

Cotswold District Housing Land Supply Report

June 2025



COTSWOLD
District Council

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Executive Summary

- 0.1 This report sets out the housing requirements and land supply position for Cotswold District. The report has been prepared in accordance with the Cotswold District Local Plan 2011-2031 (adopted 3 August 2018) (hereafter referred to as 'the Local Plan') and takes consideration of the National Planning Policy Framework (December 2024) (the NPPF), current Planning Policy Guidance (PPG), recent appeal decisions, case law and Planning Advisory Service (PAS) guidance.
- 0.2 The number of homes needed in Cotswold District has changed significantly since the Local Plan was adopted in 2018. In December 2024, the government introduced a new methodology (known as the 'standard methodology') for calculating the number of homes needed in an individual local planning authority. For comparison, when the Local Plan was adopted in 2018 the local housing need was calculated to be between 390 and 475 homes a year¹. The number of homes needed in the district calculated by the new standard methodology is 1,036 homes a year.
- 0.3 National planning policies require all local planning authorities to maintain a five year housing land supply of 'deliverable'² housing sites. Cotswold District has a supply of deliverable sites capable of delivering 1,946 homes in the five year period 1 April 2024 to 31 March 2029.
- 0.4 National planning policy requires the five year housing land supply to be measured against the standard methodology local housing need figure where the relevant Local Plan policies are more than five years old and where there has been a significant change to the local housing need. This is the case for Cotswold District.
- 0.5 For illustrative purposes, the five year housing land supply has been measured against both the adopted Local Plan housing requirement and the government's new 'standard methodology' housing need figure. Taking account of a 5% buffer, the housing land supply is:
- 7.3 years when the supply is measured against the Local Plan housing requirement; and

¹ This is the mid-point of the range of the applicable local housing need figure for Cotswold District – i.e. 7,800 to 9,500 dwellings (equivalent to an average of 390 to 475 dpa) with a midpoint of 8,700 dwellings (435 dpa). Further detail provided in '[Reviewing whether the housing need figure for Cotswold has changed significantly](#)' (ORS, July 2023)

² In accordance with the 'deliverable site' definition provided in NPPF (2024) Annex 2

- 1.8 years when the supply is measured against the government's revised 'standard methodology' for calculating local housing need.

0.6 Cotswold District's five year housing land supply position is therefore **1.8 years**.

0.7 Based on homes already completed between 2011 and 2024 and the current supply of deliverable housing sites, it is estimated that 9,666 homes will be delivered in the district between 2011 and 2031 – the period of the Cotswold District Local Plan. It is expected that this number will increase given the significantly increased housing target and the current lack of a five year housing land supply.

1. Housing Requirements

Adopted Local Plan Housing Requirement

- 1.1 The adopted Cotswold District Local Plan (2011-31) includes a requirement for a minimum of 8,400 (C3 use class) dwellings for the period 2011-2031. There is a separate requirement of 580 nursing and residential care bedspaces (C2 use class) over the 14-year period 2017-2031. Based on the Housing Delivery Test equivalence calculation³, which specifies that 1 new home is released to the market for every 1.9 care bedspaces, this represents an additional, but separate, requirement of 305 further dwellings.
- 1.2 For the purpose of Local Plan Policy DS1 (Development Strategy), the C2 use class requirement is not part of the requirement that the five year housing land supply is measured against. Likewise, C2 use class developments do not form part of the five year housing land supply.
- 1.3 Policy DS1 (Development Strategy) of the adopted Local Plan provided a stepped 'residual requirement' methodology for calculating the requirement that the five year housing land supply is measured against.

Review of the adopted Local Plan housing requirement

- 1.4 NPPF (December 2024) paragraph 78 specifies that:

"Local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against their housing requirement set out in adopted strategic policies, or against their local housing need where the strategic policies are more than five years old³⁹."

- 1.5 Footnote 39 explains this is:

"Unless these strategic policies have been reviewed and found not to require updating. Where local housing need is used as the basis for assessing whether a five year supply of specific deliverable sites exists, it should be calculated using the standard method set out in national planning practice guidance."

³ Para. 11 of the [Housing Delivery Test Measurement Rule Book](#) (MHCLG, December 2024) explains, "The ratio applied to other communal accommodation will be based on the national average number of adults in all households. The current ratio is 1.9." Therefore, 580 bedspaces / 1.9 = 305 dwellings

1.6 NPPF (December 2024) paragraph 34 specifies that:

"Policies in local plans and spatial development strategies should be reviewed to assess whether they need updating at least once every five years, and should then be updated as necessary¹⁹. Reviews should be completed no later than five years from the adoption date of a plan, and should take into account changing circumstances affecting the area, or any relevant changes in national policy. Relevant strategic policies will need updating at least once every five years if their applicable local housing need figure has changed significantly; and they are likely to require earlier review if local housing need is expected to change significantly in the near future."

1.7 Footnote 19 explains that:

"Reviews at least every five years are a legal requirement for all local plans (Regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012)."

1.8 The PPG also confirms that:

"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."⁴

1.9 In December 2024, the government revised the NPPF and the PPG on 'Housing and economic needs assessment'. This included a new 'standard methodology' for calculating local housing needs. Cotswold District's local housing need increased to 1,036 homes per year.

1.10 For comparison, Cotswold District Council undertook a review of its adopted Local Plan housing requirement in August 2023⁵. This established that the first comparator for measuring whether the local housing need had changed significantly was the local housing need that was used to inform the adopted Local Plan policy. This was calculated to be between 390 and 475 homes a year⁶.

⁴ [PPG on 'Housing supply and delivery'](#). Paragraph: 005 Reference ID: 68-005-20190722. Revision date: 22/07/2019

⁵ [Review of the Cotswold District Local Plan 2011- 2031 Housing Requirement \(CDC, August 2023\)](#)

⁶ Further detail provided in ['Reviewing whether the housing need figure for Cotswold has changed significantly'](#) (ORS, July 2023))

The review then tested whether an increased local housing need of 493 dwellings per year over the remainder of the Local Plan period was a significant change.

- 1.11 The result was that the local housing need over the Local Plan period was 429 dwellings (4.95%) higher than the adopted Local Plan housing requirement. This was concluded to be a relatively small percentage increase that was well within the bounds of flexibility, and the change was not deemed to be “significant”. It was concluded that the adopted Local Plan housing requirement did not require updating and therefore continued to be used as the basis for measuring the five year housing land supply.
- 1.12 Consideration has been given to whether the new housing need figure is a significant change. It has been determined that, by any measure, this is a significant change. The five year housing land supply should therefore now be measured against the standard methodology local housing need figure of 1,036 homes a year.

2. Housing Supply

Deliverable sites

- 2.1 Deliverable sites in this report cover the period 1 April 2024 to 31 March 2029.
- 2.2 The NPPF (December 2024) Glossary specifies that:
- “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.”*

- 2.3 The PPG on 'Housing supply and delivery' provides further explanation about what other information is required to demonstrate the deliverability of sites that have outline planning permission for major development (i.e. sites of 10 or more dwellings); 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."*⁷

- 2.4 Clarity on the definition of 'deliverable' has also been provided by a Court of Appeal case, *St Modwen Developments*⁸. The *St Modwen* judgement was made in reference to the NPPF (March 2012) 'deliverable' definition, which differs to the NPPF (December 2024) definition and the now superseded PPG. However, the judgement considered the degree of probability required in the words "realistic prospect" that sites would be delivered in five years. The words "realistic prospect" remains the same in the first part of NPPF (December 2024) deliverable definition. *St Modwen* therefore is still material in considering what is meant by "*reasonable prospect*" in both deliverable definitions.

- 2.5 The *St Modwen* judgement confirms that to be deliverable in the context of the NPPF, a site has to be capable of being delivered within five years, but it does not have to be certain or probable that the site will be delivered in five years. *St Modwen* takes consideration of several factors when arriving at its conclusion,

⁷ [PPG on 'Housing supply and delivery'](#). Paragraph: 007 Reference ID: 68-007-20190722. Revision date: 22/07/2019

⁸ See *St Modwen Developments Ltd v Secretary of State for Communities and Local Government* [2017] EWCA Civ 1643

which are equally as applicable to the NPPF (March 2012) deliverable definition as they are to the NPPF (December 2024) deliverable definition:

"35...Deliverability is not the same thing as delivery. The fact that a particular site is capable of being delivered within five years does not mean that it necessarily will be. For various financial and commercial reasons, the landowner or housebuilder may choose to hold the site back. Local planning authorities do not control the housing market. NPPF policy recognises that..."

"37... Had the Government's intention been to frame the policy for the five-year supply of housing land in terms of a test more demanding than deliverability, this would have been done..."

