

M4. Housing allocations and land supply

The requirement for a minimum of 2,812 dwellings (148 per year) was considered under matter 2, and the Plan's development management policies relating to various types of residential development are considered under matter 5. This matter is concerned with the housing land supply identified in the Plan which comprises:

- *Sites allocated in the Plan (policy AL01)*
- *Sites under construction or with extant planning permission*
- *Sites allocated in a made neighbourhood plan*
- *Windfalls*

Before looking at each of those components of the housing land supply, the following questions relate to the site selection methodology, flood risk and viability evidence relevant to the housing allocations included in chapter 8 of the Plan.

Viability

Local plans should be informed by a proportionate assessment of viability that takes into account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy and section 106. The assessment should demonstrate that the total cumulative cost of all relevant policies will not undermine deliverability¹.

The Plan is supported by viability assessment which adopted a residual land value approach based on site typologies and three different value areas reflecting market conditions in different parts of the borough². Appendix 1 to the viability assessment report identifies various cost assumptions relating to some of the policies in the Plan.

However, those costs do not seem to be included in the assessment tables in section 8 of the report which sets out the viability results. Paragraph 8.5 states "... we have taken a 'policy off' approach when testing the viability of the schemes ... we have not included any section 106, any other non-mandatory policy costs or any affordable housing".

The Council's response to PQ11 advises that the viability assessment indicates that none of the allocations are likely to be viable if development complies with all policy requirements in the Plan, and that only one is likely to be marginally viable if no policy requirements with additional cost implications are applied. The response goes on to advise that, whilst viability is poor in large parts of the Borough, this has not stopped development taking place in these areas, particularly within the urban areas in M65 Corridor (lower and medium value zones). Furthermore, 5 of the allocations have planning permission, and 2 are under construction.

¹ PPG ID:10 (2019).

² CD/21/01

Viability forms part of the test of whether a site is “deliverable” or “developable” as defined in the NPPF and is therefore addressed in the following questions for each of the allocations.

Housing supply for plan period

The housing land supply information contained in the Plan relates to 1 April 2023. However, the Council’s response to PQ17 includes comprehensive information relating to 1 April 2024³. That updated information is presented in the form of a revised version of the trajectory in Appendix 1 of the Plan and a summary of the evidence referred to national planning policy and guidance relating to each of the housing allocations in the Plan and other sites assumed to contribute towards meeting the five year supply from 1 April 2026⁴.

The housing land supply identified in the submitted Plan for the period 2021 to 2040 comprises⁵:

• Completions 2021-2023	570
• Site allocated in the Plan (policy AL01)	544
• Sites under construction or with planning permission	1,330
• Sites allocated in a made neighbourhood plan	80
• Windfalls (<5 dwellings)	560
• Total	3,084

Figure 8.1 includes a lapse rate of 10% to sites with planning permission; this would reduce the above supply to 2,994.

The updated housing trajectory identifies the following housing land supply for the period 2021 to 2040:

• Completions 2021-2024	690
• Site allocated in the Plan (policy AL01)	550
• Sites under construction or with planning permission	1,206
• Sites allocated in a made neighbourhood plan	94
• Windfalls (<5 dwellings)	520
• Total	3,060

The supply identified in the submitted Plan (3,084) exceeds the minimum requirement for the plan period 2021 to 2040 (2,812) by 272 dwellings or around 10%.

The supply identified in the updated trajectory (3,060) exceeds the minimum requirement for the plan period 2021 to 2040 (2,812) by 248 dwellings or around 9%.

Q4.30. Is there a reasonable prospect that the minimum housing requirement of 2,812 dwellings for the period 2021 to 2040 can be met on land identified in the Plan and the

³ PBC1.2 and PBC1.4.

⁴ NPPF Annex 2 definitions of “deliverable” and “developable” and PPG ID: 3 and PPG ID: 68.

⁵ Appendix 1 Trajectory, and Table 8.1 for completions 2021-2023.

updated trajectory? Specifically:

(a) Is there a reasonable prospect that the sites with planning permission will deliver 1,206 homes, or should a lapse rate be applied?

(b) Is there a reasonable prospect that the allocations in policy AL01 will deliver 550 homes?

(c) Is there a reasonable prospect that the allocations in made neighbourhood plans will deliver 94 homes?

(d) Is there compelling evidence that windfalls will be a reliable source of supply for 520 dwellings?

