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1. Introduction

1.1 The Cheshire East Housing Monitoring Update (HMU) provides a comprehensive review of housing delivery and supply across Cheshire East to a base date of the 31 March 2018. The report has been produced having regard to the publication of the revised National Planning Policy Framework (July 2018) and Planning Practice Guidance (including September 2018 revisions) and includes information on:

- Gross and net completions of dwellings for the 2017/2018 monitoring year (01 April 2017 to 31 March 2018) and from the base date of the Cheshire East Local Plan Strategy;

- Details of demolitions and planned demolitions (losses) which impact upon gross completions;

- Sites with detailed planning permission, including details of the sites under construction

- Sites with outline planning permission;

- Strategic sites allocated in the Cheshire East Local Plan Strategy;

- Sites with a resolution to grant planning permission subject to the completion of a S106 legal agreement;

- C2 Uses (residential institutions) for older people: completions and losses;

- Windfall development (9 dwellings or less) by year and a comparison of how this compares to the small sites windfall allowance identified in the Cheshire East Plan Strategy;

- The five year supply calculation, identifying buffers and shortfalls and number of years of supply
1.2 The HMU has been prepared in consultation with key stakeholders, both through Council led workshops and written consultation. Direct contact has also been made with site owners and developers in order to obtain the most up to date evidence available on site progress and delivery for allocated sites and sites with outline planning permission (10 or more dwellings).\(^1\)

1.3 The HMU provides an accurate, robust and up to date picture of housing delivery, current housing commitments and housing supply in the borough and identifies that a supply of specific deliverable sites sufficient to provide 7.2 years worth of housing can be demonstrated.

2. Planning Policy Context

National Planning Policy Framework

2.1 The National Planning Policy Framework (NPPF) was published on the 24 July 2018. Alongside this document, the Housing Delivery Test Measurement Rule Book and a standard method for calculating local housing need was also published.

2.3 The NPPF has a number of implications in terms of the assessment of housing delivery and supply, including guidance on the meaning of ‘significant under-delivery’ and the relevant buffer to be applied to five year housing land supply assessments, a revised definition of deliverable sites, guidance on windfall allowances and the circumstances in which the presumption in favour of sustainable development at paragraph 11 is engaged.

2.4 The Revised NPPF of July 2018 and the accompanying guidance have been taken fully into account in producing this annual report. On 26 October 2018 the Government commenced six weeks consultation on “minor clarifications” to national planning policy on housing land supply. Should the outcome of this consultation necessitate any changes to the report, an update will be published in due course.

\(^1\) See Appendix 4 and 10 for further details
Presumption in favour of sustainable development

2.5 At the heart of the NPPF is the presumption in favour of sustainable development. Paragraph 11 states that for decision taking this means:

approving development proposals that accord with an up-to-date development plan without delay; or

where there are no relevant development plan policies, or the policies which are most important for determining the application are out-of-date, granting permission unless:

i. the application of policies in this Framework that protect areas or assets of particular importance provides a clear reason for refusing the development proposed; or

ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.

2.6 Footnote 7 confirms that relevant planning policies concerning the provision of housing should not be considered up to date in situations where the local planning authority cannot demonstrate a five year supply of deliverable housing sites (with the appropriate buffer, as set out in paragraph 73) or where the Housing Delivery Test indicates that the delivery of housing was substantially below (less than 25% of) the housing requirement over the previous three years².

Monitoring delivery

2.7 Paragraph 75 of the NPPF states that local planning authorities should monitor progress in building out sites which have permission.

² Under transitional arrangements confirmed at Paragraph 215 of the NPPF.
2.8 From November 2018, the delivery of housing will be measured through the Housing Delivery Test (HDT). The HDT result will have a number of implications for decision-taking, including the relevant buffer to be applied to five year housing land supply calculations and the circumstances in which the presumption in favour of sustainable development applies.

2.9 The Housing Delivery Test Measurement Rule Book provides the methodology for calculating the HDT result. The Housing Delivery Test is effectively a percentage measurement of the number of net homes delivered against the number of homes required, over a rolling three year period.

2.10 The number of net homes delivered is taken from the National Statistic for net additional dwellings over a rolling three year period, with adjustments credited for net student and net other communal accommodation. The national statistics are published annually in November.

2.11 The number of net homes required, will be the lower of the latest adopted housing requirement (excluding any previous shortfall) or the minimum annual local housing need figure. Under transitional arrangements, for the financial years 2015-16, 2016-17 and 2017-18, the calculation of the minimum annual local housing need figure will be replaced by household projections only. For Cheshire East, this results in a significantly lower housing figure of 3,100 dwellings for the years 2015-16, 2016-17 and 2017-18, equating to 1,033 dwellings per annum.

