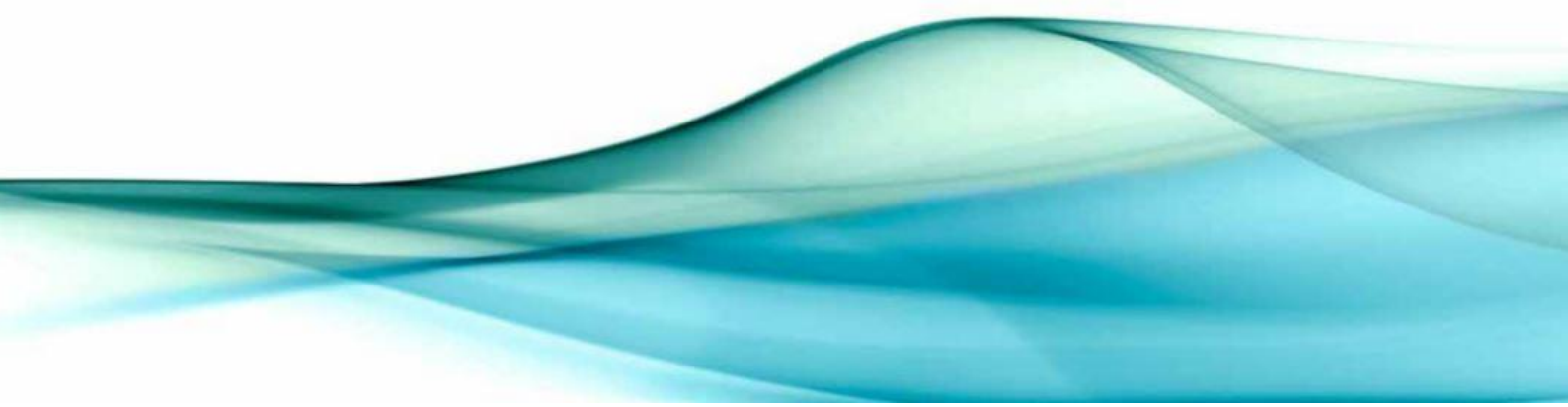




COTSWOLD DISTRICT COUNCIL

Housing Land Supply Report

July 2022



Contact Details

Forward Planning
Cotswold District Council
Trinity Road
Cirencester
GL7 1PX

Tel: 01285 623000
Email: local.plan@cotswold.gov.uk
Web: www.cotswold.gov.uk

Contents

1. Executive Summary	1
2. Housing Requirements	1
3. Housing Supply and Delivery	2
Deliverable sites	2
Developable sites.....	4
Buffers	4
Housing Supply	5
Committed Dwellings	5
Chesterton Strategic Site, Cirencester.....	5
Windfall Sites	7
Historic windfall delivery	7
Future trends.....	8
Local Plan (2001-2011) vs Local Plan (2011-2031).....	8
Lack of a five year housing land supply.....	9
Peak in housing delivery early in Local Plan period.....	9
Continued windfall delivery on large sites.....	10
Supply of potential windfall sites running out	10
Economic cycles.....	10
Community Infrastructure Levy.....	11
Changes to Permitted Development rights.....	11
Other policy initiatives.....	14
Impact of NPPF (March 2012) vs NPPF (February 2019) on windfall delivery	14
Relevant NPPF policies not expected to affect windfall delivery	15
Additional housing delivery not included in the windfall allowance	15
Further changes to National Policy.....	16
Applying the windfall allowance	16
Lapse Rate (Large and Small Sites)	18
Non-Implementation of Planning Permissions within Five Years	20
5. Five Year Supply Calculation	23
Maintaining a five year housing land supply throughout the Local Plan period	25
Total housing delivery over the Local Plan period (2011-2031)	25
6. Housing Delivery Test.....	27
7. Conclusion	27

1. Executive Summary

- 1.1 This report sets out the housing requirements, housing land supply position and the Housing Delivery Test score 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'). The housing land supply calculation also accords with the National Planning Policy Framework (July 2021) (the NPPF), Planning Policy Guidance (PPG), recent appeal decisions, case law and Planning Advisory Service (PAS) guidance.
- 1.2 Cotswold District has a supply of specific deliverable sites in excess of its housing requirement for the five year period 1 April 2022 to 31 March 2027. Taking account of a 5% buffer, **the District can demonstrate a supply of 7.1 years' worth of deliverable housing sites.**
- 1.3 It is estimated that approximately 9,865 dwellings will be delivered in the District between 2011 and 2031. This is 117% of the 8,400 dwelling Local Plan housing requirement. This further supports the Government objective to significantly boost the supply of housing without unnecessary delay, as set out in the NPPF¹.
- 1.4 Cotswold District also passes the Housing Delivery Test. In the past three years, the District has delivered 1,035 dwellings. This is measured against a residual housing requirement of 865 dwellings, giving Cotswold District a **Housing Delivery Test score of 120%**. A score less than 95% requires the Council to prepare an action plan to identify the reasons for under-delivery and identify measures that would improve levels of delivery.

2. Housing Requirements

- 2.1 The PPG specifies 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.*"²
- 2.2 The Cotswold District housing requirement is a minimum of 8,400 dwellings for the period 2011-2031, which is provided by Local Plan Policy DSI.
- 2.3 In addition to the overall Local Plan housing requirement, Policy DSI provides a 'residual requirement' methodology for calculating the five year housing land supply requirement. The residual requirement methodology is explained in more detail later in this report, but the District's five year housing land supply is measured against this residual requirement.

¹ NPPF paragraph 60

² PPG on 'Housing supply and delivery'. Paragraph: 005 Reference ID: 68-005-20190722. Revision date: 22/07/2019

3. Housing Supply and Delivery

Deliverable sites

3.1 NPPF paragraph 74 requires local planning authorities to 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. Deliverable sites in this report cover the period 1 April 2022 to 31 March 2027.

