

## Methodology Practice Note - May 2026

### 1 Introduction

- 1.1 This Practice Note sets out how the Council calculates its five-year housing land supply. It provides a transparent and publicly available explanation of how the Council:
- Calculates its five-year housing land supply.
  - Assesses its supply of housing sites which underpins its five-year housing land supply position.
- 1.2 Chelmsford City Council adopted its Local Plan for the period 2013-2036 on the 27 May 2020.
- 1.3 From the 28 May 2025, the Council's adopted Local Plan became more than five years old, changing the housing requirement figure that should be used when calculating our five-year housing land supply.
- 1.4 Whilst re-calculating the housing land supply using the latest standard method, we have reviewed, and where appropriate, reprofiled development timescales on some sites in accordance with information provided to us by developers and/or landowners. Where relevant, the latest delivery forecasts also align with statements of common ground agreed as part of the Local Plan review.

### 2 Housing Requirement

- 2.1 The National Planning Policy Framework (NPPF) published in December 2024, as amended in February 2025, states (para. 78):

*"...Local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against their housing requirement set out in adopted strategic policies<sup>38</sup>, or against their local housing need where the strategic policies are more than five years old<sup>39</sup>."*

- 2.2 Footnote 39 states:

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

- 2.3 National Planning Practice Guidance on Housing and Economic Needs Assessments provides the standard method formula that incorporates a baseline of local housing stock which is then adjusted upward to reflect local affordability pressures to identify the minimum number of homes expected.

2.4 The standard method formula is replicated below (Paragraph: 004 Reference ID: 2a-004-20241212):

**Step 1 - Setting the baseline – 0.8% of existing housing stock for the area**

Set the baseline using the value of existing housing stock for the area of the local authority ([Dwelling stock \(including vacants\)](#), Table 125: dwelling stock estimates by local authority district). The baseline is 0.8% of the existing housing stock for the area, and the most recent data published at the time should be used.

**Step 2 - An adjustment to take account of affordability**

The housing stock baseline figure (as calculated in step 1) is then adjusted based on the affordability of the area.

The affordability data used is the [median workplace-based affordability ratios](#), published by the Office for National Statistics at a local authority level. The mean average affordability over the five most recent years for which data is available should be used.

No adjustment is applied where the ratio is 5 or below. For each 1% the ratio is above 5, the housing stock baseline should be increased by 0.95%. An authority with a ratio of 10 will have a 95% increase on its annual housing stock baseline.

**Where an adjustment is to be made, the precise formula is as follows:**

$$\text{Adjustment Factor} = ((\text{five year average affordability ratio} - 5) / 5) \times 0.95 + 1$$

2.5 The calculation for Chelmsford as of **May 2026**, is set out in Table 1 below:

*Table 1: Local Housing Need Chelmsford using Standard Method*

Baseline	82,078
0.80% of Baseline	656.624
Mean average median workplace-based affordability ratios over last 5 years	11.34
Adjustment factor	$11.34 - 5/5 \times 0.95 + 1 = 2.2046$
Local Housing Needs Figure	$656.6624 \times 2.2046 = 1,447.59327$ / <b>1,448 homes per annum</b>

**3 Method of Calculation**

3.1 National Planning Practice Guidance on housing supply and delivery (Paragraph: 022 Reference ID: 68-031-20190722) states that where the standard method for assessing local housing need is used as the starting point in forming the planning housing requirement, Step 2 of the standard method factors in past under-delivery as part of the affordability ratio, so there is no requirement to specifically address under delivery separately when establishing the minimum annual local housing need figure.

- 3.2 In accordance with the National Planning Policy Framework, a 5% additional buffer is added to ensure choice and competition in the market for land.
- 3.3 In the latest published Housing Delivery Test measurement (2023 results published in December 2024), Chelmsford exceeded the Housing Delivery Test Threshold by 16%, therefore no further buffer is required.
- 3.4 In accordance with the Housing Delivery Test measurement rulebook updated on the 12 December 2024 adjustments for student and other communal accommodation have been applied using two nationally set ratios based on England Census data. The ratio applied to student accommodation is 2.4 and other communal accommodation is 1.9.
- 3.5 The Housing Site Schedule published in April 2026 contains four sites proposing residential institutions for older people in the form of care homes. The 1.9 ratio has been applied to the total capacity of these sites to establish the amount of accommodation released in the housing market. The output shown in the Housing Site Schedule is the output from the weighted calculation, not the total number of bedrooms proposed.
- 3.6 The Housing Site Schedule published in April 2026 also contains a site for student housing. A ratio of 2.4 has been applied to the total number of net additional student accommodation and the output from the weighted calculation is shown in the Housing Site Schedule.
- 3.7 The calculation formula is as follows:
  - Stage 1 Multiply housing target by five (years)
  - Stage 2 Add historic shortfall (if relevant)
  - Stage 3 Add 5% to the sum of Stages 1 and 2 = five-year housing requirement
  - Stage 4 Divide five-year housing requirement by five (years) = Annual requirement
  - Stage 5 Divide annual requirement by deliverable housing supply = Years of supply