Maintaining supply

2.12 Paragraph 73 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, or against their local housing need where the strategic policies are more than five years old. The supply of specific deliverable sites should in addition include a buffer (moved forward from later in the plan period) of:'

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a) 5% to ensure choice and competition in the market for land; or

b) 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

c) 20% where there has been significant under delivery of housing over the previous three years, to improve the prospect of achieving the planned supply

2.13 Footnote 39 confirms that for the purposes of the buffer, that from November 2018, significant under-delivery will be measured against the Housing Delivery Test, where this indicates that delivery was below 85% of the housing requirement.

2.14 Paragraph 74 also states that:

A five year supply of deliverable housing sites, with the appropriate buffer, can be demonstrated where it has been established in a recently adopted plan, or in a subsequent annual position statement which:

a) has been produced through engagement with developers and others who have an impact on delivery, and been considered by the Secretary of State; and

b) incorporates the recommendation of the Secretary of State, where the position on specific sites could not be agreed during the engagement process.

2.15 Footnote 38 explains that a plan adopted between 1 May and 31 October will be considered ‘recently adopted’ until 31 October of the following year; and a plan adopted between 1 November and 30 April will be considered recently adopted until 31 October in the same year.

Definition of ‘deliverable’
2.16 Only those sites which are considered to be deliverable should be included within an assessment of five year housing land supply. Annexe 2 of the NPPF defines deliverable sites as follows:

‘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. Sites that are not major development, and 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 (e.g. they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans). Sites with outline planning permission, permission in principle, allocated in the development plan or identified on a brownfield register should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years.’

2.17 Annex 2 defines sites that are major development as developments of 10 or more houses or a site area of 0.5 hectares or more.

Windfall sites

2.18 Paragraph 70 of the NPPF confirms the approach to be taken to windfall sites:

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.
Planning Practice Guidance

2.19 Updated Planning Practice Guidance (PPG) was issued on the 13 September 2018. The guidance contains relevant information on the preparation of five year housing land supply assessments, including guidance on what evidence is required in terms of the ‘deliverability’ of a site, the use of windfall allowances, buffers, the approach to shortfalls and the information to be included in an annual review.

Five year land supply

2.20 The PPG confirms that a five year supply is a supply of specific deliverable sites sufficient to provide 5 years’ worth of housing and this is measured against the housing requirement set out in adopted strategic policies, where those policies are less than five years old.

2.21 Further guidance is provided on the meaning of ‘deliverable sites’ and the evidence that is required to demonstrate that housing completions will begin on site within 5 years. For those sites with outline planning permission, permission in principle, allocated in a development plan or identified on a brownfield register, where clear evidence is required to demonstrate that housing completions will begin on site within 5 years, this evidence may include:

- any progress being made towards the submission of an application;
- any progress with site assessment work; and
- any relevant information about site viability, ownership constraints or infrastructure provision.

For example:

Paragraph: 036 Reference ID: 3-036-20180913
• a statement of common ground between the local planning authority and the site developer(s) which confirms the developers’ delivery intentions and anticipated start and build-out rates.

• a hybrid planning permission for large sites which links to a planning performance agreement that sets out the timescale for conclusion of reserved matters applications and discharge of conditions.
Buffers

2.22 The PPG confirms that an authority should add one of the following buffers to the housing land supply requirement, depending on circumstances:

- the minimum buffer for all authorities, necessary to apply ensure choice and competition in the market, where they are not seeking to confirm a 5 year land supply (and where there delivery of housing over the previous 3 years, has not fallen below 85% of the requirement) is 5%;

- the buffer for authorities seeking to confirm a 5 year land supply, through an annual position statement or recently adopted plan (and where delivery of housing over the previous 3 years, has not fallen below 85%) is 10%; and

- the buffer for authorities where delivery of housing over the previous 3 years, has fallen below 85% of the requirement, is 20%

Addressing the shortfall

2.23 The PPG advises that the level of deficit or shortfall will need to be calculated from the base date of the adopted plan and should be added to the plan requirements for the next 5 year period (the Sedgefield approach).

2.24 However, if a strategic policy-making authority wishes to deal with past under delivery over a longer period, the PPG advises that a case may be made as part of the plan-making and examination process rather than on a case by case basis on appeal.