3.2 The NPPF 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."*

3.3 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."*³

3.4 Clarity on the definition of 'deliverable' has also been provided by a Court of Appeal case, *St Modwen Developments*⁴. The *St Modwen* judgement was made in reference to the NPPF (March 2012) 'deliverable' definition, which has been amended by the NPPF (July 2021) and the now superseded PPG. However, the judgement considered the degree of probability

³ PPG on 'Housing supply and delivery'. Paragraph: 007 Reference ID: 68-007-20190722. Revision date: 22/07/2019

⁴ See *St Modwen Developments Ltd v Secretary of State for Communities and Local Government* [2017] EWCA Civ 1643

required in the words “realistic prospect” that sites would be delivered in five years. The words “realistic prospect” remain in the first part of NPPF (July 2021) deliverable definition. St Modwen therefore is still material in considering what is meant by “reasonable prospect” in both deliverable definitions.

- 3.5 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, which are equally as applicable to the NPPF 2012 deliverable definition as they are to the NPPF 2021 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”.

- 3.6 For further clarity, the text where the 2012 deliverable definition is consistent with the 2021 definition has been highlighted below in underlined 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.”⁵

- 3.7 Since the publication of the initial revision to the NPPF in 2018, two appeal decisions at Woolpit, Suffolk⁶, and Former North Worcestershire Golf Club, Birmingham⁷, 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.

⁵ NPPF (March 2012) Footnote

⁶ Appeal reference: APP/W3520/18/3194926 dated 29/09/2018

⁷ Appeal reference: APP/P4605/W/18/3192918 dated 24/07/2019

Developable sites

- 3.8 NPPF paragraph 68 also requires a supply of developable sites for years 6-10 and, where possible, for years 11-15. 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 envisaged⁸. Developable sites in this report cover the period 1 April 2027 to 31 March 2031.
- 3.9 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, 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."*⁹

Buffers

- 3.10 NPPF paragraph 74 also requires that the supply of specific deliverable sites should in addition include a buffer (moved forward from later in the plan period) of:
- 5% to ensure choice and competition in the market for land. Deliverable sites in this report cover the period 2022 to 2027; or
 - 10% where the local planning authority wishes to demonstrate a five year supply of deliverable sites through an annual position statement or recently adopted plan, to account for any fluctuations in the market during that year; or
 - 20% where there has been significant under delivery of housing over the previous three years, to improve the prospect of achieving the planned supply.
- 3.11 Cotswold District Council will not be undertaking an annual position statement, which would otherwise require a 10% buffer. The District has also not significantly under-delivered housing in the previous three years (see Section 6 on the Housing Delivery Test for further details). A 5% buffer is therefore applied.

⁸ NPPF (July 2021) Glossary: Definition of a 'Developable site'

⁹ PPG on 'Housing supply and delivery': Paragraph: 020 Reference ID: 68-020-20190722. Revision date: 22/07/2019

Housing Supply

- 3.12 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

- 3.13 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.
- 3.14 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. The supporting evidence is provided in Appendix 2.
- 3.15 As recommended by the PPG¹⁰, 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.

Chesterton Strategic Site, Cirencester

- 3.16 The Chesterton strategic site 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.
- 3.17 The developer (Savills acting on behalf of Bathurst Developments Ltd.) has provided an update on the various factors that affect the estimated lead-in times and the delivery trajectory for the site. The Council has produced a commentary, which sets out the recent work that has been completed to prepare the site for the commencement of construction (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 July 2022.
- 3.18 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 2011-2031¹¹, the relevant extracts of which 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. Although four years have passed since the Inspector's report, it

¹⁰ PPG on 'Housing supply and delivery'. Paragraph: 007 Reference ID: 68-007-20190722. Revision date: 22/07/2019

¹¹ Report on the Examination of the Cotswold District Local Plan 2011-2031 (5 June 2018, PINS Ref: PINS/F1610/429/2)

still has material relevance when forming a balanced and realistic view of annual delivery rates for the site. In combination, Savills 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.

- 3.19 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.
- 3.20 The developer's update from July 2022 explains that the development is now expected to deliver 335 dwellings across the site in the five year period up to March 2027. A total of 1,212 dwellings are expected to be completed across the site by March 2031 with the remainder being delivered after 2031.
- 3.21 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' report¹²).
- 3.22 The Outline planning application was validated on 9 January 2016 (ref: 16/00054/OUT). Outline planning permission was granted on 3 April 2019. Harper Crewe, the developer's first house builder partner, secured Reserved Matters approval on 29 November 2021 for Phase 1A of the development, which is for 68 dwellings with associated open space and landscaping (ref: 20/04343/REM). The 'planning period' was therefore just under 6 years, which places The Steadings on the right side of Lichfields' observed average for schemes of 2,000+ homes (i.e. 6.1 years). The 'planning to delivery period' looks like being around 1 year, which places The Steadings well ahead of Lichfield's observed average for schemes of 2,000+ homes (i.e. 2.3 years). The development is therefore so far performing better than the average strategic site.
- 3.23 In 2020, Lichfields observed that once opened up, greenfield sites were still delivering more quickly than other strategic sites, with an average annual build-out rate of 181 dwellings per annum. The Council queried whether Savills or BDL have observed any slowing in the local housing market, and they have not. Based on Lichfield's observed average, we might expect a 13-year build-out period on the strategic site from this point onwards, with completion being in 2034. The developer's latest draft trajectory extends the build-out period to 16 years.
- 3.24 The Chesterton strategic site has performed above average to date and is located in an area of high demand. We also note that the draft trajectory includes 6 years when there could be 5 or more sales outlets, and when the development will have two distinct entrances. These factors, combined with the Cotswolds draw, ought to push delivery to above average levels.
- 3.25 The current housing trajectory is therefore reasonably conservative, given where the project now stands.
- 3.26 The Council considers that the evidence provided in Appendix 3 is proportionate and robust to demonstrate that the site is capable of delivering the stated level of development in the next five years and up to 2031.

¹² Start to Finish: What factors affect the build-out rates of large scale housing sites? Second Edition (Lichfields, February 2020)

Windfall Sites

- 3.27 Annex 2 (the Glossary) of the NPPF defines windfall sites as “Sites not specifically identified in the development plan.” NPPF paragraph 71 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.”

