

# Planning Policy Update



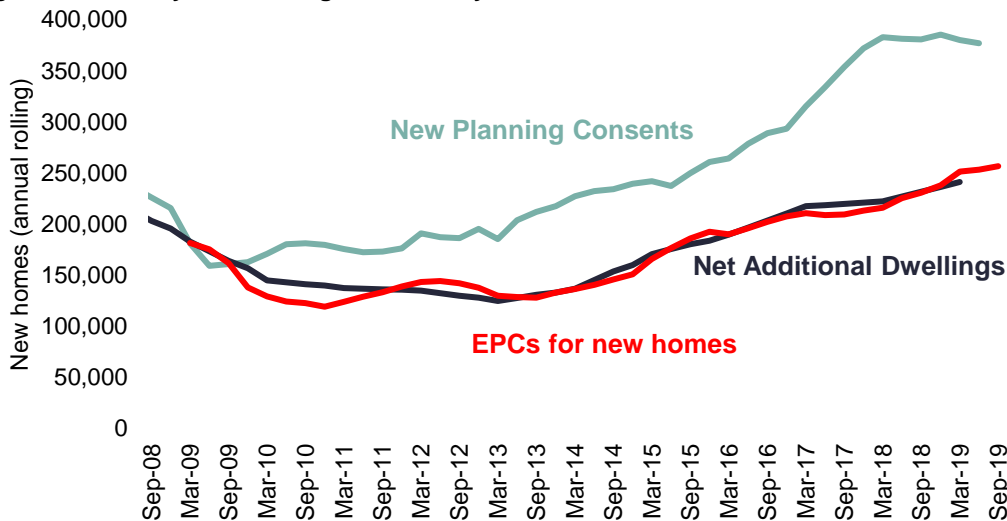
## Why is new home delivery failing to measure up?

In the year to June 2019, there were 377,000 full planning consents granted across England, continuing a pattern of decision making that has offered a substantial pipeline of sites since the start of 2017. If these consents were fully implemented as quickly as they were granted, just short of two million homes could be delivered over the course of five years. But the reality is quite different, with a sizable gap of around 124,000 homes per annum between consents granted and homes delivered. The delivery problem, as discussed in previous Savills planning papers, is partly due to a lack of consents granted where need is greatest.

For context, of the top quintile of least affordable local authorities in England, 66% do not have a Local Plan that was adopted in the past five years. Average delivery within these authorities over the past three years equates to a shortfall of 26,000 homes per annum against the standard calculation of housing need. If these areas delivered the need set out in the standard calculation, it would make a sizable contribution towards bridging the gap. However, our tracking of Local Plan production (see Figure 3) shows that progress remains slow in these areas, and emerging targets are still failing to adequately meet need in a number of plans nearing adoption. This has been highlighted most recently following the London Plan Examination in Public, where the Inspectors have recommended a target of 52,000 homes per annum against an identified need of 66,000 across the capital.

The housebuilders and developers that are delivering homes are continuing to use the appeal process in order to navigate the more problematic and restrictive locations for delivery. These appeals are having a material impact on the land supply positions of many local authorities, with 14% having a lack of five year land supply confirmed at appeal in the year to November 2019. Measures introduced to tackle poor levels of housing supply across England, such as the Housing Delivery Test and standard method of calculating housing need, are yet to have any real effect. On top of this, some authorities are even arguing for the use of alternative, lower figures when making the case for housing supply decisions.