Use of assumptions

2.25 The PPG confirms that assumptions can be used to inform 5 year housing land supply assessments where there is no direct information from owners/developers available to inform the assessment. Any assumptions used should be based on clear evidence, consulted upon with stakeholders, including developers, and regularly reviewed and tested against actual performance on
comparable sites. Tables of assumptions should be clear and transparent and available as part of assessments.

Older people’s accommodation completions

2.26 The PPG confirms that older people’s housing completions can be counted against the housing requirement, based on the amount of accommodation released into the housing market. Housing completions data is produced annually by Ministry of Housing, Communities and Local Government (MHCLG) and from November, housing delivery performance will be measured against the Housing Delivery Test Result. This will include a credit for older people’s accommodation.

Student housing completions

2.27 All student accommodation, whether it consists of communal accommodation or self contained dwellings can be counted against the housing requirement, based on the amount of accommodation it releases into the housing market. Housing completions data is produced annually by MCHLG and from November, housing delivery performance will be measured against the Housing Delivery Test Result. This will include a credit for student/communal accommodation.

The Development Plan

2.28 The following documents form the statutory development plan:

- The Cheshire East Local Plan Strategy adopted 27th July 2017
- The saved policies of the Congleton Local Plan, the Crewe and Nantwich Local Plan, the Macclesfield Local Plan, the Cheshire Waste Plan and the Cheshire Minerals Plan.
- Made Neighbourhood Plans.
Emerging plans

2.29 In addition to the above, the following documents will also form part of the development plan once adopted and where relevant, will replace saved policies from the legacy local plans:

- The Site Allocations and Development Policies Document
- The Minerals and Waste Development Plan Document
- Neighbourhood Development Plans currently in progress.

The Cheshire East Local Plan Strategy

2.30 The Cheshire East Local Plan Strategy (CELPS) is a recently adopted plan and it identifies the housing requirement for Cheshire East over the 20 year plan period to 2030. This amounts to 36,000 new dwellings, equivalent to an average of 1,800 dwellings per year. This is the relevant starting point for assessing delivery and calculating five year housing land supply.

2.31 The CELPS housing requirement includes an allowance of 7,100 affordable dwellings (equivalent to 355 dwellings per year) and an allowance of 2,180 dwellings for older people over the plan period.

2.32 Upon adoption of the CELPS, the Examining Inspector concluded that the Local Plan would produce a five year supply of housing land (including the a maximum 20% buffer) stating that “I am satisfied that CEC has undertaken a robust, comprehensive and proportionate assessment of the delivery of its housing land supply, which confirms a future 5-year supply of around 5.3 years”.

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4 Having regard to paragraph 74 and footnote 38 of the NPPF
### Neighbourhood Plans

2.33 As at the 31 March 2018, 15 Neighbourhood Plans had been ‘made’ and form part of the adopted development plan:

- Bunbury
- Brereton
- Audlem
- Sandbach
- Marton
- Holmes Chapel
- Astbury and Moreton
- Goostrey
- Weston and Basford
- Buerton
- Willaston
- Wistaston
- Somerford
- Stapeley and Batherton
- Hulme Walfield and Somerford Booths

2.34 None of the made Neighbourhood Plans allocate sites for housing development. There are a number of additional neighbourhood plans progressing within the Borough which may identify sites for allocation. Any sites subsequently allocated through Neighbourhood Plans will be identified in future Housing Monitoring Update Reports where there is evidence to support their inclusion.

### Cheshire East Site Allocations and Development Policies Document

2.35 The Pre-Publication Draft Site Allocations and Development Policies Document (SADPD) was published for six weeks of public consultation between the 11th September and 22nd October 2018.

2.36 The draft SADPD proposes the allocation of an additional 18 sites for housing development and around 560 new homes. Together, the CELPS and the
SADPD will ensure that the borough’s overall housing requirement up to 2030 will be met in full. Any sites that are allocated through the adoption of the SADPD will be identified in future HMU Reports.

3. **Methodology**

3.1 The Council prepares its assessment of housing delivery and supply on an annual basis in accordance with Paragraph 73 of the NPPF. There are number of stages involved in producing the updated assessment and these are summarised below.

**Stage 1: Data gathering**

3.2 The following sources of information are collated in order to produce the various tables within the update report and associated appendices:

**Housing completions and commencements**

3.3 The following sources of data are used to track the commencement of development sites and completions:

- Monthly Building Control Reports relating to commencements, initial notices and completions
- National House Building Council (NHBC) data
- Council Tax records
- Reports from Registered Providers on Affordable Housing Completions
- Site visits where necessary, including discussions with sales staff.

