revised guidance to publish their Regulation 19 plan for consultation, as well as a further six months from the date they publish their Regulation 19 plan to submit their plan to the Planning Inspectorate, to benefit from the transition period.

Paragraph: 036 Reference ID: 2a-036-20201216

Revision date: 16 12 2020

Is there a transition period for decision-making for those authorities where the cities and urban centres uplift applies?

Yes, there is a transition period for decision-making for those authorities where the cities and urban centres uplift applies. Transitional arrangements will apply for six months from the publication date of this guidance. This means that the local housing need calculation excluding cities and urban centres uplift, can be used, for example when determining the housing requirement for the 5 year housing land supply, until this date. After this date, the new standard method (i.e. with cities and urban centres uplift) will apply for relevant decision-making purposes.

Paragraph: 037 Reference ID: 2a-037-20201216

Revision date: 16 12 2020

How does the cities and urban centres uplift apply for Housing Delivery Test?

For the purposes of Housing Delivery Test, the cities and urban centres uplift within the standard

method will only apply from the 2022/23 monitoring year, (from the 2023 Housing Delivery Test measurement).

Paragraph: 038 Reference ID: 2a-038-20201216

Revision date: 16 12 2020

When should strategic policy-making authorities assess their housing need figure for policy-making purposes?

Strategic policy-making authorities will need to calculate their local housing need figure at the start of the plan-making process. This number should be kept under review and revised where appropriate.

The housing need figure generated using the standard method may change as the inputs are variable and this should be taken into consideration by strategic policy-making authorities.

However, local housing need calculated using the standard method may be relied upon for a period of 2 years from the time that a plan is submitted to the Planning Inspectorate for examination.

Paragraph: 008 Reference ID: 2a-008-20190220

Revision date: 20 02 2019

How often are the affordability ratios updated?

Affordability ratios are published every year (usually in March).

Paragraph: 009 Reference ID: 2a-009-20190220

Revision date: 20 02 2019

When might it be appropriate to plan for a higher housing need figure than the standard method indicates?

The government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The standard method

for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area. It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore, there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.

This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan). Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:

- growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);
- strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or
- an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;

There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. Authorities are encouraged to make as much use as possible of previously-developed or brownfield land, and therefore cities and urban centres, not only those subject to the cities and urban centres uplift may strive to plan for more home. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests.

Paragraph: 010 Reference ID: 2a-010-20201216

Revision date: 16 12 2020 See [previous version \(https://webarchive.nationalarchives.gov.uk/20201126210055/https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments#contents\)](https://webarchive.nationalarchives.gov.uk/20201126210055/https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments#contents)

Can strategic policy-making authorities take account of past under delivery of new homes in preparing plans?

The affordability adjustment is applied to take account of past under-delivery. The standard method identifies the minimum uplift that will be required and therefore it is not a requirement to specifically address under-delivery separately.

Where an alternative approach to the standard method is used, past under delivery should be taken into account.

Paragraph: 011 Reference ID: 2a-011-20190220

Revision date: 20 02 2019

How can plan-making authorities apply the method to the overall plan period?

The method provides authorities with an annual number, based on a 10 year base line, which can be applied to the whole plan period.

The National Planning Policy Framework requires strategic policies to look ahead over a minimum 15 year period from adoption, although authorities are required to keep their policies under review.

Paragraph: 012 Reference ID: 2a-012-20190220

Revision date: 20 02 2019

How should local housing need be calculated where plans cover more than one area?

Local housing need assessments may cover more than one area, in particular where strategic policies are being produced jointly, or where spatial development strategies are prepared by elected

Mayors, or combined authorities with strategic policy-making powers.

In such cases the housing need for the defined area should at least be the sum of the local housing need for each local planning authority within the area. It will be for the relevant strategic policy-making authority to distribute the total housing requirement which is then arrived at across the plan area.