1. The HBF is concerned that without appropriate evidence it is not possible to determine if the anticipated delivery trajectories in relation to housing are robust. The HBF is concerned that the Council has not provided sufficient evidence in relation to their future supply, allowances for windfalls, allocations, permissions, and to ensure that there is not any double counting within the supply.
2. The HBF does not wish to comment upon the acceptability or otherwise of individual sites. However, the HBF considers it is important that all the sites contained within the plan are deliverable over the plan period, with an appropriate trajectory. The HBF would expect the Council to have the evidence to support the proposed delivery of these sites.
3. The HBF notes that the Government Live Tables⁶ identify that 692 dwellings have been completed in the period 2021/22 to 2023/24.
4. The HBF does not consider that the Council have provided evidence that all of the sites with planning permission will deliver all of the homes proposed, and as such the HBF considers that it is appropriate for the Council to include a lapse rate. It is not unusual for there to be some permissions that do not come forward as expected due to changing circumstances this may lead to permissions and developments being amended, or coming forward at a different rate than expected, or even for proposals for the site to change completely.
5. The HBF considers it is for the Council to demonstrate that there is a reasonable prospect that the allocations in Policy AL01 will deliver 550 homes and that the allocations in made Neighbourhood Plans will deliver 94 homes.
6. The HBF does not consider that the Council have provided compelling evidence, in line with the NPPF⁷, for a small sites windfall allowance rate of 40dpa / 520 dwellings. It is not apparent what evidence the Council have that these sites will continue to come forward and what evidence there is that they will come forward at these rates. Particularly given the

⁶ Table 122 Housing Supply: net additional dwellings by local authority,
<https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>

⁷ NPPF Dec 2023 paragraph 72

viability challenges that the Viability Assessment identifies and the policy requirements that the Council are proposing. The HBF recommends that any windfall allowance is not included within the first three years of the Plan, as it is likely that that would lead to double counting with existing permissions. This may need to be updated in the trajectory as the period 2024/25 has already passed, and 2025/26 is also likely to have passed by the time of adoption.

Five year housing land supply

National planning policy expects local plans to identify specific, deliverable sites for five years following the intended date of adoption. The relevant five year period is, therefore, 1 April 2026 to 31 March 2031.

The most up to date comprehensive housing land supply evidence relates to 1 April 2024⁸. This evidence includes information about site availability, viability, planning status, progress on technical work and other relevant factors as set out in the NPPF and PPG. Based on this, it is necessary to make judgements about how many homes there is a realistic prospect of being built between 2026 and 2031.

The Council's updated housing trajectory indicates that a total of 1,042 dwellings will be completed between 2026 and 2031⁹.

This compares to a requirement for that period of 740 dwellings (148 x 5), or 777 dwellings if a 5% buffer is applied¹⁰, or 888 dwellings if a 20% buffer is applied¹¹.

Q4.31. What buffer, if any, should be applied when calculating the five year housing requirement for the period 2026 to 2031 for the purposes of examining the Plan?

7. The Housing Delivery Test (HDT) 2023 (December 2024) identifies a HDT measurement of 245% for Pendle. The NPPF December 2023 states that where there has been significant under delivery of housing over the previous three years the supply of specific deliverable sites should in addition include a buffer of 20%. It suggests that the under delivery will be measured against the HDT, where this indicates that delivery was below 85% of the housing requirement. This suggests that no buffer would be applied for Pendle, for the purpose of examining the Plan.
8. The HBF does, however, note that from 1st July 2026 for the purpose of decision making a 20% buffer will apply where a local planning authority has a housing requirement adopted

⁸ PBC1.2 and PBC1.4

⁹ PBC1.2 Housing trajectory (summary) for 2026/27 to 2031/32: 248+208+164+218+204 = 1,042.

¹⁰ NPPF February 2025 paragraph 78(a).

¹¹ NPPF December 2023 paragraph 77 and NPPF February 2025 paragraph 78(b) if there has been significant under delivery over the previous three years.

in the last five years examined against a previous version of this Framework, and whose annual average housing requirement is 80% or less of the most up to date local housing need figure calculated using the standard method set out in national planning practice guidance. This change in buffer from 0% for Plan-making to 20% for decision-making could impact on the calculation of the five-year housing land supply as soon as the Plan is adopted, and could leave the Plan in a vulnerable position.

Q4.32. Is there a realistic prospect that a total of 1,042 homes will be built on the land identified in the updated housing trajectory between 1 April 2026 and 31 March 2031? If not, how many dwellings is there a realistic prospect of being built in that five year period?

9. In the period 1 April 2026 and 31 March 2031 the trajectory suggests that 282 dwellings will built on the proposed site allocations; 14 dwellings on neighbourhood plan site allocations; 545 dwellings on permitted major sites with planning permission; 41 dwellings on small sites with planning permission; 160 small site windfall allowance; 1,042 dwellings total.
10. The HBF does not wish to comment upon the acceptability or otherwise of individual sites. However, the HBF considers it is important that all the sites contained within the 5 year housing land supply are deliverable over that period, with an appropriate trajectory. The HBF would expect the Council to have the evidence to support the proposed delivery of these sites. Where sites have been identified as developable rather than deliverable, due to the limited evidence available for them, for example, where a developer is unknown, the Council will need to provide sufficient evidence that they will be brought forward within the timescale proposed, if they are to be included in the supply for the period 1 April 2026 and 31 March 2031.