

Appendix D – Housing Requirement Calculations

- 1.1 The Council has now updated its monitoring information to 1st April 2022, including completions for the 2021/22 monitoring year. The shortfall and resulting housing requirement for the remaining plan period has been updated based on this new information.
- 1.2 This note sets out the residual housing requirement and the 10 year housing supply that would need to be met from identified sites and broad locations for the remaining plan period based on the Full Objectively Assessed Housing Need (FOAHN) of 760 dwellings per annum for both a start date for the 10 year supply of 1st April 2022 and a start date of 1st April 2023.
- 1.3 The Inspector's report EX274 sets out his conclusion on the FOAHN and the housing requirement for the plan period being 2016-36 of 15,200 dwellings with an average of 760dpa. Completions during the plan period to 31st March 2022 equate to 2,731 dwellings (this is a net figure) resulting in **a residual requirement for 12,469 dwellings** for the plan period **an average of 890.6 dpa**.
- 1.4 The 5th bullet point paragraph 16 of the Inspector's letter EX274 states that the average residual requirement will be the basis for assessing future 5 year housing land supply calculations. It is presumed that this would also form the basis for the calculation of the 10 year housing land supply requirement which would also need to incorporate the buffer. Government policy requires that the buffer is brought forward from the latter part of the plan period. This results in the following calculation set out below:
 - Average annual requirement of 890.6 dwellings x 10 = 8,906
 - Plus the buffer of 890.6 dwellings = 9,796.6
 - - 494.8 dwellings brought forward from year 6-10 (with the remaining 395.8 to be deducted from years 11-14) = 9,301.8
 - Residual requirement = **9,302**

Table 1 Residual Requirement

Housing Requirement	Completions 16/17 - 21/22	Years 1-5 (2022/23-2026/27)	Years 6-10 (2027/28-2031/32)	Years 11-14 (2032/33-2035/36)	Total residual requirement	Total Years 1-10
Target		4,453	4,453	3,563		
Buffer (20%)		890.6	-494.8	-395.8		
Total Required	2,731	5,343.6	3,958.2	3,167.2	12,469	9,301.8

1.5 However, any identified shortfall needs to be addressed in the first five years where possible in accordance with the Sedgefield methodology. Other approaches can be used where this is not possible.

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1.6 In the six years since the start of the plan period (1st April 2016 to 31st March 2022), housing completions have totalled **2,731** dwellings against a requirement of 4,560 dwellings (6x760). The resulting shortfall of 1,829 dwellings will need to be made up in future years.

1.7 This shortfall is higher than previously forecast and therefore the residual housing requirement will be higher than presented previously.

1.8 A 20% buffer has also been applied reflecting under delivery of housing in Welwyn Hatfield in recent years. The buffer is applied to the requirement for the first five years including the shortfall, as specified in the July 2019 Housing Supply and Delivery Planning Guidance¹. The buffer has been moved forward from years 6-14.

1.9 The Sedgefield methodology for calculating housing land supply makes up the shortfall in the first five years. The housing requirement using this methodology is presented in Table 2.

¹ Housing Supply and Delivery Guidance, Paragraph 022, July 2019 - <https://www.gov.uk/guidance/housing-supply-and-delivery#calculating>

Table 2 Housing Requirement - Shortfall made up in years 1-5 (Sedgefield)

Housing Requirement	Completions 16/17 - 21/22	Years 1-5 (2022/23-2026/27)	Years 6-10 (2027/28-2031/32)	Years 11-14 (2032/33-2035/36)	Total Years 1-10	Total Plan period
Completions	2,731					
Target (760 dpa)	4,560	3,800	3,800	3,040		
Shortfall	1,829	1,829	N/A	N/A		
Buffer (20%)	-	1,125.8	-625.4	-500.4		
Total	2,731	6,754.8	3,174.6	2,539.6	9,929.4	15,200

1.10 Using the Sedgefield method, over the first ten years of the plan period (in which a supply of specific developable sites needs to be identified) the requirement is for 9,929 dwellings. The five year housing supply requirement would be 6,755 dwellings. The Council has been reviewing evidence around the deliverability of sites, and the latest evidence indicates that the shortfall could not be made up in the first five years even if all potential sites were allocated.

1.11 However, the shortfall could potentially be made up in years 6-10. This would result in a requirement for the first ten years of 9,767 dwellings and a five year housing supply requirement of 4,560 dwellings.

Table 3: Housing Requirement - Shortfall made up in years 6-10

Housing Requirement	Completions 16/17 - 21/22	Years 1-5 (2022/23-2026/27)	Years 6-10 (2027/28-2031/32)	Years 11-14 (2032/33-2035/36)	Total Years 1-10	Total Plan period
Completions	2,731					
Target (760 dpa)	4,560	3,800	3,800	3,040		
Shortfall	1,829	N/A	1,829	N/A		
Buffer (20%)		760.0	-422.2	-337.8		
Total	2,731	4,560	5,207	2,702	9,766.8	15,200

1.12 A commonly used alternative to the Sedgefield methodology for calculating housing land supply is the Liverpool approach, which makes up the shortfall over the whole plan period. Table 4 below presents the housing requirement using the Liverpool approach. The requirement for the first ten years is 9,302 dwellings and the five year housing supply requirement is 5,344 dwellings.