3.4 The Council’s housing monitoring database is updated regularly with losses, commencements and individual plot completions being recorded for each development site.
Planning permissions

3.5 The initial source of data for planning permissions is the weekly lists of planning decisions which are available on the Council’s website. In addition, committee agendas, minutes and appeal decision are monitored. From these sources, details of all planning permissions that include residential dwellings (both losses and gains) are recorded on the housing monitoring database. A unit is counted as a loss or a gain, if it is:

- A new self contained dwelling
- Self contained student accommodation
- Self contained older person’s accommodation
- Older person’s bed spaces
- Communal accommodation, such as student accommodation or houses in multiple accommodations. These are currently counted as a single unit
- The conversion of an existing dwelling to more or fewer dwellings
- The change of use of a building to residential use
- The change of use from residential use to another use class
- A permanent permission for Gypsy and Traveller pitch(es)

Lapsed/ expired permissions

3.6 Any planning permissions that have either lapsed or expired during the monitoring period are removed from the list of commitments. The level of expired permissions varies year to year, however many sites with lapsed permissions return to the supply at a later date following subsequent re-submissions.

3.7 A lapse rate or averaged deduction for expired permissions is not applied to the 5 year supply calculation. Sites identified within the 5 year supply
assessment are considered to be deliverable, having regard to Annexe 2 of the NPPF. For those sites where there is clear evidence housing completions will not occur within 5 years, these sites are removed from the assessment of 5 year supply.

**Older people’s housing**

3.8 The PPG provides guidance in relation to the counting of older people’s housing completions against the council’s housing requirement.

3.9 The Council’s assessment of housing need of 36,000 new dwellings over the plan period includes within it a requirement for older people’s accommodation, of 2,180 dwellings (which could be provided as self contained dwellings or bedspaces). Any development that provides self contained accommodation or bedspaces for older people is therefore included within the council’s assessment of delivery and supply.

3.10 Information on completions and losses of bedspaces provided in residential institutions is provided in Appendix 2.

3.11 From November 2018, the Council’s performance in terms of housing completions will be measured against the Housing Delivery Test Result, published by MHCLG. The MHCLG figure will separate out any communal accommodation from the net additional dwellings figure for the purposes of calculating the Housing Delivery Test and will then apply an amount of ‘credit’ for that accommodation.

3.12 It should be noted that the figures for net completions reported within the annual housing monitoring update may therefore differ to those published by MHCLG. This is because the HDT separates out communal accommodation from the net completions figure before applying the relevant credit.

**Student housing**

3.13 The PPG confirms that student completions can be counted towards the council’s housing requirement, depending on the number of homes they
release into the housing market. Currently there are no student completions recorded or included within the assessment of 5 year housing land supply.

**Brownfield Land Register**

3.14 The Council’s published Brownfield Land Register is reviewed during the production of the annual assessment to ascertain whether there are any additional sites (without existing commitments) that are deliverable and therefore capable of being included within the supply of sites.

**Completions and commitments for strategic allocations**

3.15 The CELPS allocates some 990 hectares of land for housing and in excess of 18,000 new dwellings across 43 strategic allocations. To ensure no double counting, care is taken to ensure that any commitments and completions that relate to strategic allocations are identified separately.

**Completions and commitments in strategic locations**

3.16 The CELPS identifies two strategic locations for housing growth, namely Central Crewe and Central Macclesfield. These are broadly defined areas of land with the capacity to deliver housing through redevelopment of brownfield land and windfall sites. The CELPS identifies an expected level of growth for LPS1: Central Crewe of 400 dwellings and for LPS 12: Central Macclesfield, 500 dwellings.

3.17 To ensure that there is no double counting within the supply for Central Crewe and Macclesfield, the forecast completion of 27 dwellings per year for Central Crewe and 33 dwellings per year for Central Macclesfield is applied from year 4 onwards. For years 1 to 3 it is assumed that delivery will take place from existing commitments.

**Small sites windfall allowance**

3.18 The adopted CELPS includes an allowance for small windfall sites (9 dwellings or less) of 125 dwellings per annum. To avoid double counting, no allowance is made for small sites windfall for the first three years of any five
Stage 2: Forecasting delivery

3.19 The annual Housing Monitoring Update provides a complete list of all sites that include the provision of new housing. Forecasting of delivery for each site is undertaken annually and anticipated timescales for first completions and annual build rates are produced for each site. The report has been prepared in consultation with key stakeholders involved in the delivery of housing sites within the borough, through written consultation and workshops. This engagement is undertaken to ensure that the report and any forecasting assumptions made about the delivery of sites is informed by parties directly involved in delivery. Further details of the consultation undertaken can be found at Appendix 4.