If a cities and urban centres uplift applies to a local authority which is part of a joint plan, this is calculated by separately working out the local housing need for each authority. The urban authority containing the city or urban centre will then have its need identified in Step 3 uplifted in Step 4. The cap would be calculated according to each individual authority's circumstances and where a joint plan has been not been separate, the joint plan authority should make efforts to decide how much of the housing requirement will remain in each local authority. These figures can then be summed again to provide an overall figure for a joint plan.

It will be for the relevant strategic policy-making authority to distribute the total housing requirement which is then arrived at across the plan area.

Where a spatial development strategy has been published, local planning authorities should use the local housing need figure in the spatial development strategy and should not seek to re-visit their local housing need figure when preparing new strategic or non-strategic policies.

Paragraph: 013 Reference ID: 2a-013-20201216

Revision date: 15 12 2020 See [previous version \(https://webarchive.nationalarchives.gov.uk/20201126210055/https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments#contents\)](https://webarchive.nationalarchives.gov.uk/20201126210055/https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments#contents)

Where strategic policy-making authority boundaries do not align with local authority boundaries, or data is not available, should the

standard method be used to assess local housing need?

Where strategic policy-making authorities do not align with local authority boundaries (either individually or in combination), or the data required for the model are not available such as in National Parks and the Broads Authority, where local authority boundaries have changed due to reorganisation within the last 5 years or local authority areas where the samples are too small, an alternative approach will have to be used. Such authorities may continue to identify a housing need figure using a method determined locally, but in doing so will need to consider the best available information on anticipated changes in households as well as local affordability levels.

Paragraph: 014 Reference ID: 2a-014-20190220

Revision date: 20 02 2019

How should local housing need be calculated for re-organised authorities?

Planning policies adopted by predecessor authorities will remain part of the development plan for their area upon reorganisation, until they are replaced by adopted successor authority policies or until the fifth anniversary of reorganisation.

In the interim, authorities are reliant on strategic housing requirement policies set out in the development plans of the predecessor local authorities when decision-making, such as when determining the housing requirement for their 5-year housing land supply. More detail on how to demonstrate their 5 year housing land supply is contained in the [Housing and Delivery Guidance \(https://www.gov.uk/guidance/housing-supply-and-delivery\)](https://www.gov.uk/guidance/housing-supply-and-delivery).

Sourcing data inputs for re-organised authorities is dependent on the geographies at which these data inputs are published. Where local authorities have recently re-organised, to form a new unitary or single-tier authority:

- As 2014 Household Projections are used in Step 1 of the standard method, these will not be available for the new/merged authorities – so local housing need in decision-making and plan-making, should be calculated at the predecessor local authority level for steps 1 to 3 (and 4 if appropriate);
- If the latest affordability ratios are available at predecessor local authority level, these should be used for the affordability adjustment (Step 2). Where the latest published ratios are not available at these geographies, the latest available affordability ratio at that predecessor level should be used.
- The cap (Step 3) should also be applied at the predecessor authority level with each predecessor area will have their cap applied based on the status of the predecessor authorities' strategic housing requirements. This will mean the cap is set against either local plan, or household growth as appropriate.

For plan-making, the new/re-organised local authority should use a local housing need for the new/merged authority area, which is at least is the sum of the local housing need of all the predecessor local authorities. Once a re-organised authority has adopted strategic housing policies covering the whole of its area, this will be used to determine the housing requirement, and the cap should then be applied on these policies.

Paragraph: 039 Reference ID: 2a-039-20201216

Revision date: 16 12 2020

If authorities use a different method how will this be tested at examination?

Where data availability does not allow the standard method to be used, consideration will be given to whether it provides the basis for a plan that is positively prepared, taking into account the information available on household formation and affordability.

Where a strategic policy-making authority can show that an alternative approach identifies a need

higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point.

Where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination.

Any method which relies on using household projections more recently published than the 2014-based household projections will not be considered to be following the standard method as set out in [paragraph 60 of the National Planning Policy Framework \(https://www.gov.uk/guidance/national-planning-policy-framework/5-delivering-a-sufficient-supply-of-homes#para60\)](https://www.gov.uk/guidance/national-planning-policy-framework/5-delivering-a-sufficient-supply-of-homes#para60). As explained above, it is not considered that these projections provide an appropriate basis for use in the standard method.