- 3.28 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).”¹³

Historic windfall delivery

- 3.29 Cotswold District has a historic trend of consistently delivering windfalls. The supporting evidence for the windfall allowance adopted in Local Plan Policy DSI¹⁴ confirmed that an average of 95 windfalls per annum had been delivered in the District between 2011 and 2016.
- 3.30 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 (July 2021) windfall site definition: “Sites not specifically identified in the development plan”
- 3.31 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; dwellings 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 figures have therefore been reviewed to accord with the new windfall site definition.
- 3.32 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 new NPPF 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:

¹³ PPG on ‘Housing and economic land availability assessment’. Paragraph: 023 Reference ID: 3-023-20190722. Revision date: 22/07/2019.

¹⁴ Housing Land Supply Report (CDC, November 2016) (Local Plan Examination Document Ref: ED046)

- Only 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 guidance¹⁵, 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 DSI, 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.

3.33 The historic windfall delivery figures incorporate both large and small sites. Indeed, 21 large sites (10 or more net dwellings) have contributed towards windfall delivery in Cotswold District since April 2011. These developments delivered 371 windfalls, which is 34 dwellings per annum on average.

3.34 A schedule of all windfalls delivered since 2011 is provided at Appendix 4 and a summary is provided in Table 1. On average, 132 windfalls per annum have been delivered over the past ten years.

Table 1: Historic windfall delivery

Year	Windfall completions
2011/12	76
2012/13	144
2013/14	83
2014/15	116
2015/16	164
2016/17	174
2017/18	116
2018/19	227
2019/20	171
2020/21	91
2021/22	89
Average	132

Future trends

3.35 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)

3.36 The saved policies of the Cotswold District Local Plan (2001-2011), which planning applications have been determined against until 3 August 2018, were reasonably restrictive on windfall development. However, the recently adopted Local Plan contains several new policies that are likely to boost windfall delivery:

¹⁵ 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)

- 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) collect 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, including sheltered and extracare 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 (2022) updates this position, as 286 sheltered and extracare dwellings have been completed between 2017 and 2022. A further 291 sheltered and extracare dwellings have planning permission and there is a requirement for 88 additional sheltered and extracare dwellings, all of which could potentially be delivered as windfalls in the remainder of the Local Plan period.

Lack of a five year housing land supply

- 3.37 There have been occasions early in the Local Plan period when Cotswold District Council was unable to demonstrate a five year housing land supply. However, a healthy five year supply for most of the Plan period has been maintained, which has not been challenged at appeal. Notwithstanding this, consideration has been given to whether the occasions when the District did not have a five year supply could have affected the historic windfall delivery rate.
- 3.38 Since April 2011, three windfall sites have been delivered from planning applications that were granted on appeal. Each windfall was delivered from a separate application¹⁶. The lack of a five year supply did not form part of the discussion of any of the appeal decisions.
- 3.39 Where planning permissions for housing have been granted through Section 78 planning appeals and the lack of a five year supply was a material consideration, each site had previously been identified in the SHELAA and therefore would have been considered for allocation in the Local Plan; for this reason these sites have not been included as windfalls.
- 3.40 Whether the District has had a five year supply or not, the Council's approach towards determining applications for windfalls has been positive and consistent with national policy and guidance. Although the District is expected to maintain a five year supply throughout the remainder of the Local Plan period, if the Council did not have a five year housing land supply, the impact of doing so would be unlikely to alter future windfall delivery rates.

Peak in housing delivery early in Local Plan period

- 3.41 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

¹⁶ 12 Salmonsbury Cottages, Station Road, Bourton-on-the-Water (ref: 11/01410/FUL); 49 Lamberts Field, Bourton-on-the-Water (ref: 10/01040/FUL); and Kingfisher, Station Road, South Cerney (ref: 13/00546/FUL)

delivery has not been caused by elevated windfall delivery rates. Furthermore, taking an average of windfall delivery over the first 11 years of the Local Plan period flattens out any peaks and troughs in windfall delivery rates.

Continued windfall delivery on large sites

- 3.42 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.
- 3.43 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

- 3.44 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 in urban authorities windfall supply can be constrained by tight local authority boundaries that don't 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 and Brexit

- 3.45 High house prices in Cotswold District provide 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 England.
- 3.46 The Covid 19 pandemic brought with it lockdowns when 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 and 89 windfalls in 2021/22, which demonstrates the level of deliverability of the windfall allowance.
- 3.47 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 in case they happen again, which adds another layer of robustness.

- 3.48 Additionally, the Covid-19 pandemic has affected housing markets, particularly in Cotswold District¹⁷. 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 on a less regular basis. 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 many employers and employees realising the benefits of increased flexible working.

Community Infrastructure Levy

- 3.49 The Cotswold District Community Infrastructure Levy (CIL) came into force on 1 June 2019. At 2022, all new developments that create a new dwelling (including Sheltered Housing and Extra-Care Housing but excluding Chesterton Strategic Site) are liable to pay £83.52/sq.m, subject to exemptions¹⁸. The impact of CIL on windfall delivery has therefore been considered.
- 3.50 Several types of windfalls are not be liable to pay CIL. There are exemptions for Self-Build dwellings, social housing schemes, and new housing delivered through charities for their own use.
- 3.51 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.
- 3.52 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.
- 3.53 CIL has been in operation for over two years now and the number of planning permissions that would result in windfalls has not decreased.

Changes to Permitted Development rights

- 3.54 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 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)¹⁹;
 - Amusement arcades or centres or casinos (Sui Generis Use Class) (Class N);

¹⁷ <https://www.zoopla.co.uk/discover/property-news/top-10-rural-hotspots-lockdown-ryedale-yorkshire-cotswolds-kent-where-buyers-are-flocking-to/>

¹⁸ <https://www.cotswold.gov.uk/planning-and-building/community-infrastructure-levy/calculate-your-cil-charge/>

¹⁹ Resulting from the 6 April 2016 amendment

- Offices (B1(a) Use Class) (Class O);
- Storage or distribution centres (Class P);
- Light industrial Class B1(c) (Class P)²⁰; and
- Agricultural buildings (Class Q).

