

Town and Parish Council Briefing: Five Year Housing Land Supply

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District Council

National policy requires all local planning authorities to maintain a 5-year supply of deliverable housing sites and pass an annual Housing Delivery Test

To date, Cotswold District has:

- Maintained a 5 year housing land supply that has not dropped below 6.8 years for each year since 2015.
- Passed the Housing Delivery Test each year since it was introduced in 2018.
- Adopted a Local Plan in 2018.
- Delivered around 1,300 more homes than minimum requirement.
- Proactively began a Local Plan Update to provide for the future development need of the district.



The headlines

- Cotswold District's housing land supply has reduced from 7.3 years to **1.8 years**.
- Due to recent national planning policy changes, which more than double the number of homes needed in Cotswold.



5 year housing land supply

- Can include:
 - Sites with planning permission
 - Sites on Brownfield Register
 - Permissions in principle
 - Local Plan site allocations for housing
 - An estimation of future windfalls (i.e. sites not specifically identified in the Local Plan)
- 5 year supply must be “deliverable”
- CDC has a supply of 1,946 homes for the next 5 years



National policy definition of 'Deliverable'

***Deliverable:** To be considered deliverable, sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. In particular:*

- a) sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (for example because they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans).*
- b) where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years.*



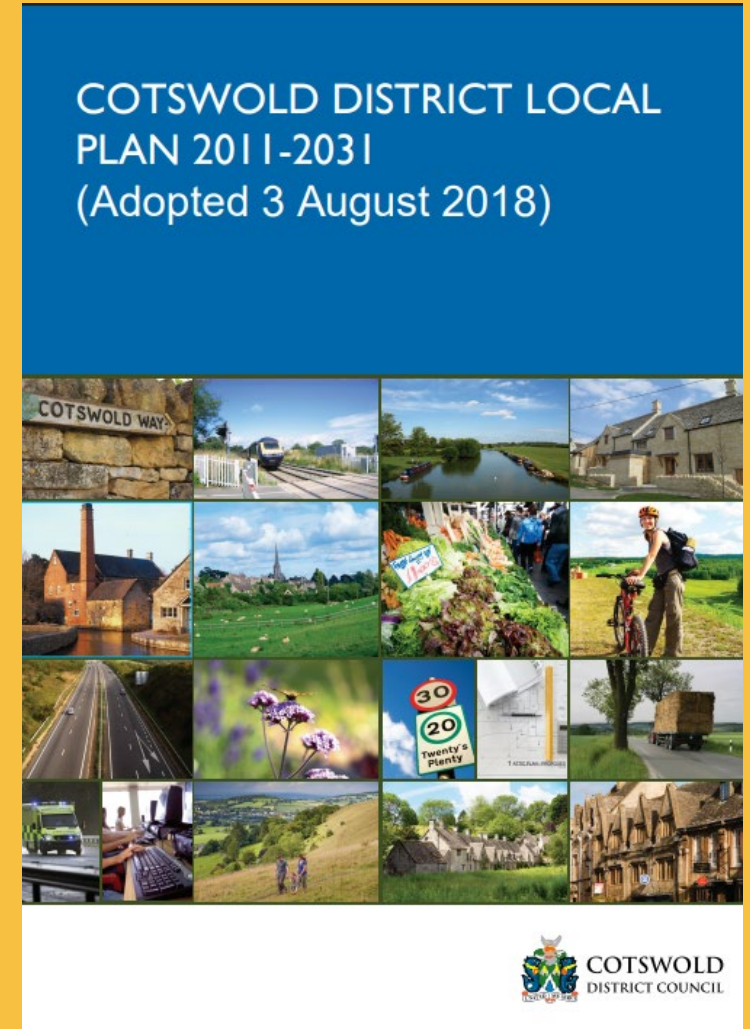
5 Year Housing Requirement

- 5-year supply must be measured against either:
 - Local Plan housing requirement; or
 - Nationally set housing target where the Local Plan is more than 5 years old and the “housing need has changed significantly”.
- National policy also requires that a buffer of 5% or 20% is added based on the Housing Delivery Test.



