

LDS006

Five-Year Housing Land Supply



Methodology Practice Note - August 2025

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 new housing requirement figure, we have reviewed, and where appropriate reprofiled, development timescales on some sites. We have also excluded sites from the five-year period that are not currently the subject of a planning application¹ (when not in the ownership of the Council where detailed development programmes are in place), where information/timescales required to determine a planning application are less clear.
- 1.5 The Council is currently reviewing our adopted Local Plan. Consultation on the Chelmsford Local Plan: Pre-Submission (Regulation 19) Document (emerging Local Plan) closed on 18 March 2025. We will review and republish our five-year housing land supply on submission of the emerging Local Plan.

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 policies³⁸, or against their local housing need where the strategic policies are more than five years old³⁹."

¹ This includes site(s) where a planning application is expected to be withdrawn.

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 August 2025 using this formula is set out in Table 1 below:

Table 1: Local Housing Need Chelmsford using Standard Method

Baseline	81,265
0.80% of Baseline	650.12
Mean average median workplace-based affordability ratios over last 5 years	11.37
Adjustment factor	$11.37 - 5/5 \times 0.95 + 1 = 2.2103$
Local Housing Needs Figure	$650 \times 2.2103 = 1,436.695 / \mathbf{1,437 \text{ homes per annum}}$

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 The Housing Delivery Test: 2023 measurement technical note provides information on how to estimate the number of net dwellings that would be freed up from net additional student and other communal accommodation. This is calculated by dividing each student bedroom annual net change by the national ratio (2.4) and each authority's other communal bedroom annual net change by the national ratio (1.9).
- 3.5 As the Housing Delivery Test technical note is more up to date than guidance offered in the Older and Disabled People Planning Practice Guidance (published in June 2019) and the Housing Supply and Delivery Planning Practice Guidance (also published in 2019) for student accommodation, the Housing Delivery Test ratios have been applied to the relevant communal accommodation in the Housing Site Schedule.
- 3.6 The Housing Site Schedule published in August 2025 (baseline of 31 July 2025) 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.
- 3.7 The Housing Site Schedule published in August 2025 also contains a site for student housing. In accordance with the Housing Delivery Test: 2023 measurement technical note 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.
- 3.8 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). 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 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

- 4.5 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
- 4.6 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.
- 4.7 The Development Monitoring and Land Supply Officer then 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.
- 4.8 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

- 4.9 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

- 4.10 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

- 4.11 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

- 4.12 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

- 4.13 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.
- 4.14 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 current local housing need figure calculated in accordance with the standard method, the Council can only demonstrate a housing land supply of 3.88 years.
- 5.2 The housing land supply position is dynamic and under regular review. The Council will publish a revised calculation of its five-year housing land supply upon submission of the emerging Local Plan.