3.55 On 6 April 2018, the Government introduced further changes to the permitted development rights²¹. 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 increases the maximum combined floorspace from 465sq.m up to 865sq.m. Cotswold District is a rural authority and this change has increased windfall delivery.

3.56 Further extensions to permitted development rights are 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 A1, A2, A3, B1a(offices), betting office, pay day loan shop or launderette 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).

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

- New Class ZA – Demolition of buildings and construction of new dwellinghouses in their place.

3.58 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 classes²². A new permitted development (PD) right to allow changes of from any use, or mix of uses, from the Class E to residential use (Class C3) took effect on 1 August 2021 (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

²⁰ Resulting from the 6 April 2016 amendment

²¹ <https://www.gov.uk/government/news/housing-minister-announces-homes-boost-for-rural-families>

²² Planning Portal – Use Classes: https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

- 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

3.59 These permitted development rights are likely to further increase windfall delivery.

3.60 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 estates and buildings in office, light industrial, storage and distribution, 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 [Planning for the Future White Paper](#)²³ and the [Changes to the current planning system](#)²⁴, which include extending the permitted development rights to create additional homes; and
- the country has a housing deficit and future governments are likely to continue with a proactive house building strategy and are unlikely to rescind the permitted development

²³ Planning for the Future White Paper (MHCLG, August 2020)

²⁴ Changes to the current planning system Consultation on changes to planning policy and regulations (MHCLG, August 2020)

rights. For example, Boris Johnson said in a speech on 9 June 2022²⁵ that the government is to make it "easier" to convert disused agricultural buildings into homes and that the government was "going to put more publicly owned brownfield land to use and seek to unlock small sites that are ideal for the kind of unobtrusive development that communities welcome". The government indicated that these measures will be extended to designated landscapes, including Areas of Outstanding Natural Beauty.

Other policy initiatives

3.61 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 Community Housing Fund²⁶ will be used to provide new affordable housing in the District, which will likely be windfalls;
- The Brownfield Register²⁷, which is reviewed annually. This can boost windfall delivery by giving 'Permission in Principle' to suitable brownfield sites;
- Permission in Principle for non-major development may also be applied for as of 1 June 2018, which further incentivises windfall developments;
- The Self-Build Register²⁸, 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; and
- The First Homes Scheme²⁹ has been introduced, which enables first time buyers to buy a market house at a minimum discount of 30% and potentially up to 50%. The latter appears something CDC can insist on if it so wishes and especially so in those areas with high prices.
- Cotswold District Council's Corporate Strategy (2020-2024)³⁰ 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 (July 2021) on windfall delivery

3.62 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.

3.63 NPPF policies that may increase windfall delivery:

- Paragraph 69b 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 69c requires local planning authorities to "support the development of windfall sites through their policies and decisions – giving great weight to the benefits of

²⁵ <https://www.gov.uk/government/speeches/prime-ministers-housing-speech-9-june-2022>

²⁶ <https://www.gov.uk/government/collections/community-housing-fund>

²⁷ <https://www.gov.uk/government/publications/brownfield-registers-and-permission-in-principle/brownfield-registers-and-permission-in-principle-frequently-asked-questions>

²⁸ <https://www.cotswold.gov.uk/housing/private-housing/self-build-housing/>

²⁹ <https://www.gov.uk/first-homes-scheme>

³⁰ <https://www.cotswold.gov.uk/media/rldwcm/corporate-strategy-2020.pdf>

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

- Paragraph 78 requires local planning authorities to support entry level exception sites on land not already allocated for housing.
- Paragraph 80 includes a new clause (d) that is permissive of isolated development in rural areas that involves the subdivision of an existing residential property. The policy does not specify how many new homes such properties can be sub-divided into. One dwelling could potentially be sub-divided into several new homes. Being a large and predominantly rural authority, Cotswold District contains many homes in isolated locations, a high proportion of which are large and could now be subdivided under this new policy.

3.64 NPPF 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 70). Paragraph 70 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 areas³¹, although only two (Fairford and Stow-on-the-Wold and Swell) propose to allocate land for housing.

3.65 Relevant NPPF policies not expected to affect windfall delivery:

- Paragraph 69a 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

3.66 The updated 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:

- 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 46 dwellings);

³¹ These include two made neighbourhood plans and ten others at different stages of production.

- 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 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. NPPF paragraph 85f 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 and the government objective to boost the supply of housing, 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 be counted as windfall development.

3.67 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

3.68 Comprehensive changes to national policy were announced by the government in August 2020 in the [Planning for the Future White Paper](#)³² and the [Changes to the current planning system](#)³³. This was followed by the Levelling-up and Regeneration Bill in May 2022, which was introduced to Parliament and included a raft of changes to the planning system, including around developer contributions, environmental assessment and enforcement. These reinforce the government’s commitment to boosting housing delivery to hit its annual 300,000 home delivery target, which has various measures that would increase windfall delivery.

Applying the windfall allowance

3.69 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 132 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 a large number of 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.

3.70 There is reasonable justification to set a windfall allowance of 132 dwellings per annum to the five year housing land supply and Local Plan housing trajectories.