The adopted Local Plan

- Local Plan adopted in August 2018.
- Requirement for a minimum of 8,400 homes between 2011 and 2031 (420 homes a year on average).
- Able to deduct any over-delivery of housing from remaining 5 year housing requirement.
- Remaining requirement for 250 homes a year (1,249 homes for 5 years)



NPPF (December 2024)

- Set new housing target of 1,036 homes a year / 5,180 homes over 5 years.
- Deemed to be a 'significant change'.
- 5 year supply therefore switches to being measured against government housing target.
- No time given to plan for increased housing target.
- As of December 2024:
 - 185 (59%) of the 313 local planning authority areas in England did not have a 5 year housing land supply
 - 110 (35%) had not passed the annual Housing Delivery Test
 - Less than one third had an up-to-date local plan



Ministry of Housing,
Communities &
Local Government

National Planning Policy Framework

December 2024



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Table 8: Housing land supply calculation (measured against local housing need calculated by the December 2024 standard methodology)

A	Annual local housing need	1,036
C	Local housing need for 2024 to 2029 (i.e. 1,036 x 5 years)	5,180
D	Local housing need for 2024 to 2029 plus a 5% buffer (i.e. 5,180 + 259)	5,439
E	5 year housing requirement for 2024 to 2029 (including 5% buffer) expressed as an annual average (i.e. 5,439 / 5 years)	1,088*
Supply of housing for the period 2024 to 2029		
F	Deliverable sites with planning permission or a resolution to permit at 1 April 2024 (including -27 dwelling lapse rate)	1,463
G	Other land allocations	0
H	Windfalls	483
I	Total supply for 2024 to 2029	1,946
J	Supply available at 1 April 2024 expressed as number of years against the stepped residual requirement (i.e. (1,946 / 5,439) x 5 years)	1.8 years

'Out of Date' Local Plan Policies

National policy specifies that not having a five year supply makes the Local Plan policies for the supply of housing 'out-of-date'

6 Local Plan Strategy	23
6.1 Development Strategy (POLICY DS1)	23
6.2 Development Within Development Boundaries (POLICY DS2)	29
6.3 Small-Scale Residential Development in Non-Principal Settlements (POLICY DS3)	30
6.4 Open Market Housing Outside Principal and Non-Principal Settlements (POLICY DS4)	32

Policy DS2

DEVELOPMENT WITHIN DEVELOPMENT BOUNDARIES

Within the Development Boundaries indicated on the Policies Maps, applications for development will be permissible in principle.