Table 4: Housing Requirement - Shortfall made up across years 1-14 (Liverpool Method)

Housing Requirement	Completions 16/17 - 21/22	Years 1-5 (2022/23-2026/27)	Years 6-10 (2027/28-2031/32)	Years 11-14 (2032/33-2035/36)	Total Years 1-10	Total Plan period
Completions	2,731					
Target (760 dpa)	4,560	3,800	3,800	3,040		
Shortfall	1,829	653.2	653.2	522.6		
Buffer (20%)		890.6	-494.8	-395.8		
Total	2,731	5,343.9	3,958.4	3,166.7	9,302.3	15,200

1.13 The first two approaches set out in Table 2 and 3 exceed the 10 year dwelling requirement which would apply if the standard methodology for assessing local housing need were to be applied. The standard methodology is currently 888 dwellings per annum and is anticipated to rise to 892 dwellings per annum in 2025, assuming there is no change in approach in the NPPF or accompanying government guidance.

1.14 Both the Liverpool methodology and the standard methodology result in similar 'to find figures' for the ten year period. The ten year requirement figures are lower than the approach set out in Table 2 but higher for the first five years of the plan period. It is interesting to note that the use of the Liverpool methodology results in figures very similar to the standard methodology as set out below in Table 5 below.

Table 5: Standard Methodology - target of 888dpa and 892dpa, no shortfall as incorporated into affordability ratio

Housing Requirement	Years 1-5 (2022/23-2026/27)	Years 6-10 (2027/28-2031/32)	Years 11-14 (2032/33-2035/36)	Total Years 1-10	Total Years 1-14
Target (888 dpa)	4,440	4,440	3,552		
Buffer (20%)	888	-493.3	-394.7		
Total Required (888 dpa)	5,328	3,947	3,157	9,275	12,432
Target (892 dpa)	4,460	4,460	3,568		
Buffer (20%)	892	-495.6	-396.4		
Total Required (892 dpa)	5,352	3,964	3,172	9,316	12,488

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1.15 The same exercise has been carried out for a later start date. An estimate of 613 dwelling completions for 2022/23 has been used as the basis for calculating the increase in the shortfall that would need to be carried forward. Completions would therefore increase from 2,731 to 3,344 and the shortfall from **1,829 to 1,976**.

1.16 The shortfall has then been used to calculate both the Sedgefield and Liverpool approaches as well as two other approaches relating to making up the shortfall in years 1-10 and 6-10.

Table 6: Shortfall is made up in years 1-5 (Sedgefield methodology)

Housing Requirement	Estimate Completions 16/17 - 22/23	Years 1-5 (2023/24 - 2027/28)	Years 6-10 (2028/29- 2032/33)	Years 11-13 (2033/34- 2035/36)	Total Years 1-10	Total Years 1-13
Target		3,800	3,800	2,280		
Shortfall		1,976	N/A	N/A		
Buffer (20%)		1155.2	-722.0	-433.2		
Total Required	3,344	6,931.2	3,078.0	1,846.8	10,009.2	11,856.0

Table 7: Shortfall is made up in years 1-10

Housing Requirement	Estimate Completions 16/17 - 22/23	Years 1-5 (2023/24 - 2027/28)	Years 6-10 (2028/29- 2032/33)	Years 11-13 (2033/34- 2035/36)	Total Years 1-10	Total Years 1-13
Target (760 dpa)		3,800	3,800	2,280		
Shortfall		988	988	N/A		
Buffer (20%)		957.6	-598.5	-359.1		
Total Required	3,344	5,745.6	4,189.5	1,920.9	9,935.1	11,856.0

Table 8: Shortfall is made up in years 6-10

Housing Requirement	Estimate Completions 16/17 - 22/23	Years 1-5 (2023/24 - 2027/28)	Years 6-10 (2028/29- 2032/33)	Years 11-13 (2033/34- 2035/36)	Total Years 1-10	Total Years 1-13
Target		3,800	3,800	2,280		
Shortfall		N/A	1,986	N/A		
Buffer (20%)		760.0	-475.0	-285.0		
Total Required	3,344	4,560.0	5,301.0	1,995.0	9,861.0	11,856.0

Table 9: Shortfall made up in years 1-13 (Liverpool methodology)

Housing Requirement	Estimate Completions 16/17 - 22/23	Years 1-5 (2023/24 - 2027/28)	Years 6-10 (2028/29- 2032/33)	Years 11-13 (2033/34- 2035/36)	Total Years 1-10	Total Years 1-13
Target		3,800	3,800	2,280		
Shortfall		760.0	760.0	456.0		
Buffer (20%)		912.0	-570.0	-342.0		
Total Required	3,344	5,472.0	3,990.0	2,394.0	9,462.0	11,856.0

Conclusions

- 1.17 The housing requirement for the ten year period varies from 9,300 to 10,074 depending on the assumptions and the date of adoption. Appendix C demonstrates that there are insufficient sites to meet the targets for the five years associated with the Sedgefield approach in either of the scenarios set out in Tables 2 and 6. It is also questionable whether the market would deliver the numbers involved which, because firstly supply for years 1-2 will essentially come from known commitments and secondly this would result in levels of delivery significantly higher than those previously experienced in the borough even when the market was particularly buoyant.
- 1.18 There are sufficient sites which have been found sound to meet the shortfall target for Years 11-13 associated with the Liverpool approach. Appendix C indicates that there are additional sites which could increase supply in years 1-10 under all approaches.