³² Planning for the Future White Paper (MHCLG, August 2020)

³³ Changes to the current planning system Consultation on changes to planning policy and regulations (MHCLG, August 2020)

- 3.71 Some of the extant planning permissions at 1 April 2022 already included in the housing trajectory will deliver windfalls. To avoid double counting and given that planning permissions generally last for three years³⁴, the full 132 dwelling windfall allowance is applied from 1 April 2025 onwards.
- 3.72 Notwithstanding this, there will be some windfalls that did not have planning permission on 1 April 2022 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.
- 3.73 On average, 9% of windfalls are delivered in 0-1 years of gaining planning permission, 29% in 1-2 years and 28% 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

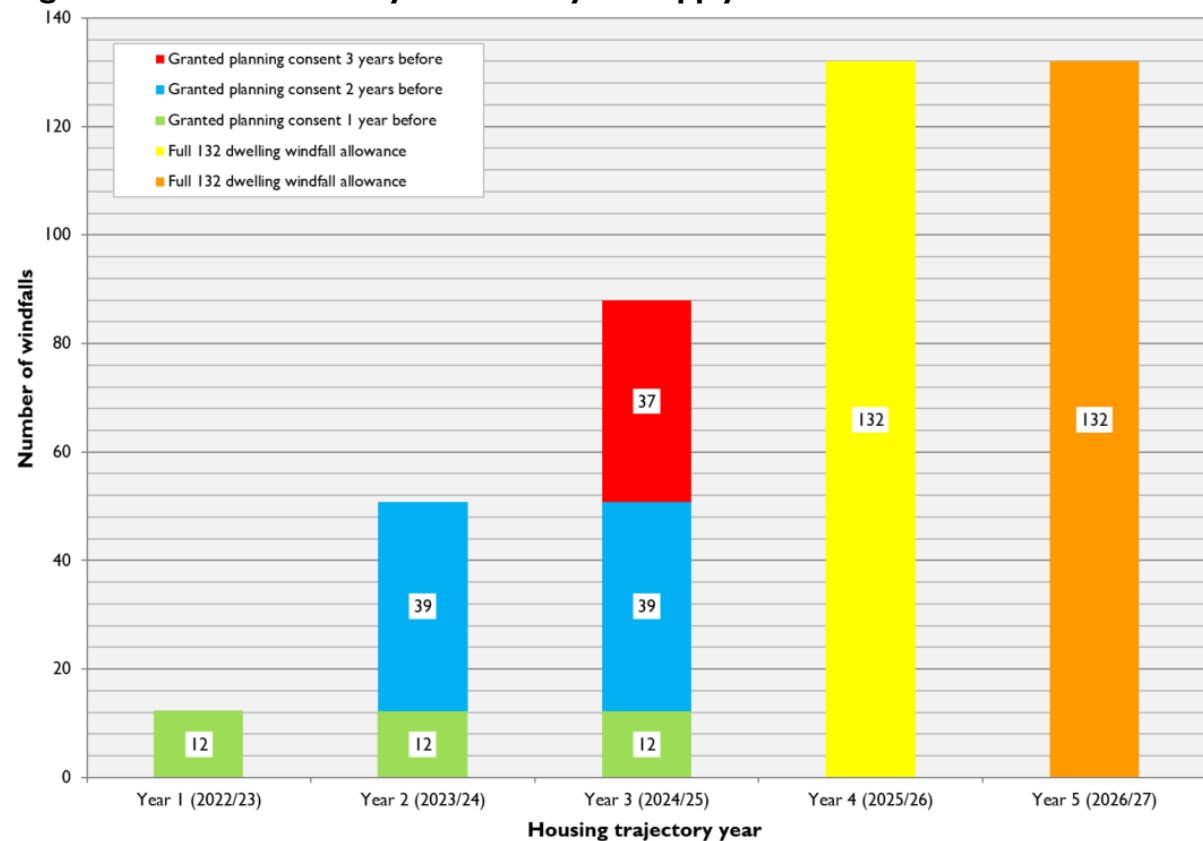
Year	Windfall completions	0-1 year before	1-2 years before	2-3 years before	>3 years before
2011/12	76	3 (4%)	24 (32%)	18 (24%)	31 (41%)
2012/13	144	28 (19%)	38 (26%)	15 (10%)	63 (44%)
2013/14	83	27 (33%)	32 (39%)	9 (11%)	15 (18%)
2014/15	116	6 (5%)	39 (34%)	41 (35%)	30 (26%)
2015/16	164	22 (13%)	92 (56%)	48 (29%)	2 (1%)
2016/17	174	52 (30%)	48 (28%)	51 (29%)	23 (13%)
2017/18	115	-2 (-2%)	27 (23%)	63 (55%)	27 (23%)
2018/19	227	26 (11%)	27 (12%)	44 (19%)	130 (57%)
2019/20	171	46 (27%)	15 (9%)	62 (36%)	48 (28%)
2020/21	91	-60 (-66%)	29 (32%)	40 (44%)	88 (90%)
2021/22	89	-13 (-15%)	53 (60%)	17 (19%)	32 (36%)
Average	132	12 (9%)	39 (29%)	37 (28%)	44 (33%)

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

- 3.74 Figure 1 illustrates how the allowance is applied to the five year supply, which is as a proportion of the full 132 dwelling windfall allowance. The proportion of windfalls expected to be delivered each year is cumulative and increases year on year before reaching the full windfall allowance of 132 dwellings per annum from Year 4 onwards. For example:
- Year 1 = 9% of the 132 dwelling windfall allowance;
 - Year 2 = 38% (9% + 29%) of the 132 dwelling windfall allowance; and
 - Year 3 = 66% (9% + 29% + 28%) of the 132 dwelling windfall allowance.

³⁴ 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.

Figure I: Windfall delivery in the five year supply



3.75 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)

3.76 Table 3 shows that on average planning permissions for 18 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.

3.77 The historic lapse rate includes lapsed planning permissions on both large and small sites. However, it is noteworthy that the permissions for only four large sites have lapsed in the last 11 years, which in combination total 49 dwellings³⁵. This is indicative of the situation in Cotswold District where sites are generally delivered quickly once approved.

3.78 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.

3.79 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.

³⁵ Wells Masonry, Tetbury – 'Outline application for redevelopment of site to comprise 18 dwellings' (ref: 12/05030/OUT - lapsed in July 2016); Land parcel at the Sunground, Avening – 'Erection of 6 affordable dwellings and 5 private dwellings' (ref: 14/02675/FUL – lapsed in December 2017); Elkstone – 'Conversion of two agricultural buildings to form ten residential dwellings, change of use of land and associated works' (ref: 16/01672/FUL – lapsed August 2019); and Fosse Lodge, Batsford – 'Redevelopment of former scrapyard for the erection of 10 dwellings' (ref: 17/00842/FUL – lapsed 15/02/2021).