Paragraph: 015 Reference ID: 2a-015-20190220

Revision date: 20 02 2019

How is housing need calculated for the purposes of decision making?

There is separate guidance on how the [standard method for assessing local housing need \(https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment\)](https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment) applies to calculating 5 Year Land Supply and the Housing Delivery Test.

Paragraph: 016 Reference ID: 2a-016-20190220

Revision date: 20 02 2019

Identifying the need for different types of housing

There is separate guidance on identifying the [housing needs of different groups](https://www.gov.uk/guidance/housing-needs-of-different-groups) (<https://www.gov.uk/guidance/housing-needs-of-different-groups>) and [housing needs of older and disabled people](https://www.gov.uk/guidance/housing-for-older-and-disabled-people) (<https://www.gov.uk/guidance/housing-for-older-and-disabled-people>).

Paragraph: 017 Reference ID: 2a-017-20190722

Revision date: 22 07 2019 See [previous version](https://webarchive.nationalarchives.gov.uk/20190607000546/https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments#identifying-the-need-for-different-types-of-housing) (<https://webarchive.nationalarchives.gov.uk/20190607000546/https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments#identifying-the-need-for-different-types-of-housing>)

Affordable housing

What types of households are considered to be in affordable housing need?

All households whose needs are not met by the market can be considered in affordable housing need. The definition of affordable housing for planning purposes is set out in Annex 2 of the National Planning Policy Framework.

Paragraph: 018 Reference ID: 2a-018-20190220

How can affordable housing need be calculated?

Strategic policy-making authorities will need to estimate the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market. This should involve working with colleagues in their relevant authority (e.g. housing, health and social care departments).

Paragraph: 019 Reference ID: 2a-019-20190220

Revision date: 20 02 2019

How can the current unmet gross need for affordable housing be calculated?

Strategic policy-making authorities can establish the unmet (gross) need for affordable housing by assessing past trends and current estimates of:

- the number of homeless households;
- the number of those in priority need who are currently housed in temporary accommodation;
- the number of households in over-crowded housing;
- the number of concealed households;
- the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings); and
- the number of households from other tenures in need and those that cannot afford their own homes, either to rent, or to own, where that is their aspiration.

Care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market.

Suggested data sources: Local authorities will hold data on the number of homeless households, those in temporary accommodation and extent of overcrowding. The Census also provides data on concealed households and overcrowding which can be compared with trends contained in the English Housing Survey. Housing registers and local authority and registered social landlord transfer lists will also provide relevant information.

Paragraph: 020 Reference ID: 2a-020-20190220

Revision date: 20 02 2019

How can the number of newly arising households likely to be in affordable housing need be calculated (gross annual estimate)?

Projections of affordable housing need will have to reflect new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimate of the number of

existing households falling into need. This process will need to identify the minimum household income required to access lower quartile (entry level) market housing (strategic policy-making authorities can use current costs in this process, but may wish to factor in anticipated changes in house prices and wages). It can then assess what proportion of newly-forming households will be unable to access market housing.

Suggested data sources: Ministry of Housing, Communities and Local Government household projections, English Housing Survey, local authority and registered social landlords databases, and mortgage lenders.

Total newly arising affordable housing need (gross per year) = (the number of newly forming households x the proportion unable to afford market housing) + existing households falling into need

Paragraph: 021 Reference ID: 2a-021-20190220

Revision date: 20 02 2019

How can the current total affordable housing supply available be calculated?

There will be a current supply of housing stock that can be used to accommodate households in affordable housing need as well as future supply. Assessing the total affordable housing supply requires identifying:

- the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need;
- suitable surplus stock (vacant properties); and
- the committed supply of new net affordable homes at the point of the assessment (number and size).

Sources of data: Ministry of Housing, Communities and Local Government affordable housing supply statistics to show recent trends, and local authority and Registered Social Landlord records including housing register, transfer lists, demolition and

conversion programmes, development programme of affordable housing providers.