## **4 Housing Supply**

- 4.1 The definition of 'Deliverable' is set out in the NPPF December 2024, as amended in February 2025. The definition states that 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.
- 4.2 Where a site has outline planning permission for major development, has been allocated in a development plan, has 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.
- 4.3 The annually updated Housing Site Schedule provides information which includes the planning status of sites, whether works have started and the projected phasing of the delivery of housing units on each site.
- 4.4 The updated Housing Site Schedule includes proposed new site allocations in the Local Plan submitted for Examination in Public. For the purposes of decision making, any completions associated with these sites have been discounted from the 5 year supply unless the site has full planning permission. This reduction of 1,750 dwellings produces a total supply of 7,212 deliverable dwellings, until the Examination in Public of the Local Plan is concluded and the new Local Plan is adopted.

- 4.5 The information in the Housing Site Schedule is collated and reviewed through the following methods to ensure the definition of deliverable provided in the NPPF is adhered to:

#### Regular Site Visits

- 4.6 Sites on the Housing Site Schedule will receive regular site visits throughout the year. These are generally carried out by the following Council Officers:
- Development Management Planning Officers
  - Development Monitoring and Land Supply Officer
- 4.7 Development Management Planning Officers will visit sites periodically, especially the larger sites, if further planning applications are submitted or meetings are taking place on site. Planning Officers update the Development Monitoring and Land Supply Officer of progress on site.
- 4.8 The Development Monitoring and Land Supply Officer makes regular visits, every quarter, to a selection of different sites. Sites selected to be visited will largely be those which are known to have commenced or those in a similar area. Both large and small sites are visited. Throughout the year most sites which have commenced will have at least one visit by the Development Monitoring and Land Supply Officer.
- 4.9 The Development Monitoring and Land Supply Officer also receives regular updates from Registered Social Landlord's in respect of expected completions for affordable housing units within developments. This, alongside site visits, helps to accurately monitor the delivery rates for affordable housing.

#### Information Received by Development Management Planning Officers

- 4.10 Development Management Planning Officers provide the Development Monitoring and Land Supply Officer with regular updates on site progress, especially in respect of the larger sites, and those with various reserved matter applications/anticipated reserved matters applications. The information received usually comes directly from the site developer.

#### Building Control Weekly Reports

- 4.11 The Development Monitoring and Land Supply Officer receives weekly reports of all Building Control Applications received, approved, or completed. This gives an indication of starts and completions on sites. This enables the Development Monitoring and Land Supply Officer to take an informed view of the housing delivery rates within the Housing Site Schedule for sites which have commenced or when they are due to commence.

#### CIL Commencement Monthly Reports

- 4.12 The Development Monitoring and Land Supply Monitoring Officer runs a monthly report which provides a summary of all developments where a CIL commencement notice has been received. This enables the Development Monitoring and Land Supply Officer to track all commencements and schedule site visits to monitor completions.

### Annual Confirmation of Delivery Rates with Developers

- 4.13 Towards the end of the monitoring year the Development Monitoring and Land Supply Officer contacts promoters/landowners of larger development sites (predominately sites over 10 dwellings) setting out the Council's projected delivery rates for their site. The Developer/Agent of each site is asked to confirm or update these projected delivery rates and provide a reason for any changes. Alongside analysis of past delivery rates, this informs the annual updating of the Housing Site Schedule.

### Monitoring Completed Developments

- 4.14 The Development Monitoring and Land Supply Officer reviews the planning timescales and build out rates for complete developments to help inform the delivery rate assumptions for similar sized sites in the Housing Site Schedule.
- 4.15 A combination of the above methods enables the Council to use the best available information to determine its annual Housing Site Schedule.

## **5 Conclusion**

- 5.1 Using the **May 2026** local housing need figure calculated in accordance with the standard method, the Council can only demonstrate a housing land supply of **4.74 years**.
- 5.2 The Council will publish a separate calculation of its five-year housing land supply using the proposed new Housing Requirement figure and the new proposed site allocations as part of the plan documents submitted to the Planning Inspector for Independent Examination.