**Figure 1 – Delivery of homes against delivery of consents**



Source: MHCLG Live Tables 120 and NB1, Glenigan for HBF

**Contacts:**

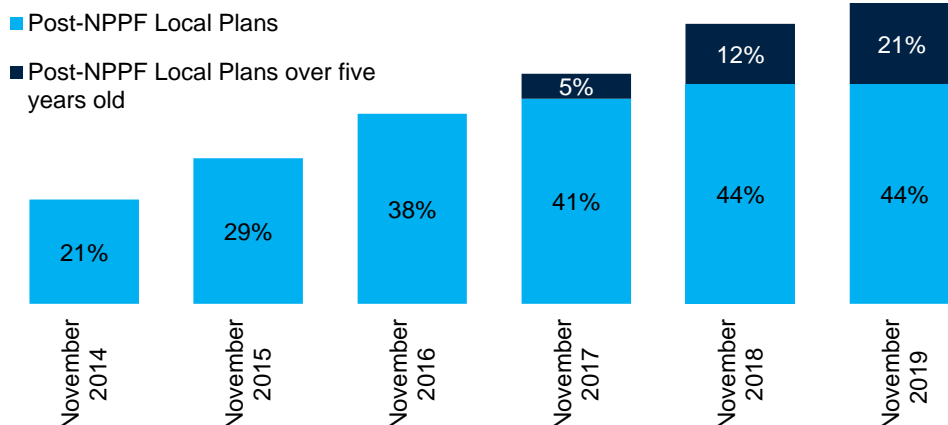