3.20 Not all sites identified in the list of commitments are included in the five year housing land supply. Only those sites that are deliverable, being available, suitable and achievable with a realistic prospect that housing will be delivered on the site within five years are included within the assessment of five year housing land supply.

3.21 In accordance with the NPPF, all sites of less than 10 dwellings and sites with detailed planning permission are considered deliverable until the planning permission expires, unless there is evidence that homes will not be delivered within five years.

3.22 For all other sites, including outline sites (10 or more dwellings), sites with permission in principle, sites allocated in the development plan or identified on a brownfield register, evidence is collated to ensure that delivery forecasts are robust. Information is gathered from a range of sources including:

- Direct correspondence with agents, landowners and developers to obtain information on site progress and delivery
- Tracking of any subsequent applications including discharge of conditions
- Pre-application submissions
- Advertising and marketing information for development sites
- Phasing and development schedules that accompany planning applications
- Site visits, where necessary, to note the level of progress

3.23 Forecasting assumptions that were made about all sites in the previous Housing Monitoring Update have been reviewed. This ensures that the latest available evidence is used to forecast lead in times and delivery rates.

Use of assumptions

3.24 Evidence is collated to support forecasting for those sites allocated for residential development in the CELPS and sites with outline planning permission for 10 or more dwellings. If there is insufficient evidence to support the inclusion of sites with outline planning permission or allocated sites within the five year supply, these sites are removed from the forecasting sheets. Unless there is evidence to the contrary, all sites with full planning permission or sites of less than 10 dwellings are considered to be deliverable.

3.25 Where there is no site specific evidence available, a set of standard assumptions is applied to lead in times and build rates having regard to the size of site and progress made through the planning process. These assumptions are reviewed and tested annually. Further information on the testing of the standard assumptions is provided at Appendix 4 & 5. The updated set of standard assumptions is shown in Table 3.1.
### Table 3.1 Standard lead in times and build rates

<table>
<thead>
<tr>
<th>Site Status</th>
<th>Site Size / Number of Dwellings</th>
<th>Less than 10 homes</th>
<th>11-50 homes</th>
<th>51-100 homes</th>
<th>101-500 homes</th>
<th>500+ homes</th>
<th>Lead in time to first completion</th>
<th>Build Rate p/a</th>
<th>Lead in time to first completion</th>
<th>Build Rate p/a</th>
<th>Lead in time to first completion</th>
<th>Build Rate p/a</th>
<th>Lead in time to first completion</th>
<th>Build Rate p/a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under construction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Start at Year 1</td>
<td></td>
<td></td>
<td></td>
<td>37</td>
<td>All delivered within five years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full Planning Permission / Reserved Mats</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Start at Year 2</td>
<td></td>
<td></td>
<td></td>
<td>37</td>
<td>All delivered within five years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outline Planning Permission</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Start at Year 3</td>
<td></td>
<td></td>
<td></td>
<td>15</td>
<td>25</td>
<td>37</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sites with Resolution to Grant (awaiting s.108)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Start at Year 4</td>
<td></td>
<td></td>
<td></td>
<td>15</td>
<td>25</td>
<td>37</td>
<td></td>
<td></td>
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<tr>
<td>Allocated sites</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Start at Year 5</td>
<td></td>
<td></td>
<td></td>
<td>N/A</td>
<td>15</td>
<td>25</td>
<td>37</td>
<td></td>
</tr>
</tbody>
</table>

* Build rates may be increased if more than one developer is known to be on site.
4. Completions

Gross completions

4.1 For the 2017/2018 monitoring year, gross completions amounted to some 2,405 dwellings. Within this figure, a gross total of 23 older person’s bedspaces were completed within the borough. A detailed breakdown of completions can be found at Appendix 1.

Losses

4.2 The number of dwellings recorded as losses/demolitions for the monitoring period 1 April 2017 to 31 March 2018 is 84 dwellings. These losses are made up of the demolition of dwellings, change of use to other non residential uses, and conversion of existing dwellings. In this period there were no older person’s bedspaces/communal accommodation recorded as losses.