"38... The first part of the definition... contains four elements: first, that the sites in question should be "available now"; second, that they should "offer a suitable location for development now"; third, that they should be "achievable with a realistic prospect that housing will be delivered on the site within five years"; and fourth, that "development of the site is viable... Sites may be included in the five-year supply if the likelihood of housing being delivered on them within the five-year period is no greater than a "realistic prospect"... This does not mean that for a site properly to be regarded as 'deliverable' it must necessarily be certain or probable that housing will in fact be delivered upon it, or delivered to the fullest extent possible, within five years".

- 2.6 For further clarity, the text where the 2012 deliverable definition is consistent with the 2021 definition has been highlighted below in bold font. It was these issues that were considered by the St Modwen judgement.

NPPF (March 2012): "**To be considered deliverable, sites 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 and in particular that development of the site is viable.** Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans."⁹

⁹ NPPF (March 2012)

- 2.7 Since the publication of the initial revision to the NPPF in July 2018 when the new 'deliverable' definition was introduced, two appeal decisions at Woolpit, Suffolk¹⁰, and Former North Worcestershire Golf Club, Birmingham¹¹, considered the meaning of the revised definition of 'deliverable'. The latter appeal was called in by the Secretary of State and was subsequently allowed. Both appeals referenced St Modwen but neither departed from this judgment.

Developable sites

- 2.8 NPPF (December 2024) paragraph 72 also requires a supply of developable sites for years 6-10 and, where possible, for years 11-15 of the plan period. Developable sites should be in a suitable location for housing development. There should also be a reasonable prospect that the site is available and could be viably developed at the point envisaged¹². Developable sites in this report cover the period 1 April 2029 to 31 March 2031.
- 2.9 The PPG on 'Housing supply and delivery' provides further clarity on 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, 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,*

¹⁰ Appeal reference: APP/W3520/18/3194926 dated 29/09/2018

¹¹ Appeal reference: APP/P4605/W/18/3192918 dated 24/07/2019

¹² NPPF (December 2023) Glossary: Definition of a 'Developable site'

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." ¹³

Buffers

- 2.10 In accordance with the Housing Delivery Test Measurement, Cotswold District has not significantly under-delivered housing over the previous three year period. As per NPPF (December 2024) paragraph 78, a 5% buffer is required on the supply of specific deliverable sites.

Housing supply

- 2.11 Appendix 1 provides a trajectory showing the District's deliverable and developable housing sites, which include committed dwellings (including those that are expected to lapse), housing allocations, and an allowance for windfall developments. These elements of the housing land supply are explained in more detail in the remaining part of this section.

Committed dwellings

- 2.12 Committed dwellings (hereafter referred to as 'commitments') include those that have planning permission or a resolution to grant planning permission. These can either be under construction or yet to commence development.
- 2.13 The District's commitments have been individually assessed to ensure that only new dwellings that are realistically deliverable in five years are counted within the five year housing land supply. Dwellings that do not have a reasonable prospect of being delivered in the Local Plan period have been excluded altogether from the housing trajectory. Large sites (10 or more dwellings) have undergone further detailed assessment against the available, suitable and achievable criteria (see Appendix 2).
- 2.14 As recommended by the PPG¹⁴, where clear evidence is required to demonstrate that housing completions will begin on site within five years, this has been provided in this report and its appendices.

¹³ [PPG on 'Housing supply and delivery'](#): Paragraph: 011 Reference ID: 68-020-20190722. Revision date: 22/07/2019

¹⁴ [PPG on 'Housing supply and delivery'](#): Paragraph: 007 Reference ID: 68-007-20190722. Revision date: 22/07/2019

Chesterton Strategic Site, Cirencester (The Steadings)

- 2.15 The Steadings is a mixed use development, located on the southern edge of Cirencester. It includes the erection of up to 2,350 dwellings (including up to 100 units of student accommodation and 60 homes for the elderly), 9.1 hectares of employment land (B1, B2 and B8 uses), a primary school, a neighbourhood centre including A1, A2, A3, A4 and A5 uses as well as community facilities (including a health care facility D1), public open space, allotments, playing fields, pedestrian and cycle links (access points onto Tetbury Road, Somerford Road and Cranhams Lane) landscaping and associated supporting infrastructure to include vehicle access points from Tetbury Road, Spratsgate Lane, Wilkinson Road and Somerford Road.
- 2.16 The developer (Savills on behalf of Bathurst Developments Ltd. (BDL)) has provided an update on the various factors that affect the delivery trajectory for the site. The Council has produced a commentary, which sets out the recent work that has been completed (see Appendix 3). This includes the progress on discharging planning conditions, installing infrastructure, securing developers and delivery partners, and preparing reserved matters planning applications. The developer has also provided an update to their delivery trajectory in Appendix 3a, which shows the position as of 1 April 2024.
- 2.17 The deliverability of the Chesterton strategic is also discussed at paragraphs 152-180 of the Inspector's Report on the examination of the Cotswold District Local Plan 2011-2031¹⁵. The relevant extracts of this report are provided at Appendix 3b. This provides the Inspector's conclusions on numerous evidence submissions and debates that were considered during the Local Plan examination. The Inspector's report has material relevance when forming a balanced and realistic view of annual delivery rates for the site. In combination, BDL's update and the Local Plan Inspector's Report provide clear evidence of housing delivery on the site in the next five years and over the Local Plan period.
- 2.18 The Inspector thought it reasonable that development on the main part of the site would commence around April 2021 and that 120 dwellings would be delivered in the then five-year period up to March 2023. He also concluded that approximately 1,800 dwellings would be completed across the whole site by March 2031.
- 2.19 The developer's update from April 2024 explains that the development is now expected to deliver 345 dwellings across the site in the five year period up to

¹⁵ Report on the Examination of the Cotswold District Local Plan 2011-2031 (5 June 2018, PINS Ref: PINS/F1610/429/2)

March 2029. The developer expects a total of 641 dwellings to be completed across the site by March 2031 with the remainder being delivered after 2031.

- 2.20 The Council has reviewed BDL's delivery estimations. There is clear evidence that the site will deliver 345 dwellings between April 2024 and March 2029.
- 2.21 It is possible to compare whether the overall picture for the site looks credible against recent industry research (e.g. Lichfields updated 'Start to Finish' report¹⁶). Lichfields' evidence indicates that the lower quartile to upper quartile average build out rate for sites of 2,000+ homes is between 100 to 188 homes per annum. The Steadings' delivery trajectory is programmed to deliver a peak of 133 homes per annum up to 2031. This is well within the range that Lichfields have found to be deliverable.

Communal accommodation

- 2.22 Dwellings released to the market from (C2 use class) communal accommodation developments were not previously monitored against the Local Plan (C3 use class) housing requirement, which the Council's five year housing land supply calculation was based on¹⁷. However, they are part of the standard methodology for calculating housing need.
- 2.23 As of 1 April 2024, the following communal accommodation developments had been completed or had planning permission:
- **Student accommodation** – 27 additional homes had been released to the market between 2011 and 2024 and there was extant planning permissions set to release 8 further homes¹⁸ resulting from the net increase in student accommodation (i.e. bedrooms in halls of residence bedrooms); and
 - **Nursing and residential care accommodation** – 156 additional homes had been released to the market between 2011 and 2024 and there were no extant planning permissions¹⁹ resulting from the net increase in care accommodation (i.e. nursing and residential care home bedrooms).

¹⁶ Start to Finish: How quickly do large-scale housing sites deliver? Third Edition (Lichfields, March 2024)

¹⁷ Note, student houses and elderly accommodation dwellings are already monitored against the adopted Local Plan housing requirement

¹⁸ Based on a ratio of 1 dwelling per 2.4 student bedrooms, as set out at para. 11 of the [Housing Delivery Test Measurement Rule Book](#) (MHCLG, July 2018, as updated in December 2024)

¹⁹ Based on a ratio of 1 dwelling per 1.9 bedrooms, as set out at para. 11 of the [Housing Delivery Test Measurement Rule Book](#) (MHCLG, July 2018, as updated in December 2024)

Windfall sites

- 2.24 Annex 2 (the Glossary) of the NPPF (December 2024) defines windfall sites as *"Sites not specifically identified in the development plan."* NPPF (December 2024) paragraph 75 explains how windfalls should be considered in the five year supply:

"Where an allowance is to be made for windfall sites as part of anticipated supply, there should be compelling evidence that they will provide a reliable source of supply. Any allowance should be realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends."

- 2.25 The PPG further explains that:

*"Local planning authorities have the ability to identify broad locations in years 6-15, which could include a windfall allowance based on a geographical area (using the same criteria as set out in the NPPF)."*²⁰

Historic windfall delivery

- 2.26 Cotswold District has a historic trend of consistently delivering windfalls. The supporting evidence for the windfall allowance adopted in Local Plan Policy DS1²¹ confirmed that an average of 95 windfalls per annum had been delivered in the District between 2011 and 2016.