Total affordable housing stock available = Dwellings currently occupied by households in need + surplus stock + committed additional housing stock – units to be taken out of management

Paragraph: 022 Reference ID: 2a-022-20190220

Revision date: 13 09 2018

What is the relationship between the current housing stock and current and future needs?

Strategic policy-making authorities will need to look at the current stock of houses of different sizes and assess whether these match current and future needs.

Paragraph: 023 Reference ID: 2a-023-20190220

Revision date: 20 02 2019

How is the total annual need for affordable housing calculated?

The total need for affordable housing will need to be converted into annual flows by calculating the total net need (subtract total available stock from total gross need) and converting total net need into an annual flow based on the plan period.

The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by eligible market housing led developments. An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.

Paragraph: 024 Reference ID: 2a-024-20190220

Revision date: 20 02 2019

Economic need

How can authorities determine the type of employment land that is needed?

Strategic policy-making authorities will need to prepare a robust [evidence base](https://www.gov.uk/guidance/plan-making#evidence-base) (<https://www.gov.uk/guidance/plan-making#evidence-base>) to understand existing business needs, which will need to be kept under review to reflect local circumstances and market conditions. National economic trends may not automatically translate to particular areas with a distinct employment base. Where appropriate, local planning authorities can use their [Authority Monitoring Report](http://www.legislation.gov.uk/ukxi/2012/767/regulation/34/made) (<http://www.legislation.gov.uk/ukxi/2012/767/regulation/34/made>) and the plan review process to ensure that their evidence base remains up to date.

[Functional economic market areas](https://www.gov.uk/guidance/plan-making#maintaining-effective-cooperation)

<https://www.gov.uk/guidance/plan-making#maintaining-effective-cooperation>) can overlap several administrative areas so strategic policy-making authorities may have to carry out assessments of need on a cross-boundary basis with neighbouring authorities within their functional economic market area. Local Enterprise Partnerships (and county councils) can play a key role in this process.

Paragraph: 025 Reference ID: 2a-025-20190220

Revision date: 20 02 2019

How can strategic policy making authorities prepare and maintain evidence about business needs?

In gathering evidence to plan for business uses, strategic policy making authorities will need to liaise closely with the business community, taking account of the Local Industrial Strategy, to understand their current and potential future requirements. They will need to assess:

- the best fit [functional economic market area](https://www.gov.uk/guidance/plan-making#maintaining-effective-cooperation) (<https://www.gov.uk/guidance/plan-making#maintaining-effective-cooperation>)

- the existing stock of land for employment uses within the area;
- the recent pattern of employment land supply and loss – for example based on extant planning permissions and planning applications (or losses to permitted development);
- evidence of market demand (including the locational and premises requirements of particular types of business) – sourced from local data and market intelligence, such as recent surveys of business needs, discussions with developers and property agents and engagement with business and economic forums;
- wider market signals relating to economic growth, diversification and innovation; and
- any evidence of market failure – such as physical or ownership constraints that prevent the employment site being used effectively.

Paragraph: 026 Reference ID: 2a-026-20190220

Revision date: 20 02 2019

How can market signals be used to forecast future need?

Strategic policy making authorities will need to develop an idea of future needs based on a range of data which is current and robust, such as:

- sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand)
- demographically derived assessments of current and future local labour supply (labour supply techniques)
- analysis based on the past take-up of employment land and property and/or future property market requirements
- consultation with relevant organisations, studies of business trends, an understanding of innovative and changing business models, particularly those which make use of online platforms to respond to consumer demand and monitoring of business, economic and employment statistics.

Authorities will need to take account of longer term economic cycles in assessing this data, and consider and plan for the implications of alternative economic scenarios.

Paragraph: 027 Reference ID: 2a-027-20190220

Revision date: 20 02 2019

How can strategic policy making authorities identify the existing stock of employment land and identify the recent pattern of supply and loss?