3.80 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 at 1 April each year since 2011 [A];
- dwellings with planning permission that have yet to commence development at 1 April [B];
- the number of dwellings with planning permission that lapsed the following year [C]; and
- the percentage of dwellings with planning permission that lapsed [D].

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%
Average (mean)	2,291	1,310	18	1.4%
Year	[A]	[B]	Expected lapse in 2021/22 (net)	Average of [D] (2010-22)
2021/22	1,679	692	9 ⁽³⁶⁾ *	1.4% *

Source: Residential Land Monitoring Statistics Reports (2011-2022)

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

* = calculated with non-rounded figures

3.81 With the exception of 2011/12, 2016/17 and 2018/19, there is a strong correlation between B and C. Notwithstanding this, taking an average between 2011-2022 evens out any peaks and troughs within the historic lapse rate evidence.

3.82 By dividing the averages of C by B, this creates a percentage where it is predicted that 1.4% of dwellings with planning permission that are yet to commence development will lapse ($18 / 1,310 = 1.4\%^{37}$). This can be used to provide a realistic estimate of the number of dwellings with planning permission at 1 April 2022 that will lapse.

³⁶ This is 1.4% of the number of dwellings with planning permission that had not commenced development at 1 April 2022 (692)

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

- 3.83** Of the 1,679 committed dwellings at 1 April 2022 (excluding the Chesterton strategic site, which is assessed separately in Section 3), planning permissions for 692 dwellings have yet to commence development and could potentially lapse. Applying the (non-rounded) 1.4% dwelling percentage to the 692 dwellings enables a robust estimation to be made that 12 dwellings per annum will lapse ($692 \times 1.4\% = 12$). 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, 28 dwellings with planning permission at 1 April 2028 are expected to lapse.
- 3.84** Table 4 illustrates when planning permissions could lapse, as this can vary from year to year. Analysis of the expiry dates of planning permissions shows that 50 dwellings are eligible to lapse in 2022/23, 178 dwellings in 2023/24 and 442 dwellings in 2024/25. It is therefore reasonable to assume that the lapse rate will also vary to reflect this.

Table 4: Expiry date extant planning permissions yet to commence development

	Expiry date of extant planning permissions				
	2022/23	2023/24	2024/25	2025/26	2026/27
Dwellings with extant planning permission yet to commence development	50	178	442	12	10
Percentage of total number of dwellings with extant planning permission yet to commence (692)	7%	26%	64%	2%	1%
Proportion of 28 dwelling lapse rate	2	7	18	1	0

*Percentages may not add up to 100% due to rounding

- 3.85** This method of calculating the lapse rate is endorsed by the Local Plan Inspector in his report on the examination of the Local Plan.

Non-Implementation of Planning Permissions within Five Years

- 3.86** 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.
- 3.87** 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.
- 3.88** Appendix 6 analyses large sites (10 or more dwellings) granted planning permission between 1 April 2006 and 31 March 2022 to calculate the proportion of dwellings that have

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.

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.

- 3.89 It is notable that the 21% average figure takes account of delays to delivery caused by the effects of Brexit, the Covid-19 Pandemic and two economic recessions. Therefore, the historic average provides a comparator that is not overly optimistic and takes account of economic cycles and periods where there were logistical difficulties for house building.
- 3.90 Appendix 6 can be used to check whether the delivery assumptions in the housing trajectory (Appendix 1) are reasonable. At 1 April 2022, there were 1,679 dwellings with planning permission (excluding the Chesterton strategic site, which is considered in detail in Appendix 3).
- 3.91 Of the 1,679 dwelling total, there are 1,143 committed dwellings on large sites. It is estimated in the housing trajectory that 176 dwellings on large sites will be delivered after March 2027. 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. The remaining 60 dwelling capacity of the Land north of Cirencester Road site in Tetbury (ref: 17/04978/FUL) has also been reduced by 40 dwellings to reflect the current development intentions for that site.
- 3.92 The total discount on large sites is 326 dwellings, which is 33% of the total number of dwellings with planning permission on large sites. This is more than 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.
- 3.93 Like large sites, some small sites may not be fully deliverable in five years. Small sites account for 536 of 1,679 dwellings that had planning permission at 1 April 2022 (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 housebuilders generally take longer to complete dwellings than large volume housebuilders;
 - 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;

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

- 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.

3.94 It is estimated that 512 of the 536 dwellings from small sites will be completed in 0-5 years.

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

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

- 326 dwellings with planning permission on large sites;
- 24 dwellings with planning permission on small sites; and
- 28 dwellings with planning permission that, based on historic averages and dwellings with planning permission, are expected to lapse.

3.96 The 378 dwelling total discount is 25% of the 1,529 dwelling committed supply⁴⁰ that could potentially be delivered for the five year period up to March 2027.

3.97 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. However, two allocated sites have planning applications that are currently in the process of being determined⁴¹, which if granted would give planning permission to 55 further dwellings. A further planning application is expected imminently for 46 dwellings on another allocated site⁴². There is a reasonable prospect that these sites will be delivered within five years. However, to add further robustness, these sites have not been included within the five year housing land supply at the present time. This is effectively a further discount.

3.98 In terms of discounts, the Chesterton strategic site is considered in isolation in Appendix 3. A 1,138 dwelling discount has been applied to the 2,350 dwelling planning permission to reflect what can realistically be delivered by 2031.