- 2.27 Since the Local Plan was adopted, the NPPF has been revised and the windfall site definition has changed.

- NPPF (March 2012) windfall site definition: *"Sites which have not been specifically identified as available in the Local Plan process. They normally comprise previously-developed sites that have unexpectedly become available."*
- NPPF (December 2024) windfall site definition: *"Sites not specifically identified in the development plan"*.

- 2.28 Many types of dwelling that were previously not classified as windfalls are now classified as windfalls under the new definition. For example, homes delivered on former residential garden land are now windfalls; homes delivered on sites identified as available (e.g. in the SHELAA) that were not allocated in the Local Plan are also now classified as windfalls; and so on. The historic windfall delivery

²⁰ [PPG on 'Housing and economic land availability assessment'](#). Paragraph: 023 Reference ID: 3-023-20190722.
Revision date: 22/07/2019.

²¹ Housing Land Supply Report (CDC, November 2016) (Local Plan Examination Document Ref: ED046)

figures have therefore been reviewed to accord with the new windfall site definition.

2.29 When reviewing the historic windfall data, consideration has been given to Cotswold District not having an up-to-date Development Plan between 1 April 2011 and 2 August 2018. Any dwellings delivered in this period that were not allocated in the Cotswold District Local Plan (2011-31) are technically windfall sites under the NPPF (December 2024) definition. Notwithstanding this, many sites delivered between April 2011 and August 2018 were identified as deliverable or developable locations for development and had the potential to be allocated in the Local Plan, had a Local Plan been in place. Instead, these sites gained planning permission and delivered housing before the Local Plan was adopted. To overcome this issue, the following assumptions have been made within the reviewed historic windfall completion figures:

- Only appropriate sites identified in the Strategic Housing and Economic Land Availability Assessment (SHELAA) would have been allocated in the Local Plan. Dwellings delivered on sites not identified in the SHELAA have therefore been counted as windfalls.
- In accordance with national guidance²², the Council only sought to allocate sites capable of delivering five or more dwellings. Sites identified in the SHELAA that were assessed as being capable of delivering 1-4 dwellings have therefore been counted as windfalls.
- In accordance with the District's emerging Development Strategy, which was subsequently adopted in Local Plan Policy DS1, only sites that were within or directly adjoining the Development Boundary of one of the District's 17 Principal Settlements were considered for allocation. Dwellings delivered on sites not meeting this specification are therefore counted as windfalls.
- All sites that gained planning permission after the adoption of the Local Plan and are not allocated in the Local Plan for housing development are windfalls.

2.30 The historic windfall delivery figures incorporate both large and small sites. Indeed, 29 large sites (10 or more net dwellings) have contributed towards windfall delivery in Cotswold District since April 2011. These developments delivered 716 windfalls, which is 55 dwellings per annum on average.

²² [PPG on 'Housing and economic land availability assessment'](#). Paragraph: 010 Reference ID: 3-010-20140306, Revision date: 06.03.2014 (this is consistent with PPG Paragraph: 009 Reference ID: 3-009-20190722. Revision date: 22.07.2019)

- 2.31 A schedule of all windfalls delivered since 2011 is provided at Appendix 4 and a summary is provided in Table 1. On average, 158 windfalls per annum have been delivered over the past 13 years.

Table 1: Historic windfall delivery

Year	Windfall completions	Year	Windfall completions
2011/12	121	2018/19	229
2012/13	136	2019/20	171
2013/14	83	2020/21	91
2014/15	110	2021/22	105
2015/16	164	2022/23	208
2016/17	208	2023/24	276
2017/18	153		

Future trends

- 2.32 Careful consideration has also been given to any future trends in windfall delivery to understand whether future windfall delivery rates are likely to increase or decrease.

Local Plan (2001-2011) vs Local Plan (2011-2031)

- 2.33 The saved policies of the Cotswold District Local Plan (2001-2011), which planning applications were determined against until 3 August 2018, were reasonably restrictive on windfall development. However, the adopted Local Plan contains several new policies that have boosted windfall delivery:
- Policy DS3 supports small-scale residential development outside the Development Boundaries of the 17 Principal Settlements. All resultant developments are windfalls;
 - Policy H2 (part 2 and 4) collects financial contributions towards off-site affordable housing provision. The commuted sums fund affordable housing in locations where it is most needed, often outside the Principal Settlements. These houses are normally windfalls;
 - Policy H3 (part 1) supports Rural Exception Sites, which are windfalls;
 - Policy H3 (part 2) supports the delivery of single self-build plots. These are normally windfalls; and
 - Policy H4 permits specialist accommodation developments providing several criteria are met including that there must be a need for specialist

accommodation units. The Local Plan requires 665 sheltered and extracare dwellings between 2017 and 2031. The Residential Land Monitoring Statistics Report (2024) updates this position and shows that there is a remaining requirement for 188 sheltered and extracare dwellings between 2024 and 2031 (121 dwellings of which already have planning permission). Many of these will be windfalls.

Peak in housing delivery early in Local Plan period

- 2.34 The housing trajectory provided in Figure 2 shows a peak in delivery early in the Local Plan period. The peak is mainly caused by the early delivery of large sites ahead of the Local Plan being adopted, the vast majority of which were proposed allocations. The peak in housing delivery has not been caused by elevated windfall delivery rates. Furthermore, taking an average of windfall delivery over the first 13 years of the Local Plan period flattens out any peaks and troughs in windfall delivery rates.

Continued windfall delivery on large sites

- 2.35 The historic windfall average takes consideration of large and small sites. However, the average has not been skewed by a small number of very large sites that artificially inflate the expected future windfall delivery rate.
- 2.36 Looking to the future, several large windfall sites have already secured planning permission and are expected to deliver further windfalls in the short-medium term. The Local Plan policies, in addition to other policy initiatives aside from the Local Plan, enable the continued delivery of large site windfalls in the longer-term. For example, large windfall sites can still be delivered within Development Boundaries, from permitted development schemes, on Rural Exception Sites, and so on.

Supply of potential windfall sites running out

- 2.37 Being a large rural area, windfall delivery in Cotswold District comes from a wide variety of sources. The District's windfalls are not delivered from a diminishing pool of brownfield infill plots; for example, windfall supply in urban authorities can be constrained by tight local authority boundaries that do not extend into the countryside, edge of settlement designations (Green Belt) or the sea, which might mean there is a finite supply of brownfield industrial land. Appendix 4 demonstrates the wide variety of types of windfalls delivered since 2011, which includes barn conversions, permitted development schemes, changes of use

(e.g. from holiday homes to dwellings), new workers' dwellings, subdivisions, standalone developments, and many more.

Economic cycles, Covid-19, Brexit and the Cost of Living crisis

- 2.38 High house prices in Cotswold District provides a strong financial incentive to build new housing and the District has historically retained high house prices and build-rates, even during periods of economic downturn. It is therefore highly likely that the strong financial incentive to deliver windfalls will continue throughout the Local Plan period and, as has been the case in the past, will be less affected by future economic cycles compared to other areas in the Gloucestershire housing market or indeed England.
- 2.39 The Covid 19 pandemic brought lockdowns where building works were suspended; labour shortages, due to people being ill or being 'pinged' by the NHS app; supply chain shortages; and so on. Brexit has also had an impact, especially with supply chains from the continent. Despite this, the District has still delivered 91 windfalls in 2020/21; 105 windfalls in 2021/22; and 208 windfalls in 2022/23. This demonstrates the level of deliverability of the windfall allowance.
- 2.40 Windfall delivery from the periods of economic downturn, the Covid-19 pandemic and the impact of Brexit have been included within the historic windfall average, which is used as the basis of calculating the windfall allowance for the five year housing land supply and the period up to 2031. The windfall allowance therefore factors in these periods of economic and logistical difficulty, which adds another layer of robustness. The windfall allowance will therefore remain robust in the face of the more recent cost of living crisis.
- 2.41 Additionally, the Covid-19 pandemic has affected housing markets, particularly in Cotswold District²³. More flexible working practices and increased home working have meant that people are less tied to living close to their normal places of work, which are often located in urban areas. People can now live further afield and commute to work less regularly. Added to this, the Covid-19 lockdowns highlighted the importance of having a garden or access to high quality open space. This has created a demand for more living space, particularly space for a home office. These factors have fuelled a so-called 'race for space' and a house buying boom in Cotswold District, which has put additional pressure on the existing housing stock. This trend looks set to continue with

²³ <https://www.zoopla.co.uk/discover/property-news/top-10-rural-hotspots-lockdown-ryedale-yorkshire-cotswolds-kent-where-buyers-are-flocking-to/>

many employers and employees realising the benefits of increased flexible working.