A simple typology of employment land by market segment and by sub-areas, where there are distinct property market areas within authorities, can be developed and analysed. This can be supplemented by information on permissions for other uses that have been granted, if available, on sites formerly in employment use.

Paragraph: 028 Reference ID: 2a-028-20190220

Revision date: 20 02 2019

How can current market demand be analysed?

The available stock of land can be compared with the particular requirements of the area so that 'gaps' and any over-supply in local employment land provision can be identified.

It is important to consider recent employment land take-up and projections (based on past trends) and forecasts (based on future scenarios), and to identify instances where sites have been developed or sought for specialist economic uses. This will help to provide an understanding of the underlying requirements for office, general business and distribution space, and (when compared with the overall stock of employment sites) can form the context for appraising individual sites.

Analysing supply and demand will allow policy makers to identify whether there is a mismatch between quantitative and qualitative supply of and demand for employment sites. This will enable an

understanding of which market segments are over-supplied to be derived and those which are undersupplied.

Paragraph: 029 Reference ID: 2a-02920190220

Revision date: 20 02 2019

How can employment land requirements be derived?

When translating employment and output forecasts into land requirements, there are 4 key relationships which need to be quantified. This information can be used to inform the assessment of land requirements:

- [Standard Industrial Classification \(http://resources.companieshouse.gov.uk/sic/\)](http://resources.companieshouse.gov.uk/sic/) sectors to use classes
- [Standard Industrial Classification \(http://resources.companieshouse.gov.uk/sic/\)](http://resources.companieshouse.gov.uk/sic/) sectors to type of property
- employment to floorspace (employment density) and
- floorspace to site area (plot ratios based on industry proxies)

Paragraph: 030 Reference ID: 2a-030-20190220

Revision date: 20 02 2019

How can authorities assess need and allocate space for logistics?

The logistics industry plays a critical role in enabling an efficient, sustainable and effective supply of goods for consumers and businesses, as well as contributing to local employment opportunities, and has distinct locational requirements that need to be considered in formulating planning policies (separately from those relating to general industrial land).

Strategic facilities serving national or regional markets are likely to require significant amounts of land, good access to strategic transport networks,

sufficient power capacity and access to appropriately skilled local labour. Where a need for such facilities may exist, strategic policy-making authorities should collaborate with other authorities, infrastructure providers and other interests to identify the scale of need across the relevant market areas. This can be informed by:

- engagement with logistics developers and occupiers to understand the changing nature of requirements in terms of the type, size and location of facilities, including the impact of new and emerging technologies;
- analysis of market signals, including trends in take up and the availability of logistics land and floorspace across the relevant market geographies;
- analysis of economic forecasts to identify potential changes in demand and anticipated growth in sectors likely to occupy logistics facilities, or which require support from the sector; and
- engagement with Local Enterprise Partnerships and review of their plans and strategies, including economic priorities within Local Industrial Strategies.

Strategic policy-making authorities will then need to consider the most appropriate locations for meeting these identified needs (whether through the expansion of existing sites or development of new ones).

Authorities will also need to assess the extent to which land and policy support is required for other forms of logistics requirements, including the needs of SMEs and of 'last mile' facilities serving local markets. A range of up-to-date evidence may have to be considered in establishing the appropriate amount, type and location of provision, including market signals, anticipated changes in the local population and the housing stock as well as the local business base and infrastructure availability.

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How can the specific locational requirements of specialist or new sectors be addressed?

When assessing what land and policy support may be needed for different employment uses, it will be important to understand whether there are specific requirements in the local market which affect the types of land or premises needed. Clustering of certain industries (such as some high tech, engineering, digital, creative and logistics activities) can play an important role in supporting collaboration, innovation, productivity, and sustainability, as well as in driving the economic prospects of the areas in which they locate. Strategic policy-making authorities will need to develop a clear understanding of such needs and how they might be addressed taking account of relevant evidence and policy within Local Industrial Strategies. For example, this might include the need for greater studio capacity, co-working spaces or research facilities.

These needs are often more qualitative in nature and will have to be informed by engagement with businesses and occupiers within relevant sectors.

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