Net completions

4.3 Net completions for 2017 – 2018 amounted to 2,321 dwellings, this figure includes 23 older person’s bedspaces.

4.4 Table 4.1 shows the level of net completions that have taken place since the beginning of the plan period, compares this to the CELPS annual housing requirement and identifies any shortfall in delivery.
<table>
<thead>
<tr>
<th>Year</th>
<th>Completions</th>
<th>OAN</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010/11</td>
<td>659</td>
<td>1800</td>
<td>-1,141</td>
</tr>
<tr>
<td>2011/12</td>
<td>778</td>
<td>1800</td>
<td>-1022</td>
</tr>
<tr>
<td>2012/13</td>
<td>614</td>
<td>1800</td>
<td>-1186</td>
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<tr>
<td>2013/14</td>
<td>713</td>
<td>1800</td>
<td>-1087</td>
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<tr>
<td>2014/15</td>
<td>1,236</td>
<td>1800</td>
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<tr>
<td>2015/16</td>
<td>1,473</td>
<td>1800</td>
<td>-327</td>
</tr>
<tr>
<td>2016/17</td>
<td>1,762</td>
<td>1800</td>
<td>-38</td>
</tr>
<tr>
<td>2017/18</td>
<td>2,321</td>
<td>1800</td>
<td>+521</td>
</tr>
<tr>
<td>TOTAL</td>
<td>9,556</td>
<td>14,400</td>
<td>4844</td>
</tr>
</tbody>
</table>

4.5 Net completions for 2017/18 exceeded the annual CELPS housing requirement of 1,800 dwellings per annum by 521 dwellings, reducing any shortfall from previous years of under-delivery. Housing delivery in 2017/2018 was over 30% higher than the previous monitoring year, showing a continued positive direction of travel.

4.6 The adoption of the CELPS in July 2017 is likely to have provided greater certainty to landowners and developers in bringing forward allocated sites (including those removed from the Green Belt) and in delivering sites which already benefit from planning permission/resolutions to grant.
Housing Delivery Test

4.7 From November 2018, performance on housing delivery will be measured against the Housing Delivery Test result. An indicative calculation of the Housing Delivery Test Result is provided at Appendix 9. Housing delivery over the previous three years has exceeded both the adopted housing requirement and the lower local housing need figure. This has implications for the relevant buffer to be applied to the calculation of the five year housing land supply requirement.

Monitoring the windfall allowance

4.8 The NPPF states that 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.

4.9 The adopted CELPS included an allowance for small sites windfall (9 dwellings or less) of 125 dwellings per annum. These windfall allowances are applied from year 4 onwards to avoid double counting of existing commitments.

4.10 The small sites allowance added into the assessment of 5 year housing land supply has been maintained at 125 dwellings per annum and counted from year 4 onwards.

4.11 Evidence shows during the 2017/2018 monitoring year, excluding Crewe and Macclesfield, there were 238 net completions on small windfall sites across Cheshire East. Average net completions over the previous 3 years amounts to 222 dwellings demonstrating that delivery has been significantly higher than the annual allowance of 125 dwellings.

4.12 The five year forecast is therefore very cautious in relation to the contribution made by small sites windfall. It is highly likely that further small sites will come forward within any five year period, providing additional sources of supply.
### Table 4.3 Small sites windfall completions (net)

<table>
<thead>
<tr>
<th>Year</th>
<th>Cheshire East</th>
<th>Crewe</th>
<th>Macclesfield</th>
<th>Cheshire East (excluding Crewe and Macclesfield)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009/10</td>
<td>134</td>
<td>36</td>
<td>7</td>
<td>91</td>
</tr>
<tr>
<td>2010/11</td>
<td>172</td>
<td>30</td>
<td>19</td>
<td>23</td>
</tr>
<tr>
<td>2011/12</td>
<td>173</td>
<td>38</td>
<td>20</td>
<td>115</td>
</tr>
<tr>
<td>2012/13</td>
<td>204</td>
<td>39</td>
<td>45</td>
<td>120</td>
</tr>
<tr>
<td>2013/14</td>
<td>173</td>
<td>56</td>
<td>25</td>
<td>92</td>
</tr>
<tr>
<td>2014/15</td>
<td>194</td>
<td>35</td>
<td>34</td>
<td>125</td>
</tr>
<tr>
<td>2015/16</td>
<td>297</td>
<td>44</td>
<td>41</td>
<td>212</td>
</tr>
<tr>
<td>2016/17</td>
<td>303</td>
<td>35</td>
<td>53</td>
<td>215</td>
</tr>
<tr>
<td>2017/18</td>
<td>320</td>
<td>44</td>
<td>38</td>
<td>238</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1970</strong></td>
<td><strong>357</strong></td>
<td><strong>282</strong></td>
<td><strong>1231</strong></td>
</tr>
</tbody>
</table>