⁴⁰ Excludes Chesterton strategic site

⁴¹ Dukes Field, Down Ampney – 10 dwellings (ref: 21/00949/FUL); and Northfield Garage, Tetbury – 45 dwellings (ref: 21/00549/FUL)

⁴² Land to rear of Templefields and Crossfields, Andoversford (Local Plan ref: A2)

4. Five Year Supply Calculation

- 4.1 The following methodology for calculating the five year supply was found to be sound through the examination of the Cotswold District Local Plan (2011-2031) and is included in Local Plan Policy DSI⁴³.
- 4.2 Table 6 illustrates the calculation of the District's five year housing requirement, which is based on a residual requirement approach for the remaining years of the plan period. This deducts net completions since 2011 from the requirement for the plan period of 8,400 dwellings.
- 4.3 Policy DSI specifies that the five year requirement will be recalibrated annually to take account of further dwelling completions over the remainder of the plan period with a 5% (or 10% or 20%) buffer added in accordance with the NPPF.
- 4.4 The base date for the five year residual requirement is 1 April 2022. Between 1 April 2011 and 31 March 2022, 5,927 net additional dwellings had been completed in the District. The residual requirement for the remainder of the plan period is therefore 2,473 dwellings (i.e. $8,400 - 5,927 = 2,473$).
- 4.5 Calculating the annual housing requirement requires some rounding of numbers, although the exact numbers are given in the subsequent paragraphs for clarity.
- 4.6 The annualised average residual requirement is 275 dwellings, which is calculated by dividing the total residual requirement by the 9 remaining years of the plan period (i.e. $2,473 / 9$ years = 274.7). This method is similar to the 'Liverpool approach', whereby any shortfall in delivery is equally distributed across the remainder of the plan period.
- 4.7 Multiplying the residual annual requirement by five gives a five year requirement of 1,374 dwellings (i.e. 274.7×5 years = 1,374). The NPPF requires authorities to include a buffer of 5% where there has not been a significant under delivery of housing over the previous three years and the authority does not demonstrate its five year supply through an annual position statement⁴⁴. The five year requirement plus a 5% buffer is therefore 1,443 dwellings (i.e. $1,374 + 69 = 1,443$).
- 4.8 Table 6 demonstrates that the District has a deliverable five year supply of 2,051 dwellings. When measured against the 1,443 dwelling five year supply requirement, which includes the 5% buffer, the District has a five year supply at 1 April 2022 of 7.1 years.

⁴³ Discussed at paragraphs 183-193 of the Inspector's Report.

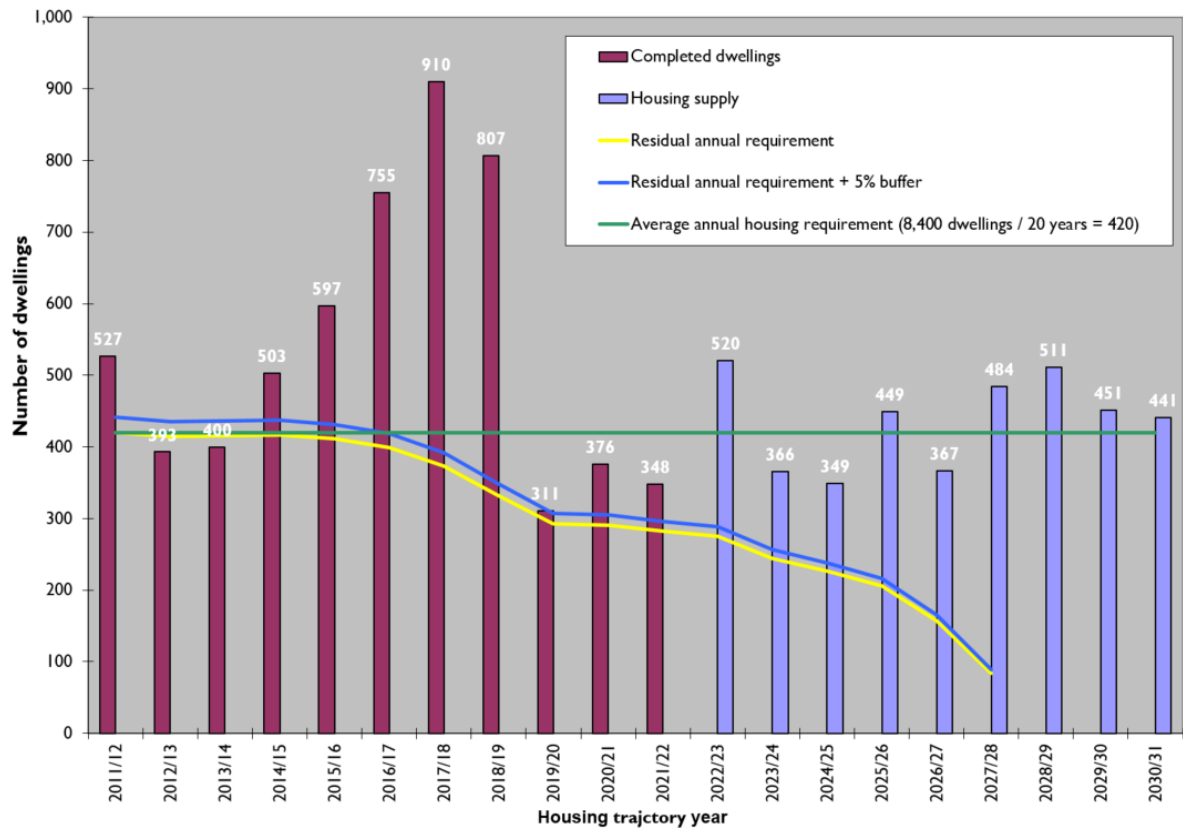
⁴⁴ Cotswold District Council has a Housing Delivery Test score of 201% and, in accordance with NPPF paragraphs 73c and footnotes 39, is not a persistent under deliverer of housing (<https://www.gov.uk/government/publications/housing-delivery-test-2018-measurement>). The Council is also not submitting an annual position statement in 2020.