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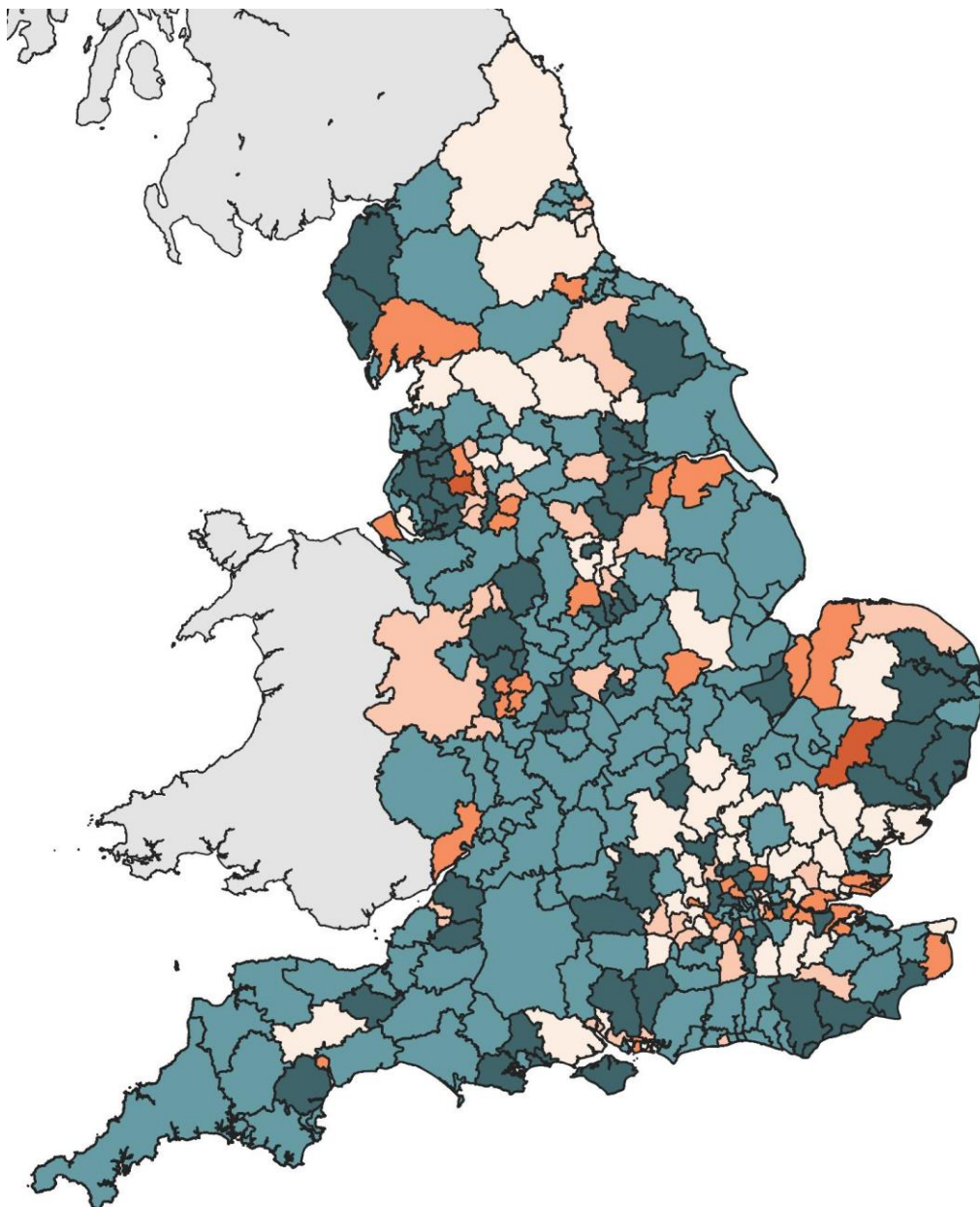
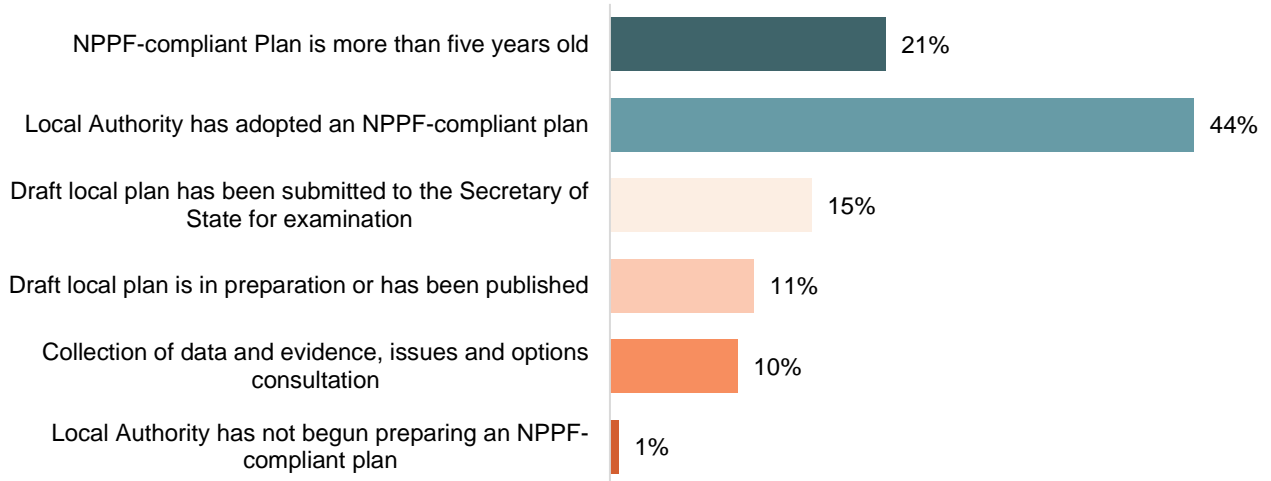
**Figure 2 – Local authorities with a post-NPPF Local Plan**