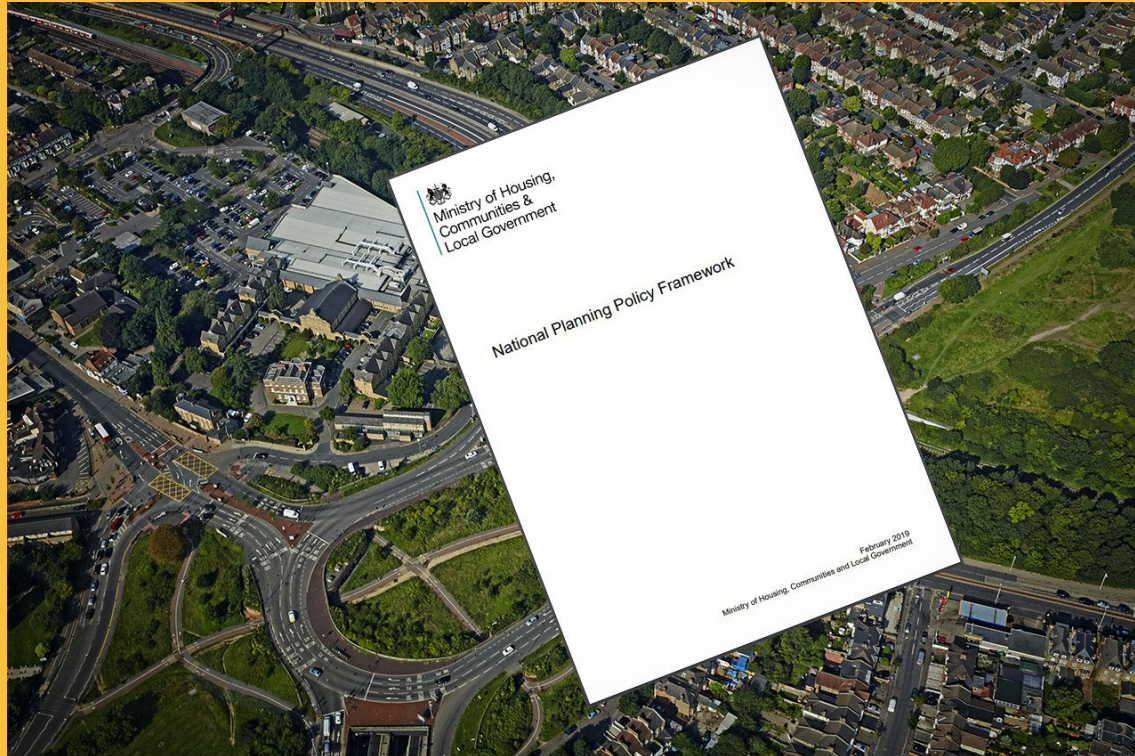
Policy DS3

SMALL-SCALE RESIDENTIAL DEVELOPMENT IN NON-PRINCIPAL SETTLEMENTS

1. In non-Principal Settlements, small-scale residential development will be permitted provided it:



The 'Presumption in favour of sustainable development' (Tilted Balance)



For **decision-taking** this means:

- c) approving development proposals that accord with an up-to-date development plan without delay; or
- d) where there are no relevant development plan policies, or the policies which are most important for determining the application are out-of-date⁸, granting permission unless:
 - i. the application of policies in this Framework that protect areas or assets of particular importance⁷ provides a strong reason for refusing the development proposed; or
 - ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole, having particular regard to key policies for directing development to sustainable locations, making effective use of land, securing well-designed places and providing affordable homes, individually or in combination⁹.

What does this mean?

- Increase in speculative / off-plan applications for new homes

However...

- Still require high quality developments
- Can still refuse harmful developments
- Some sites would have been proposed Local Plan site allocations in any case
- Opportunity to deliver more affordable homes and tackle housing affordability issue



What can be done?

- Updating Local Plan will regain 5 year housing land supply
- Need to allocate additional sites for development
- There may be justification for a lower housing requirement in the Local Plan than the 1,036 home a year target
- Need to justify why we can't deliver full housing target