Community Infrastructure Levy

- 2.42 The Cotswold District Community Infrastructure Levy (CIL) came into force on 1 June 2019. As of 2024, all new developments that create a new dwelling (including Sheltered Housing and Extra-Care Housing but excluding Chesterton Strategic Site) are liable to pay £95.85/sq.m, subject to exemptions²⁴. The impact of CIL on windfall delivery has therefore been considered.
- 2.43 Several types of windfalls are not liable to pay CIL. There are exemptions for Self-Build dwellings, social housing schemes, and new housing delivered through charities for their own use.
- 2.44 The amount of CIL that is liable can also be offset against existing vacant floorspace. In these situations, some developers pay less money or are exempt from CIL contributions.
- 2.45 The viability of CIL was considered during the CIL examination, which ran in parallel to the Local Plan examination. The levy was set at a rate that was not expected to make developments unviable and where developers are still incentivised to deliver housing schemes. Furthermore, the Local Plan housing land supply, including the windfall allowance, was considered by the Local Plan / CIL Inspector in the knowledge that CIL would be brought into force. Taking this into consideration, the Inspector still found the housing land supply and windfall allowance to be deliverable and developable across the Plan period.
- 2.46 CIL has now been in operation for over five years. Over this time, the number of planning permissions that deliver windfalls has not decreased. Indeed, average windfall delivery in the five year period between 2019/20 and 2023/24 has actually increased to 170 windfalls per annum. This is 19 homes per year more than average windfall delivery in the preceding eight year period before CIL was introduced (i.e. 151 windfalls per annum between 2011/12 and 2018/19).

Changes to Permitted Development rights

- 2.47 Windfall delivery has been boosted by changes to permitted development rights. The Town and Country Planning (General Permitted Development) (England) Order 2015, which came into force on 15 April 2015, extended

²⁴ <https://www.cotswold.gov.uk/planning-and-building/community-infrastructure-levy/calculate-your-cil-charge/>

permitted development rights to allow changes of use to dwellings from the following uses:

- Retail or betting offices or pay day loan shops (Class M);
- Launderettes (Class M)²⁵;
- Amusement arcades or centres or casinos (Class N);
- Offices (Class O);
- Storage or distribution centres (Class P);
- Light industrial Class (Class P)²⁶; and
- Agricultural buildings (Class Q).

2.48 On 6 April 2018, the Government introduced further changes to the permitted development rights²⁷. This enabled up to five new homes to be created from existing agricultural buildings on a farm rather than the previous maximum of three. The change also increased the maximum combined floorspace from 465sq.m up to 865sq.m. Cotswold District is a rural authority and this change has increased windfall delivery.

2.49 Further extensions to permitted development rights came into force on the 31 August 2020 and 1 September 2020 under The Town and Country Planning (General Permitted Development) (England) (Amendment) (No2) Order 2020. These include:

- Construction of new dwellinghouses immediately above the topmost storey on a terrace building which is used for shops, financial and professional services, restaurants and cafes, offices, betting offices, pay day loan shops or launderettes or a mix of C3 dwellings and one or more of the preceding uses (Class AB);
- New dwellinghouses on a terrace building in use as a single dwellinghouse (Class AC); and
- New dwellinghouses on a detached building in use as a single dwellinghouse (Class AD).

2.50 At the same time, the Town and Country Planning (General Permitted Development) (England) (Amendment) (No3) Order 2020 was also made, which includes:

²⁵ Resulting from the 6 April 2016 amendment

²⁶ Resulting from the 6 April 2016 amendment

²⁷ <https://www.gov.uk/government/news/housing-minister-announces-homes-boost-for-rural-families>

- New Class ZA – Demolition of buildings and construction of new dwellinghouses in their place.
- 2.51 The Planning Use Class Order was substantially updated on 1 September 2021. This revoked various planning uses classes and created new Class E and F use classes²⁸.
- 2.52 A permitted development right was also introduced on 1 August 2021 to allow changes of from any use, or mix of uses, from the Class E to residential use (Class C3) (this was introduced under Class MA of the Town and Country Planning (General Permitted Development etc.) (England) Order 2021). The permitted development right enables changes of use to residential without needing planning permission for the following uses:
- E(a) Display or retail sale of goods, other than hot food
 - E(b) Sale of food and drink for consumption (mostly) on the premises
 - E(c) Provision of:
 - E(c)(i) Financial services,
 - E(c)(ii) Professional services (other than health or medical services), or
 - E(c)(iii) Other appropriate services in a commercial, business or service locality
 - E(d) Indoor sport, recreation or fitness (not involving motorised vehicles or firearms or use as a swimming pool or skating rink,)
 - E(e) Provision of medical or health services (except the use of premises attached to the residence of the consultant or practitioner)
 - E(f) Creche, day nursery or day centre (not including a residential use)
 - E(g) Uses which can be carried out in a residential area without detriment to its amenity:
 - E(g)(i) Offices to carry out any operational or administrative functions
 - E(g)(ii) Research and development of products or processes
 - E(g)(iii) Industrial processes
- 2.53 On 21 May 2024, amongst other things, the government introduced a further change to double the number of dwellings that can be delivered through the conversion of agricultural buildings from 5 to 10²⁹.

²⁸ Planning Portal – Use Classes:

https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

²⁹ [Planning red tape slashed for farmers](#) (DLUHC, 21 May 2024)

2.54 In summary, these permitted development rights are likely to further increase windfall delivery.

2.55 Windfalls are expected to continue to be delivered from permitted development schemes in the next five years and up to 2031 because:

- Cotswold District is a predominantly rural authority with numerous disused agricultural buildings that have the potential to contribute permitted development windfalls;
- the District has many employment buildings in office, light industrial, storage and distribution uses, and other uses that have potential to contribute permitted development windfalls;
- the nature of agricultural, office, light industrial and storage and distribution buildings, which are generally large, means that when they are converted they can deliver multiple permitted development windfalls;
- house prices in Cotswold District are high and have continued to increase, even during the last recession and the global pandemic. Therefore, the financial incentive to create dwellings through permitted development rights exists and is likely to continue to exist in future;
- the lag time between the changes to the General Permitted Development Order, particularly the more recent changes, and the resultant delivery of windfalls is unlikely to have reached the peak rate of delivery. For example, leases can extend to several years before the possibility of converting the building to residential use comes about;
- there will always be a continual churn of office, light industrial, storage and distribution, agricultural, etc., uses as leases come to an end or buildings are sold. Personal circumstances also change over time. This will provide continual opportunities for changes of use to residential and a continual supply of windfalls;
- future changes to the General Permitted Development Order are likely to generate further windfalls. The government has made various commitments to boost the supply of housing, as demonstrated by its consultations on the 'Proposed reforms to the National Planning Policy Framework and other changes to the planning system'³⁰; and
- the country has a housing deficit and the government has committed itself to a proactive house building strategy and is unlikely to rescind the permitted development rights.

³⁰ [Proposed reforms to the National Planning Policy Framework and other changes to the planning system](#) (MHCLG, 30 July 2024)

Other policy initiatives

- 2.56 Several other initiatives have the potential to boost the supply of windfalls in the next five years and over the Local Plan period, including:
- The Brownfield Register³¹, which is reviewed annually. This can boost windfall delivery by giving 'Permission in Principle' to suitable brownfield sites;
 - As of 1 June 2018, Permission in Principle for non-major development can be applied for, which further incentivises windfall developments;
 - The Self-Build Register³², which puts landowners with self-build plots in contact with people or groups who are interested in building their own home. The resulting developments will likely be windfalls;
 - Cotswold District Council's Corporate Strategy (2024-2028)³³ aims to deliver more affordable homes, particularly social rented homes. The Council is taking a proactive approach in housing delivery and is working in partnership with a Registered Provider to deliver more affordable homes. This includes delivery on sites not allocated in the Local Plan, which would be delivered as windfalls.

Impact of NPPF (March 2012) vs NPPF (December 2024) on windfall delivery

- 2.57 Regarding future trends, the new NPPF essentially relaxes planning restrictions and makes it easier to create new homes. On balance, this will likely create a net increase in windfalls. A summary of the NPPF policy changes that may increase or decrease windfalls is provided below.
- 2.58 NPPF (December 2024) policies that may increase windfall delivery:
- Paragraph 73b requires local planning authorities to seek opportunities, through policies and decisions, to support small sites to come forward for community-led development for housing and self-build and custom-build housing.
 - Paragraph 73c requires local planning authorities to use tools such as area-wide design assessments and Local Development Orders to bring small sites forward. Small sites are generally windfalls.
 - Paragraph 73d requires local planning authorities to "*support the development of windfall sites through their policies and decisions – giving*

³¹ <https://www.gov.uk/government/publications/brownfield-registers-and-permission-in-principle/brownfield-registers-and-permission-in-principle-frequently-asked-questions>

³² <https://www.cotswold.gov.uk/housing/private-housing/self-build-housing/>

³³ [Our Cotswolds Our Plan 2024-2028](#) (CDC, 2024)

great weight to the benefits of using suitable sites within existing settlements for homes". This cements our policy position further and provides strong justification to continue to permit windfalls.