Table 6: Five Year Housing Land Supply Calculation		
A	Total Residual Requirement for 2022 to 2031 (i.e. 8,400 – 5,927)	2,473
B	Residual requirement for 2022 to 2031 expressed as an annual average (i.e. 2,473 / 9 years)	275*
C	Total residual requirement for 2022 to 2027 (i.e. 275* x 5 years)	1,374*
D	Total residual requirement for 2022 to 2027 plus a 5% buffer (i.e. 1,374* + 69*)	1,443*
E	Residual requirement for 2022 to 2027 (including 5% buffer) expressed as an annual average (i.e. 1,443* / 5 years)	289*
Five Year Supply for 2022 to 2027		
F	Deliverable sites with planning permission or a resolution to permit at 1 April 2022 (including -28 dwelling lapse rate)	1,636
G	Other land allocations	0
H	Windfalls	415
I	Total supply for 2022 to 2027	2,051
J	Supply available at 1 April 2022 expressed as number of years against the residual requirement (including 5% buffer) (i.e. (2,051 / 1,443) x 5 years)	7.1 years

* Figure calculated using non-rounded numbers

- 4.9 Cotswold District's housing land supply is illustrated on a housing trajectory in Figure 2. The housing trajectory also shows the housing completions since 2011; the 'residual requirement'; the residual requirement with a 5% buffer; and the average 420 dwelling per annum 'flat rate' housing requirement across the Local Plan period.
- 4.10 The housing trajectory illustrates the elevated level of housing delivery in the early part of the Local Plan period. It also shows a sustained rate of delivery for the remainder of the Local Plan period, with annual delivery rates ranging between 349 to 520 dwellings.

Figure 2: Housing trajectory



Maintaining a five year housing land supply throughout the Local Plan period

- 4.11 Table 7 demonstrates how a five year supply can be maintained throughout the Local Plan period. The five year supply cannot be calculated after 1 April 2027 as the five year period extends beyond the end of the Local Plan period. However, a healthy five year supply can be demonstrated for each year up to that point.

Table 7: Maintaining a five year housing land supply

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Projected annual supply	520	366	349	449	367	484	511	451	441
Projected 5 year supply	2,051	2,015	2,160	2,262	2,254	–	–	–	–
Residual annual requirement	275	244	227	206	158	–	–	–	–
Residual 5 year requirement	1,374	1,220	1,134	1,032	789	–	–	–	–
Residual 5 year requirement + 5% buffer	1,443	1,281	1,190	1,083	828	–	–	–	–
5 year supply (years)	7.1	7.9	9.1	10.4	13.6	–	–	–	–

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

- 4.12 Table 8 combines the various sources of housing supply – site specific detail is provided in Appendix I. The delivery assumptions are informed by the Residential Land Monitoring Statistics (June 2022) and the Strategic Housing & Economic Land Availability Assessment (September 2021). It is currently estimated that around 9,865 dwellings will be delivered over the Local Plan period.

Table 8: Housing delivery over the Local Plan period (2011-2031)

SETTLEMENTS	Built 01/04/2011 to 31/03/2022	Extant planning permissions at 01/04/2022	Local Plan Allocations (excludes those with planning permission)	Windfalls 01/04/2022 - 31/03/2031	Total housing delivery 2011-2031
Andoversford	73	0	46	–	119
Blockley	42	7	27	–	76
Bourton-on-the-Water	414	20	0	–	434
Chipping Campden	147	108	0	–	255
Cirencester*	1,058	1,290	0	–	2,348
Down Ampney	3	47	30	–	80
Fairford	481	15	0	–	496
Kemble	57	23	8	–	88
Lechlade	107	5	9	–	121
Mickleton	264	1	0	–	265
Moreton-in-Marsh	903	368	0	–	1,271
Northleach	88	1	17	–	106
South Cerney	245	27	0	–	272
Stow-on-the-Wold	222	36	0	–	258
Tetbury	763	79	88	–	930
Upper Rissington	377	44	0	–	421
Willersey	88	3	57	–	148
Outside Principal Settlements	595	667	–	–	1,262
Windfalls between 01/04/2022 - 31/03/2031	–	–	–	943	943
Planning permissions expected to lapse between 01/04/2022 - 31/03/2031	–	–	–	-28	-28
TOTAL	5,927	2,741	282	915	9,865

*Includes 1,212 dwellings from Chesterton strategic site that are expected to be delivered by 31 March 2031. The delivery of the remaining 1,138 dwellings is expected after 2031.

5. Housing Delivery Test

- 5.1 The NPPF requires a Housing Delivery Test, which is a percentage measurement of the number of net homes delivered against the number of homes required in a plan-making authority area.

$$\text{Housing Delivery Test (\%)} = \frac{\text{Total net homes delivered over a three year period}}{\text{Total number of homes required over a three year period}}$$

- 5.2 The NPPF specifies the consequences of the Housing Delivery Test, which are summarised below:

- <75% = Presumption in favour of sustainable development in accordance with paragraph 11d (footnote 8)
- 75 to <85% = 20% buffer on five year housing land supply requirement (paragraph 74c and footnote 41)
- 85 to <95% = Prepare an action plan in line with national planning guidance, to assess the causes of under-delivery and identify actions to increase delivery in future years (paragraph 76).
- ≥95% = Pass

- 5.3 Table 9 shows how the housing delivery in Cotswold District in the past three years compares to the residual requirement for that period.

Table 9: Housing Delivery Test

	Residual annual housing requirement	Completed dwellings	Percentage Delivery
2019/20	292	311	107%
2020/21	291	376	129%
2021/22	282	348	123%
Total	865	1,035	120%

- 5.4 In the past three years, Cotswold District has delivered 120% of its residual housing requirement. The District therefore comfortably passes the Housing Delivery Test.

6. Conclusion

- 6.1 Cotswold District has a supply of specific deliverable sites above its housing requirement for the five year period 1 April 2022 to 31 March 2027. Taking account of a 5% buffer, the District can demonstrate a supply of 7.1 years' worth of deliverable housing sites.
- 6.2 It is estimated that approximately 9,865 dwellings will be delivered in the District over the period of the Cotswold District Local Plan (2011-2031). This is 117% of the 8,400 dwelling housing requirement. This will significantly boost the supply of housing whilst also providing sufficient flexibility to ensure that the District's housing requirement is delivered in full.

- 6.3 Cotswold District also passes the Housing Delivery Test. In the past three years, the District delivered 1,035 dwellings. When measured against a residual housing requirement of 865 dwellings, the Housing Delivery Test score is 120%.