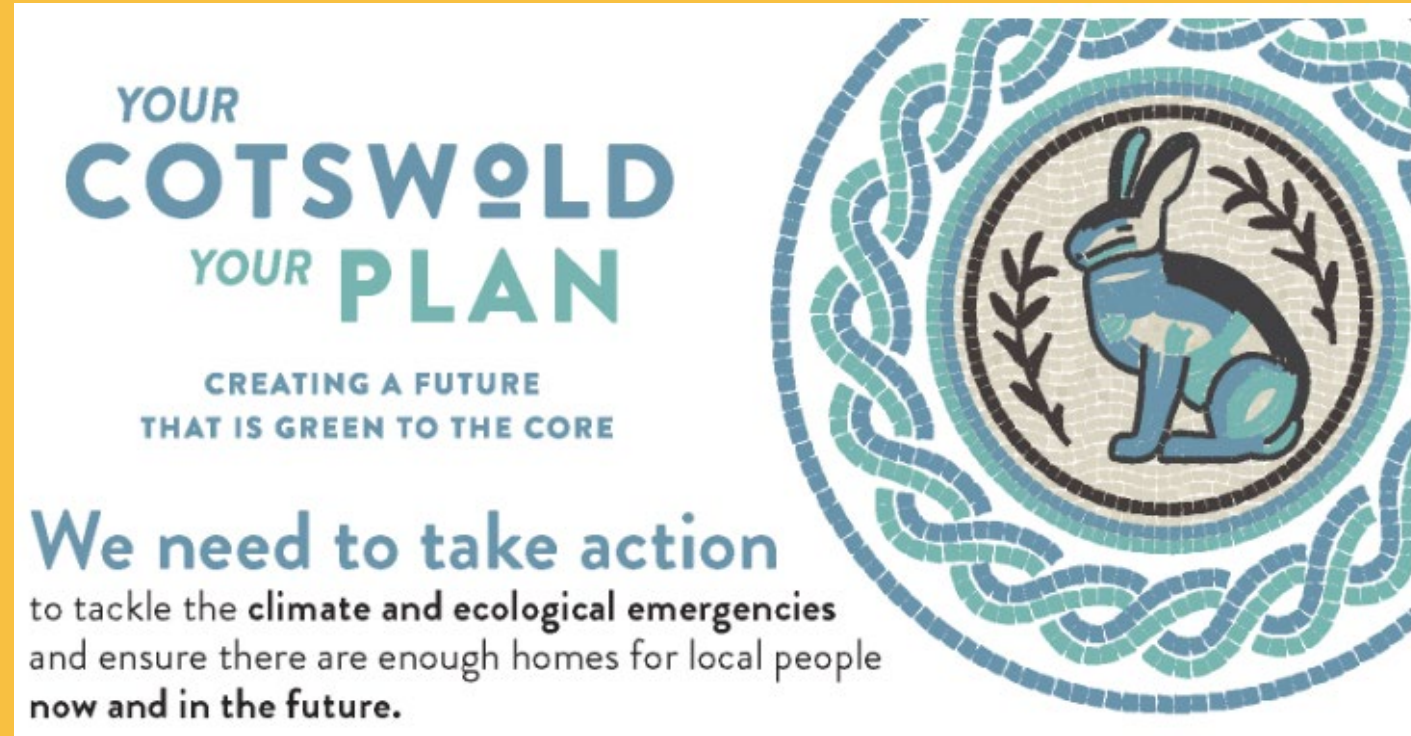
What is already being done?

- Started updating the Local Plan in 2020 – significant amount of work already completed or is underway



What is proposed?

- Cabinet making formal decision tomorrow night to:
 - Confirm the delivery of the Local Plan as a Council priority.
 - Invest additional resources to accelerate the delivery of the Local Plan.
 - Fast-track the Local Plan by merging two ongoing local plan projects.
- Full Council will be asked to approve this proposal next week.



Key Takeaways:

- Cotswold now has 1.8 year supply of housing.
- The strategic policies that direct housing development are out-of-date.
- High bar now applies to refusing applications for housing development.
- Decision makers **must** consider the tilted balance.
- Local Plan being fast-tracked to regain five year supply.



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A few useful links...

- PAS – Land Supply Guidance: <https://www.local.gov.uk/pas/topics/delivery/land-supply>
- Savills – In Plain English Five Year Housing Land Supply: <https://www.savills.co.uk/blog/article/333759/residential-property/in-plain-english-five-year-housing-land-supply.aspx>
- Havant Borough Council Advice Note: <https://www.havant.gov.uk/media/8801/download?inline>
- PAS Presentation (2022) 'Keep on Planning': <https://www.slideshare.net/slideshow/keep-on-planning-presentation-final/251375116>
- Landmark Chambers 'Digest of Decisions': <https://www.landmarkchambers.co.uk/resources/digests/the-nppf-a-digest/achieving-sustainable-development>.



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