- Paragraph 76 requires *local* planning authorities to support the development of exception sites for community-led development.
- Paragraph 84 includes a clause that is permissive of isolated development in rural areas. Being a large and predominantly rural authority, Cotswold District contains many homes in isolated locations and many windfalls result from this policy.

2.59 NPPF (December 2024) policies that may decrease windfall delivery:

- Some changes to neighbourhood planning may decrease windfalls, including:
 - Neighbourhood Planning Groups needing to consider allocating small and medium-sized sites (no larger than one hectare) suitable for housing in their area (paragraph 74). Paragraph 74 is not obligatory. However, if Neighbourhood plans allocated sites below five dwellings, the sites would not be counted as windfalls. As an indication, Cotswold District currently has 18 designated neighbourhood areas³⁴, although only one (Fairford) has allocated land and no other propose to do so.

2.60 Relevant NPPF (December 2024) policies not expected to affect windfall delivery:

- Paragraph 73a specifies that local planning authorities should "*identify, through the development plan and brownfield registers, land to accommodate at least 10% of their housing requirement on sites no larger than one hectare; unless it can be shown, through the preparation of relevant plan policies, that there are strong reasons why this 10% target cannot be achieved*". Over 10% of the Local Plan's allocations are sites that are less than one hectare. The Local Plan policies also provide for the delivery of further windfalls on sites that are less than one hectare.

Additional housing delivery not included in the windfall allowance

2.61 The windfall site definition is very specific. However, there are situations where additional housing could be delivered that is not included in the windfall allowance. For example:

³⁴ These include two made neighbourhood plans and ten others at different stages of production.

- Local Plan housing allocations are given an indicative capacity for how many houses 'could' be delivered. This is not a maximum figure. For example, Dunstall Farm in Moreton-in-Marsh is allocated with an indicative capacity of 119 dwellings but the site gained planning application for 250 dwellings (ref: 19/02248/FUL). This increases the number of houses previously expected by 131 homes. However, this site has been specifically identified in the Development Plan and the additional homes cannot be classified as windfalls. There are various other sites where a similar situation exists, for example:
 - Templefields in Andoversford (25 dwellings allocated but a planning application is expected for 52 dwellings);
 - Evenlode Road in Moreton-in-Marsh (63 dwellings allocated but planning permission for 67 dwellings); and
 - Land north-east of Clayfurlong Grove in Kemble (13 dwellings allocated but planning permission for 15 dwellings).
- The Fairford Neighbourhood Development Plan (NDP) site allocation at Land west of Hatherop Road has a planning application for 87 dwellings (ref: 22/03770/OUT). Being allocated in an NDP, the site is technically not a windfall. However, the site provides additional housing delivery to that identified in the Local Plan, so it provides a previously un-forecast boost to housing delivery.
- The Local Plan also contains four mixed use development sites in Cirencester town centre. Only one site includes a residential allocation of nine dwellings, whereas two sites are allocated for retail-led development. Cotswold District Council is producing a Framework Masterplan for Cirencester Town Centre, which proposes residential development on some of these sites. Furthermore, NPPF (December 2024) paragraph 90f states that "*Planning policies and decisions should support the role that town centres play at the heart of local communities, by taking a positive approach to their growth, management and adaptation. Planning policies should recognise that residential development often plays an important role in ensuring the vitality of centres and encourage residential development on appropriate sites.*" Given the changing role of the town centre, it is possible that further dwellings could be delivered within these mixed use allocations. However, given that the mixed use allocations are specifically identified in the Local Plan, any resulting unexpected housing delivery cannot technically be counted as windfall development.
- The government's more than doubling of its calculation of the number of homes needed in the district is significant material consideration for

planning applications for new homes. This is also likely to increase windfall delivery.

- 2.62 Although the resulting additional dwellings on Local Plan site allocations cannot be included in the windfall allowance, they are in effect additional windfalls as they are not accounted for in the housing trajectory. Instead, this additional delivery acts as a further buffer to ensure that the full windfall allowance will be delivered.

Further changes to National Policy

- 2.63 The Labour Government has committed to delivering 1.5 million homes over its parliamentary term (300,000 homes a year). They consulted on 'proposed reforms to the National Planning Policy Framework and other changes to the planning system' in September 2024 and updated the NPPF in December 2024. Further updates are expected with new National Development Management Policies and a Planning and Infrastructure Bill expected in 2025. These reinforce the government's commitment to boosting housing delivery to hit its annual 300,000 home delivery target, including various measures that increase windfall delivery.

Applying the windfall allowance

- 2.64 Drawing together the supporting information on the historic windfall delivery rates and considering the various factors that will affect the future rate of windfall delivery:
- (i) An average delivery rate of 158 windfalls per annum has been sustained since 1 April 2011;
 - (ii) Regard has been paid to the SHELAA and commitments in the housing trajectory. The district has many planning permissions that once completed will continue to deliver windfalls in future; and
 - (iii) Future trends of windfall delivery have been considered. The evidence indicates that the historic windfall delivery rate will continue to be delivered in future and indeed could potentially increase.
- 2.65 There is reasonable justification to set a windfall allowance of 158 dwellings per annum to the five year housing land supply and Local Plan housing trajectories.
- 2.66 Some of the extant planning permissions at 1 April 2024 already included in the housing trajectory will deliver windfalls. To avoid double counting and given

that planning permissions generally last for three years³⁵, the full 158 dwelling windfall allowance is applied from 1 April 2027 onwards.

- 2.67 Notwithstanding this, there will be some windfalls that did not have planning permission on 1 April 2024 that will be delivered in the following three years. These should be accounted for in the housing trajectory. Table 2 shows the number of windfalls that have been completed within one, two and three years of gaining planning permission, which is based on historical windfall delivery since 2011.
- 2.68 On average, 5% of windfalls are delivered in 0-1 years of gaining planning permission, 30% in 1-2 years and 30% in 2-3 years. To provide a realistic housing trajectory, a reduced windfall allowance has been applied to the first three years of the five year supply to account of this evidence.

Table 2: Comparison of when windfalls were granted planning permission vs when they were delivered

Year	Windfall completions	0-1 year before	1-2 years before	2-3 years before	>3 years before
2011/12	121	5 (4%)	63 (52%)	18 (15%)	35 (29%)
2012/13	136	7 (5%)	52 (38%)	15 (11%)	62 (46%)
2013/14	83	27 (33%)	32 (39%)	9 (11%)	15 (18%)
2014/15	110	0 (0%)	39 (35%)	41 (37%)	30 (27%)
2015/16	164	22 (13%)	92 (56%)	48 (29%)	2 (1%)
2016/17	208	52 (25%)	82 (39%)	51 (25%)	23 (11%)
2017/18	153	-2 (-1%)	65 (42%)	63 (41%)	27 (18%)
2018/19	230	26 (11%)	30 (13%)	44 (19%)	130 (57%)
2019/20	171	46 (27%)	15 (9%)	62 (36%)	48 (28%)
2020/21	91	-60 (-66%)	29 (32%)	40 (44%)	82 (90%)
2021/22	105	-13 (-12%)	53 (50%)	17 (16%)	48 (46%)
2022/23	208	-1 (0%)	33 (16%)	119 (57%)	57 (27%)
2023/24	276	4 (1%)	35 (13%)	69 (25%)	168 (61%)
Average	158	9 (5%)	48 (30%)	46 (30%)	56 (35%)

Note: Figures may not add up to 100% due to rounding. Also note that minus figures are due to demolitions. Also note: Minus figures relate to demolitions.