5. **Housing supply**

5.1 The potential supply of new housing to meet the planned requirement of 36,000 new dwellings over the plan period is made up of the following sources:

- Sites in the planning process, including extant commitments and planning applications with a resolution to grant subject to the completion of a S106 agreement
- Strategic sites allocated in the CELPS
- Where applicable, site allocations set out in made Neighbourhood Development Plans (none at present)
• Small sites windfall allowance

• Sites without planning permission identified on the Council’s Brownfield Land Register (none at present)

5.2 A table of all the sites that contribute towards the housing supply is provided at Appendix 3.

**Sites with planning permission/ resolution to grant**

5.3 As at the 31 March 2018, commitments on sites in the planning process (excluding strategic sites) amounted to 10,543 dwellings (net). This information is included within Appendix 3.

**Strategic sites**

5.4 As at 31 March 2018, commitments on strategic sites amounted to 11,338 dwellings (net). This represents a 27% increase in commitments on strategic sites since the 2016/2017 monitoring year. This information is included within Appendix 3.

**Small scale windfall allowance**

5.5 An allowance of 125 dwellings per annum is applied to years 4 & 5 of the five year housing land supply calculation.

**Contribution from LPS1 Central Crewe and LPS 12 Central Macclesfield**

5.6 An annual allowance of 27 dwellings and 33 dwellings respectively is applied for LPS1 and LPS12 respectively to years 4 & 5 of the five year housing land supply calculation.

**Sites without planning permission identified in the Brownfield Land Register**

5.7 The Council published its Part 1 Brownfield Land Register on the 18 December 2017. The Register comprises of a list of brownfield sites that have been assessed as suitable, achievable and deliverable for residential
development, having regard to the criteria contained within the Town and Country Planning (Brownfield Land Register) Regulations 2017.

5.8 National planning guidance advises that sites included within the Brownfield Land Register can count towards 5 year supply where there is clear evidence that housing completions will begin on site within five years.

5.9 The Council’s Brownfield Land Register (December 2018) primarily includes sites with planning permission, which are already included as commitments in this report. However two further sites without planning permission have been assessed as suitable, achievable and deliverable in Part 1 of the Register, namely:

- Whalley Hayes, Macclesfield – site capacity of 65 dwellings
- Northside, Macclesfield – site capacity of 29 dwellings

5.10 At present, neither of these sites are currently included within the five year supply assessment. However they are additional sources of supply that could come forward within the five year period.

Summary of sources of supply

At the 31st March 2018, commitments across Cheshire East amounted to 21,881 dwellings.

5.11 Table 5.1 shows that commitments have continued to increase since the last published assessment made at 31 March 2017.
Table 5.1: Comparison in commitments from Appendix A of the CELPS

<table>
<thead>
<tr>
<th>Base date of Assessment</th>
<th>Commitments (net)</th>
<th>Commitments on strategic sites (net)</th>
<th>Total (net)</th>
<th>Difference from previous year total</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 March 2016</td>
<td>10,822</td>
<td>6,402</td>
<td>17,224</td>
<td>-</td>
</tr>
<tr>
<td>31 March 2017</td>
<td>11,477</td>
<td>8,904</td>
<td>20,381</td>
<td>+3,157 dwellings</td>
</tr>
<tr>
<td>31 March 2018</td>
<td>10,542</td>
<td>11,409</td>
<td>21,951</td>
<td>+1,570 dwellings</td>
</tr>
</tbody>
</table>

6. Calculation of the five year housing land supply requirement

The five year housing land supply requirement is 12,630 net additional dwellings.

6.1 CELPS Policy PG 1 Overall Development Strategy establishes that over the plan period 2010 to 2030 the plan will deliver a minimum of 36,000 new dwellings (net). This equates to an annual requirement of 1,800 dwellings. This is the starting point for the calculation of the five year housing land supply figure.

The basic 5 year requirement

<table>
<thead>
<tr>
<th>Annual Housing Requirement (OAN)</th>
<th>Basic 5 year requirement</th>
<th>Sub-Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1800</td>
<td>1800 x 5</td>
<td>9000</td>
</tr>
</tbody>
</table>
Factoring in the Shortfall

6.2 The shortfall is the number of dwellings that have not been completed compared to what has been required in terms of the plan target.