Source: Savills Research, November 2019

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Figure 3 – Local Plan status



Local authorities without an up to date Local Plan have a combined housing need of

**110k**

**65%**

of local authorities have adopted a post-NPPF plan

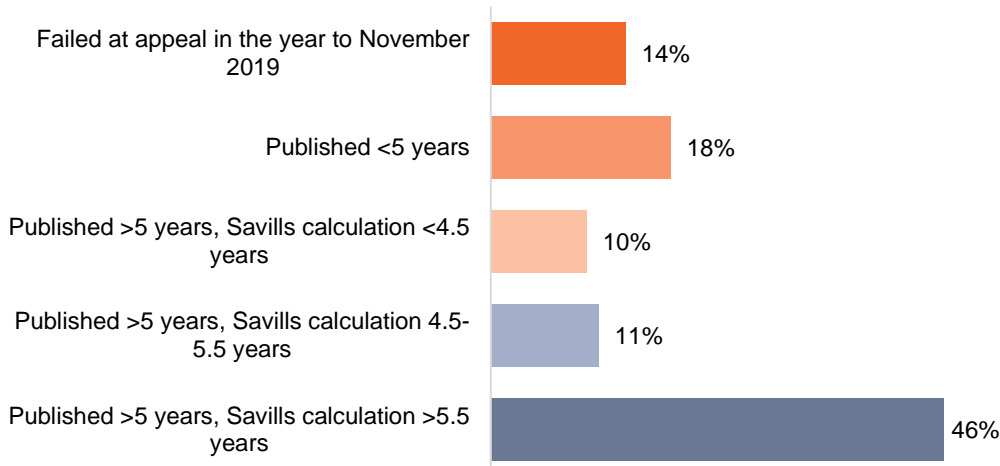
Adopted post NPPF plan targets are

**91%**

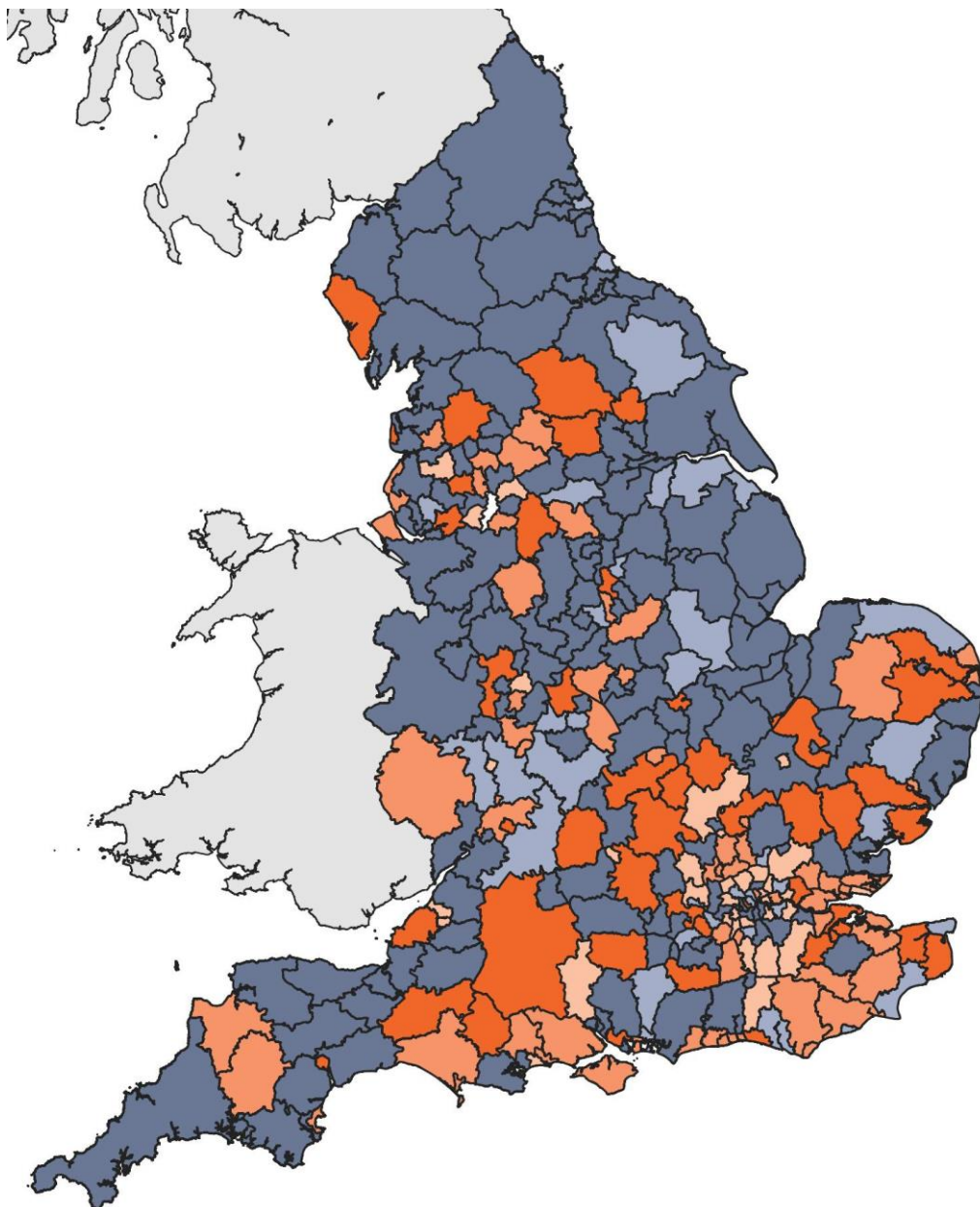
Of the MHCLG standard approach

Source: Savills Research, November 2019

Figure 4 – Five year land supply



We have applied a simple five year land supply calculation to all local authorities in England using the LPA published supply figures. No adjustment has been made to the supply, and the methodology does not impose any different treatment of the basic requirement other than it being annualised (spread equally over the next five years). The map indicates categories based on the result, which allows a like-for-like comparison between authorities and echoes the arguments being used in appeals based on five year land supply across the country.



Local authorities with a lack of five year land supply confirmed at appeal had a combined housing need of

**37k**  
homes per annum

As of November 2019 there are

**5.97**  
years of land supply across England

**14%**

of local authorities had a lack of five year land supply confirmed at appeal