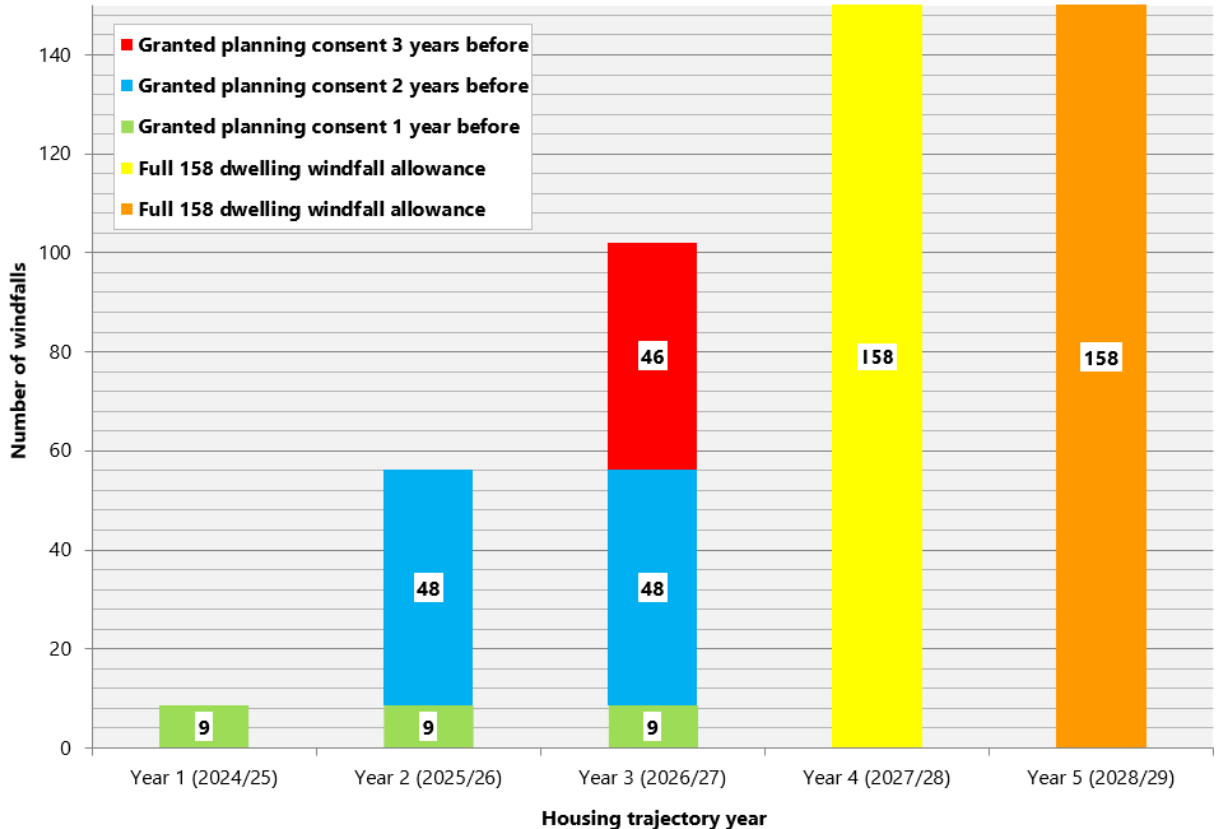
- 2.69 Figure 1 illustrates how the allowance is applied to the five year supply, which is as a proportion of the full 158 dwelling windfall allowance. The proportion of

³⁵ Full and Outline planning permissions generally last for three years, although longer permissions can be granted in exceptional circumstances. Reserved Matters planning permissions generally last for two years and the prior notification time period for permitted development schemes generally lasts for five years.

windfalls expected to be delivered each year is cumulative and increases year on year before reaching the full windfall allowance of 158 dwellings per annum from Year 4 onwards. For example:

- Year 1 = 5% of the 158 dwelling windfall allowance;
- Year 2 = 35% (5% + 30%) of the 158 dwelling windfall allowance; and
- Year 3 = 65% (5% + 30% + 30%) of the 158 dwelling windfall allowance.

Figure 1: Windfall delivery in the five year supply



2.70 This method of calculating the windfall allowance was assessed at paragraphs 116-118 of the Inspector's Report on the Local Plan examination and was found to be sound.

Lapse rate (large and small sites)

2.71 Table 3 shows that on average planning permissions for 25 dwellings per annum have lapsed since 2011 (the historic lapse rate). A schedule of the lapsed planning permissions since 2011 is provided at Appendix 5. The historic lapse rate includes lapsed planning permissions on both large and small sites.

- 2.72 Planning permissions for only six large sites have lapsed since 2011, which in combination total 138 dwellings³⁶. Several of these sites have since come forward with revised planning permissions, which have been / are now being delivered. This is indicative of the situation in Cotswold District where sites are generally delivered quickly once approved or are delivered in a revised form.
- 2.73 Notwithstanding this, it is reasonable to assume that a proportion of extant planning permissions will lapse in future. This can be applied as a discount to the housing trajectory (the lapse rate), which makes the trajectory realistic.
- 2.74 The lapse rate should only apply to extant planning permissions. It is inappropriate to apply a lapse rate to other elements of the housing trajectory, which do not have planning permission and therefore cannot lapse. Similarly, a lapse rate should not be applied to the windfall allowance, which is based on historic and future delivery rates and already factors in planning permissions that have lapsed or will lapse in future.
- 2.75 Consideration has been given to the proportional relationship between the number of dwellings in the housing trajectory that could potentially lapse (i.e. sites where development has not commenced) and the annual number of dwellings that have lapsed historically. This is because a scenario could arise where the number of dwellings with planning permission could be much higher than in previous years. In such instances, it may be that the potential number of dwellings with planning permission that lapse will also be higher. Table 3 shows:
- committed dwellings on 1 April each year since 2011 [A];
 - dwellings with planning permission that had yet to commence development at 1 April [B];
 - the number of dwellings with planning permission that lapsed the following year [C];
 - the percentage of dwellings with planning permission that lapsed [D]; and
 - the number of dwellings with planning permission that are expected to lapse the following year [E].

³⁶ Wells Masonry, Tetbury – 18 dwellings (ref: 12/05030/OUT – lapsed in July 2016); Land parcel at the Sunground, Avening – 11 dwellings (ref: 14/02675/FUL – lapsed in December 2017); Elkstone – 10 dwellings (ref: 16/01672/FUL – lapsed August 2019); Fosse Lodge, Batsford – 10 dwellings (ref: 17/00842/FUL – lapsed 15/02/2021); The Old Pump House, Siddington – 13 dwellings (ref: 16/02860/OUT – lapsed September 2021); and Land off Aston Road, Chipping Campden – 76 dwellings (ref: 18/04768/OUT).

Table 3: Calculation of the lapse rate

Year	[A] Total extant planning permissions (net)	[B] Dwellings with planning permission that had not commenced (net)	[C] Dwellings with planning permissions that lapsed the following year (net)	[D] Percentage (C / B)
2010/11	1,585	983	7	0.7%
2011/12	1,414	767	21	2.7%
2012/13	2,044	1,534	10	0.7%
2013/14	2,634	1,860	9	0.5%
2014/15	3,161	2,635	20	0.8%
2015/16	3,367	2,212	28	1.3%
2016/17	2,903	944	26	2.8%
2017/18	2,467	989	16	1.6%
2018/19	1,913	704	35	5.0%
2019/20	1,833	921	12	1.3%
2020/21	1,877	862	13	1.5%
2021/22	1,679	692	20	2.9%
2022/23	1,291	366	112	30.6%
Average	2,167	1,190	25	2.1%
Year	[A]	[B]	Expected lapse in 2023/24 (net) [E]	Average of [D] (2010-24)
2023/24	1,309	419	9	2.1%

Source: Residential Land Monitoring Statistics Reports (2011-2024)

Note: Chesterton strategic site has been excluded from this analysis, as the site is considered individually earlier in Section 3 of this report and Appendix 3

- 2.76 For most years, there is a strong correlation between B and C. Notwithstanding this, taking an average between 2011-2024 evens out any peaks and troughs within the historic lapse rate evidence.
- 2.77 By dividing the averages of C by B, this creates a percentage where it is predicted that 2.1% of dwellings with planning permission that are yet to commence development will lapse ($25 / 1,190 = 2.1\%^{37}$). This can be used to

³⁷ Figure calculated using non-rounded averages of [B] and [C]

provide a realistic estimate of the number of dwellings with planning permission at 1 April 2024 that will lapse.

- 2.78 Of the 1,309 committed dwellings at 1 April 2024 (excluding the Chesterton strategic site, which is assessed separately in Section 3), planning permissions for 419 dwellings have yet to commence development and could potentially lapse. Applying the (non-rounded) 2.1% dwelling percentage to the 419 dwellings enables a robust estimation to be made that 9 dwellings per annum will lapse ($419 \times 2.1\% = 9$). Given that planning permissions generally last for three years³⁸, the estimated annual lapse rate is multiplied by three when applying the discount to the housing trajectory. Taking account of rounding, 27 dwellings with planning permission at 1 April 2024 are expected to lapse.

Non-implementation of planning permissions within five years

- 2.79 The number of dwellings with planning permission that lapse and the number of dwellings that are not implemented within five years were mistaken to be the same thing in some submissions to the Local Plan examination hearings. This is not the case. For example, the time-period of planning permissions is sometimes extended or developments are commenced that take longer than five years to complete. Although these permissions have not lapsed, the reality is that a proportion of dwellings with planning permission will not be completed within five years.
- 2.80 Notwithstanding this, there is a reasonable prospect that these sites will be developed in the Local Plan period. Therefore, applying a percentage discount to each monitoring year throughout the housing trajectory is inappropriate.
- 2.81 Appendix 6 analyses large sites (10 or more dwellings) granted planning permission between 1 April 2006 and 31 March 2024 to calculate the proportion of dwellings that have been completed within five years of initially gaining planning permission. Of the qualifying planning permissions³⁹, on average 21% of dwellings were not completed in five years.
- 2.82 It is notable that the 21% average figure takes account of delays to delivery caused by the effects of Brexit, the Covid-19 Pandemic, two economic recessions and the cost of living crisis. Therefore, the historic average provides

³⁸ A small number of dwellings have planning permissions for longer than three years. These permissions are permitted development schemes, which have permission for five years. These permissions are already factored into the calculation of the 157 dwelling discount and do not create additional lapsed dwellings.