6.3 The PPG advises that any shortfall in delivery should normally be addressed during the next 5 year period (Sedgefield approach). If an authority wishes to address the shortfall over a longer period, the PPG states that this should be agreed as part of a local plan examination and not on a case by case basis at planning appeals.

6.4 The Council’s agreed approach to tackling the shortfall is to apportion previous years of under-delivery over an eight years period known as ‘Sedgepool 8’. This was agreed through the CELPS examination and is therefore in line with the approach endorsed by the PPG.

6.5 The apportionment of the shortfall over 8 years is shown in Table 6.2 below.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4844</td>
<td>606</td>
<td>606</td>
<td>606</td>
<td>605</td>
<td>3029</td>
<td>605</td>
<td>605</td>
<td>605</td>
<td>605</td>
</tr>
</tbody>
</table>

6.6 For illustrative purposes, a 5 year housing land supply assessment which apportions the shortfall over a 5 year period (Sedgefield) is shown at Appendix 8.

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5 Paragraph: 044 Reference ID: 3-044-20180913
Addition of a buffer

6.7 In accordance with the NPPF, the supply of specific deliverable sites should also include a buffer (moved forward from later in the plan period) of:

- 5% to ensure choice and competition in the market for land; 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

6.8 From November 2018, significant under delivery will be measured against the Housing Delivery Test, where this indicates that delivery was below 85% of the housing requirement measured over a rolling three year period.

6.9 Cumulative net completions over the years 2015-2016, 2016-2017 and 2017-2018 have exceeded the rolling three year requirement for both the adopted housing requirement and the local housing need figure. Therefore a five per cent NPPF buffer is applied to the calculation of the five year housing land supply requirement at this time.
Five year supply requirement

6.10 Table 6.3 shows how the five year supply requirement is calculated.

<table>
<thead>
<tr>
<th>Table 6.3 Five year housing land supply requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Requirement</td>
</tr>
<tr>
<td>Shortfall</td>
</tr>
<tr>
<td>Subtotal</td>
</tr>
<tr>
<td>5% buffer</td>
</tr>
<tr>
<td>5 year total</td>
</tr>
<tr>
<td>Annual requirement</td>
</tr>
</tbody>
</table>

7. Sites included within the assessment of five year housing land supply

7.1 As identified in Table 5.1, commitments at the 31 March 2018 stood at some 21,881 dwellings. However, not all sites are counted towards the assessment of five year housing land supply. Only those sites that are considered to be deliverable with a realistic prospect that housing will be delivered on the site within five years are included within the 5 year supply assessment.

7.2 Sites with full planning permission and small sites (under 10 dwellings) are considered deliverable until the planning permission expires, unless there is evidence that homes will not be delivered within five years.

7.3 For all other sites, including outline planning permissions (10 dwellings or more) and allocated sites without existing commitments and sites identified in the brownfield register, site specific evidence is collated to support forecasting. This information can be found at Appendix 10.
7.4 Appendices 6 & 7 provide forecasting information on a site by site basis. Table 7.1 provides a summary of the sources of sites that are included within the 5 year housing land supply assessment.

<table>
<thead>
<tr>
<th>Status of site</th>
<th>Non Strategic sites</th>
<th>Strategic sites</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homes forecast on allocated sites currently without planning permission</td>
<td>2038</td>
<td>2038</td>
<td></td>
</tr>
<tr>
<td>Sites awaiting S106</td>
<td>137</td>
<td>1497</td>
<td>1634</td>
</tr>
<tr>
<td>Sites with outline planning permission</td>
<td>1766</td>
<td>1743</td>
<td>3509</td>
</tr>
<tr>
<td>Sites with full planning permission</td>
<td>2983</td>
<td>599</td>
<td>3582</td>
</tr>
<tr>
<td>Homes yet to be completed on sites that are already under construction</td>
<td>4700</td>
<td>2537</td>
<td>7237</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>9586</strong></td>
<td><strong>8414</strong></td>
<td><strong>18,000</strong></td>
</tr>
<tr>
<td>Sites identified in the Brownfield Land Register (without planning permission)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Small sites windfall allowance</td>
<td>250</td>
<td>N/A</td>
<td>250</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>250</strong></td>
<td><strong>N/A</strong></td>
<td><strong>18250</strong></td>
</tr>
</tbody>
</table>

8. **Five year housing land supply position**

8.1 Five year housing land supply as at 31 March 2018 is based on a five year requirement of 12,630 new dwellings (see Table 6.3) and a five year deliverable housing land supply of 18,250 dwellings (see Table 7.1). This equates to a **7.2 year** supply.