³⁹ This analysis is informed by planning permissions that are five or more years old or have been fully completed in an earlier timeframe.

a comparator that is not overly optimistic and takes account of economic cycles and periods where there were logistical difficulties for house building.

- 2.83 Appendix 6 can be used to check whether the delivery assumptions in the housing trajectory (Appendix 1) are reasonable. On 1 April 2024, there were 1,309 dwellings with planning permission (excluding the Chesterton strategic site, which is considered in detail in Appendix 3).
- 2.84 Of the 1,309 dwelling total, there are 791 dwellings on sites with 10 or more remaining dwellings left to deliver. It is estimated in the housing trajectory that 31 dwellings on large sites will be delivered between April 2029 and March 2031. Additionally, 110 dwellings have been totally discounted from the housing trajectory on the Brewery Court site in Cirencester (ref: 14/01529/FUL), which continues to have planning permission but appears to have stalled for the time-being, and a further 10 dwellings have been totally discounted from the housing trajectory at Forum House, Cirencester (ref: 21/02067/FUL).
- 2.85 The total discount on large sites is 151 dwellings, which is 19% of the total number of dwellings on sites with 10 or more remaining dwellings left to deliver. This is similar to the historic average of 21% of dwellings on large sites that were not completed within five years (as shown in Appendix 6). This further demonstrates that the assumptions in the housing trajectory for large sites are robust and reasonable discounts have been applied to demonstrate likely delivery.
- 2.86 Like large sites, some small sites may not be fully deliverable in five years. Small sites account for 518 of 1,309 dwellings that had planning permission at 1 April 2024 (excluding the Chesterton strategic site). The Council has assessed all small site planning permissions to estimate when they will be delivered with reference to the following assumptions:
- Applications that are under construction will generally be completed the following year;
 - Some sites are partially completed and the development has stalled. For example, a developer may have gone bankrupt. Such sites have been discounted from the five year supply;
 - Where there are several dwellings with extant planning permission, the number of completions has been split across successive years. This is because small site house-builders generally take longer to complete dwellings than large volume house-builders;

- Developments granted planning permission in the previous monitoring year are expected to be delivered later in the five year period than developments permitted two years or longer ago;
- Brownfield sites typically take longer to develop than greenfield sites;
- Where a site has Permission in Principle, it is not assumed to be deliverable within 0-5 years unless there is clear evidence that housing completions will begin on site within five years;
- Outline planning permissions take longer to deliver than Full or Reserved Matters permissions; and
- If the development has already been delayed by a renewal of planning permission, an amendment to an existing planning permission or a new planning permission for a new design, it is assumed that the development may experience further delays in future.

2.87 It is estimated that 502 of the 518 dwellings from small sites will be completed in 0-5 years.

Discounts to the five year supply and Local Plan housing land supply

2.88 Overall, the combined discount to the five year supply comprises:

- 151 dwellings with planning permission on large sites;
- 16 dwellings with planning permission on small sites; and
- 27 dwellings with planning permission that, based on historic averages and dwellings with planning permission, are expected to lapse.

2.89 The 194 dwelling total discount is 15% of the 1,309 dwelling committed supply⁴⁰ that could potentially be delivered for the five year period up to March 2029.

2.90 No sites allocated in the Local Plan have been included within the five year housing land supply that do not yet have planning permission or a resolution to grant planning permission. These sites may be delivered within five years and there continues to be a reasonable prospect that they will be delivered by 2031.

2.91 Notwithstanding this, the following site allocations have been discounted from the housing trajectory up to 2031, as further assessment has indicated that they are currently undeliverable or undevelopable. This is a further discount of 89 dwellings from the Local Plan housing land supply.

⁴⁰ Excludes Chesterton strategic site

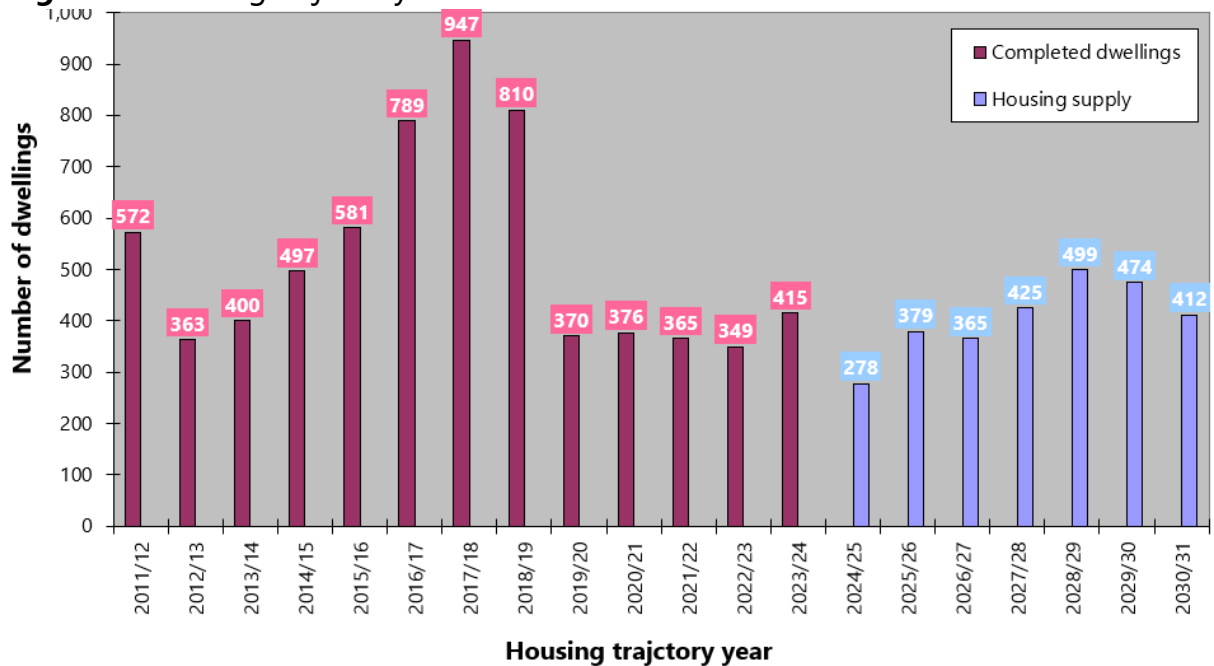
Table 6: Sites discounted from Local Plan housing supply up to 2031

Site ref.	Parish	Address	Reason	Former capacity (dwellings)
C17	Cirencester	42-54 Querns Lane	Unavailable	6
F35B	Fairford	Land behind Milton Farm and Bettertons Close	Unavailable	49
F44	Fairford	Land to rear of Faulkner Close, Horcott	Unsuitable and unachievable due to new SSSI designation	12
K2A	Kemble	Land at Station Road	Unavailable	8
L18B	Lechlade	Land west of Orchard Close, Downington	Unavailable	9
W1A and W1B	Willersey	Garage Workshop and Garden behind the Nook, Main Street	Unachievable due to heritage constraints	5
Total				89

- 2.92 In terms of discounts, the Chesterton strategic site is considered in isolation in Appendix 3. A 1,709 dwelling discount has been applied to the 2,350 dwelling planning permission to reflect what can realistically be delivered by 2031.

Housing trajectory

- 2.93 Cotswold District's housing land supply is illustrated on a housing trajectory in Figure 2. This also shows the housing completions since 2011 (i.e. to show housing land supply / delivery over the whole Local Plan period of 2011 to 2031).

Figure 2: Housing trajectory

Note: figures include homes released to the market resulting from communal accommodation developments

3. Five Year Supply Calculation

- 3.1 The number of homes needed in Cotswold District has changed significantly since the Local Plan was adopted. The government now calculates there to be a need for 1,036 additional homes a year.
- 3.2 Since the Local Plan was adopted in 2018, the five year housing land supply has been measured against the Local Plan housing requirement (i.e. 420 homes a year minus any over-delivery of housing since 2011). However, in light of the significantly increased housing need figure, national planning policy requires the five year housing land supply to instead be measured against the 1,036 homes a year housing target.
- 3.3 For comparative purposes, the five year housing land supply calculation has been provided below when measured against both the adopted Local Plan housing requirement and the new 1,036 home a year housing target.

Five year supply measured against the adopted Local Plan housing requirement

- 3.4 Policy DS1 of the adopted Cotswold District Local Plan (2011 to 2031) provides the methodology that has been used to date to calculate the five year housing

land supply⁴¹. This is based on a stepped residual requirement for the remaining years of the plan period and deducts net completions since 2011 from the requirement for the plan period of 8,400 dwellings.

- 3.5 This methodology does not take account of homes released to the market from communal accommodation developments.
- 3.6 Policy DS1 enabled the five year requirement to be recalibrated annually to take account of further dwelling completions over the remainder of the plan period with a 5% (or 20%) buffer added.
- 3.7 The base date for the five year stepped residual requirement is 1 April 2024. Between 1 April 2011 and 31 March 2024, 6,651 net additional dwellings had been completed in the District (note, this excludes homes released to the market from communal accommodation developments). The stepped residual requirement for the remainder of the plan period is therefore 1,749 dwellings (i.e. $8,400 - 6,651 = 1,749$).
- 3.8 Calculating the annual housing requirement requires some rounding of numbers, although the exact numbers are given in the subsequent paragraphs for clarity.
- 3.9 The annualised average residual requirement is 250 dwellings, which is calculated by dividing the total stepped residual requirement by the 7 remaining years of the plan period (i.e. $1,749 / 7 \text{ years} = 249.8$). This method is similar to the 'Liverpool approach', whereby any shortfall in delivery is equally distributed across the remainder of the plan period.
- 3.10 Multiplying the residual annual requirement by five gives a five year requirement of 1,249 dwellings (i.e. $249.8 \times 5 \text{ years} = 1,249$). The NPPF (December 2024) requires authorities to include a buffer of 5% where there has not been a significant under delivery of housing over the previous three years⁴². The five year requirement plus a 5% buffer is therefore 1,312 dwellings (i.e. $1,249 + 63 = 1,312$).
- 3.11 Table 7 demonstrates that the District has a deliverable five year supply of 1,908 dwellings (note, this excludes homes released to the market from communal accommodation developments). When measured against the 1,312 dwelling

⁴¹ Discussed at paragraphs 183-193 of the Inspector's Report.

⁴² Cotswold District Council has a Housing Delivery Test score of 95% and, in accordance with NPPF (December 2024) paragraph 78, is not a persistent under deliverer of housing (<https://www.gov.uk/government/publications/housing-delivery-test-2023-measurement>).

five year supply requirement, the District would have had a five year supply at 1 April 2024 of 7.3 years.

Table 7: Housing land supply calculation (based on adopted Local Plan housing requirement)		
A	Total stepped residual requirement for 2024 to 2031 (i.e. 8,400 – 6,651)	1,749
B	Stepped residual requirement for 2024 to 2031 expressed as an annual average (i.e. 1,749 / 7 years)	250*
C	Total stepped residual requirement for 2024 to 2029 (i.e. 250* x 5 years)	1,249*
D	Total stepped residual requirement for 2024 to 2029 plus a 5% buffer (i.e. 1,249* + 63*)	1,312*
E	Stepped residual requirement for 2024 to 2029 (including 5% buffer) expressed as an annual average (i.e. 1,312* / 5 years)	262*
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	445
I	Total supply for 2024 to 2029	1,908
J	Supply available at 1 April 2024 expressed as number of years against the stepped residual requirement (i.e. (1,908 / 1,249) x 5 years)	7.3 years

* Figure calculated using non-rounded numbers

Five year supply measured against the local housing need calculated by the standard methodology, as updated on 12 December 2024

- 3.12 The PGG for 'Housing and economic needs assessments' calculates the district's local housing need to be 1,036 homes a year.
- 3.13 Multiplying the annual local housing need by five years gives 5,180 dwellings (i.e. 1,036 x 5 years = 5,180). The NPPF (December 2024) requires authorities to include a buffer of 5% where there has not been a significant under delivery of

housing over the previous three years⁴³. The five year requirement plus a 5% buffer is therefore 5,439 dwellings (i.e. $5,180 + 259 = 5,439$).

- 3.14 Table 8 demonstrates that the district has a deliverable five year supply of 1,946 dwellings (note, this includes homes released to the market from communal accommodation developments). When measured against the 5,439 dwelling five year housing requirement, the district has a five year supply at 1 April 2024 of 1.8 years.

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. $1,036 \times 5$ 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. $(1,946 / 5,439) \times 5$ years)	1.8 years

4. Total housing delivery over the Local Plan period (2011-2031)

- 4.1 Table 9 shows the total housing delivery over the Local Plan 20 year Local Plan period⁴⁴. This combines the various sources of housing supply provided in

⁴³ Cotswold District Council has a Housing Delivery Test score of 95% and, in accordance with NPPF (December 2024) paragraph 78, is not a persistent under deliverer of housing (<https://www.gov.uk/government/publications/housing-delivery-test-2023-measurement>).

⁴⁴ Excludes homes released to the market from communal accommodation developments and holiday homes / annexes

Appendix 1. As of 1 April 2024, it is estimated that 9,666 dwellings (net) will be delivered over the Local Plan period (note, this includes homes released to the market from communal accommodation developments). However, this number is expected to increase given the lack of a five year housing land supply in the district.

Table 10: Housing delivery over the Local Plan period (2011-2031)

Settlement	Built 01/04/2011 to 31/03/2024	Extant planning permissions at 01/04/2024	Local Plan Allocations (excludes those with planning permission)	Windfalls 01/04/2024 - 31/03/2031**	Permissions expected to lapse between 01/04/2024 - 31/03/2031	Total housing delivery 2011-2031
Andoversford	73	1	52	9	–	135
Blockley	43	16	27	11	–	97
Bourton-on-the-Water	431	24	–	24	–	479
Chipping Campden	170	15	36	19	–	240
Cirencester*	1,163	709*	–	138	–	2,010
Down Ampney	5	64	13	2	–	84
Fairford	501	140	–	19	–	660
Kemble	80	–	–	8	–	88
Lechlade	113	4	9	15	–	141
Mickleton	264	2	–	42	–	308
Moreton-in-Marsh	999	325	–	57	–	1,381
Northleach	89	0	17	9	–	115
South Cerney	270	4	–	30	–	304
Stow-on-the-Wold	259	44	–	25	–	328
Tetbury	831	209	43	31	–	1,114
Upper Rissington	419	6	–	8	–	433
Willesley	89	8	57	5	–	159
Outside Principal Settlements	1,035	235	–	347	–	1,609
Permissions expected to lapse	–	–	–	–	-27	-27
TOTAL	6,807	1,806	254	799	-27	9,666

*Includes 641 homes from Chesterton strategic site that are expected to be delivered by 31 March 2031 with the remaining 1,709 homes expected after 2031. Excludes 110 homes from Brewery Court (ref: 14/01529/FUL) and 10 homes from Forum House (ref: 21/02067/FUL)

Note: figures include homes released to the market resulting from communal accommodation developments

5. Conclusion

- 5.1 The number of homes needed in Cotswold District has changed significantly since the Local Plan was adopted. At the time when the Local Plan was examined and subsequently adopted, the local housing need was calculated to be between 390 and 475 homes a year⁴⁵. The government now calculates the local housing need of all local planning authorities (known as the 'standard methodology') and published a revised standard methodology in December 2024. This increased the district's local housing need to 1,036 homes a year.
- 5.2 National planning policies require all local planning authorities to maintain a five year housing land supply. Cotswold District has a supply of deliverable sites capable of delivering 1,946 homes in the five year period 1 April 2024 to 31 March 2029.
- 5.3 The five year housing land supply has been measured against both the adopted Local Plan housing requirement and the government's revised 'standard methodology' for calculating local housing need for illustrative purposes. Taking account of a 5% buffer, the housing land supply is:
- 7.3 years when the supply is measured against the Local Plan housing requirement; or
 - 1.8 years when the supply is measured against the government's revised 'standard methodology' for calculating local housing need.
- 5.4 National planning policies require the five year housing land supply to be measured against the standard methodology local housing need figure where the relevant Local Plan policies are more than 5 years old and where there has been a significant change to the local housing need. This is the case for Cotswold District. Consequently, Cotswold District's five year housing land supply position is now 1.8 years.
- 5.5 Based on homes already completed since 2011 and the currently identified housing land supply, it is estimated that 9,666 homes will be delivered in the district between 2011 and 2031 – the period of the Cotswold District Local Plan. This number is expected to increase given the lack of a five year housing land supply.

⁴⁵ This is the mid-point of the range of the applicable local housing need figure for Cotswold District – i.e. 7,800 to 9,500 dwellings (equivalent to an average of 390 to 475 dpa) with a midpoint of 8,700 dwellings (435 dpa). Further detail provided in '[Reviewing whether the housing need figure for Cotswold has changed significantly](#)' (ORS, July 2023)