National Planning Policy Framework (NPPF) – Policy S5: Principle of development outside settlements

The Council has referred to Policy S5 as follows:

j. Development which would address an evidenced unmet need (including, but not limited to, development proposals involving the provision of housing where the local planning authority cannot demonstrate a five year supply of deliverable housing sites or scores below 75% in the most recent Housing Delivery Test[27]), and where the development would:

   i. Be physically well-related to an existing settlement[28] (unless the nature of the development would make this inappropriate) and be of a scale which can be accommodated taking into account the existing or proposed availability of infrastructure.

[27] *See Annex D: Housing calculations and supply.*

[28] *Where a development proposal is located outside a settlement, and separated from the existing built-up area by virtue of being beyond the outside edge of an allocated site that has yet to be fully developed, consideration should be given to whether the proposal is in a suitable location should the allocated development not proceed.*

Further part of Policy S5 of the Framework that is relevant:

c. The reuse, extension, alteration or replacement of an existing building, provided that the existing building is of permanent and substantial construction, is lawful in planning terms, and any extension or alteration will not result in a disproportionate increase in size compared to the existing building[25]. In the case of proposals for a replacement building, it should be for the same use and not disproportionately larger that the one it replaces.

[25] *The existing building is to be assessed as the property as existing on the date of the publication of this framework.*

Annex D: Housing calculations and supply

1. This Annex sets out how housing need should be calculated using the standard method, how land supply should be assessed, and the Housing Delivery Test applied. It also sets out how a five year supply of traveller sites should be established. It should be read alongside Chapter 4 (Achieving Sustainable Development) and Chapter 6 (Delivering A Sufficient Supply of Homes), and the Housing Delivery Test Rule Book.

The standard method

2. The standard method calculates a minimum annual local housing need figure as follows:

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

3. Set the baseline using the value of existing housing stock for the area of the local authority as set out in the data on Dwelling Stock Estimates data[73], published annually. The baseline is 0.8% of the existing housing stock for the area, and the most recent data published at the time of the calculation should be used.

Step 2: An adjustment to take account of affordability

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

5. The affordability data used is the median workplace-based affordability ratios, published annually 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.

6. No adjustment is applied where the ratio is five or below. For each 1% the ratio is above five, 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.

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

   Adjustment Factor = ((five year average affordability ratio-5)/5)×0.95 + 1

Five year housing land supply

8. Local planning authorities should identify and update annually a supply of specific deliverable sites. This should be sufficient to provide a minimum of five years' worth of housing, assessed against their housing requirement in the development plan, or against their local housing need (calculated using the standard method) where the development plan housing requirement is more than five years old.

[73] Table 125: dwelling stock estimates by local authority district: Live tables on dwelling stock (including vacants) - GOV.UK.

9. The supply of specific deliverable sites should include a buffer (moved forward from later in the plan period) of:

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

   b. 20% where there has been significant under delivery[74] of housing over the previous three years, to improve the prospect of achieving the planned supply; or

   c. For the purposes of decision-making only, 20% where a local planning authority has a housing requirement adopted in the last five years examined against a version of the Framework published prior to December 2024[75], and whose annual average housing requirement[76] is 80% or less of the most up-to-date local housing need figure calculated using the standard method set out above.

Five year supply of traveller sites

10. Local planning authorities should identify and update annually a supply of specific deliverable traveller sites. This should be sufficient to provide a minimum of five years' worth of pitches and plots, assessed against their pitch and plot requirement in the development plan.

The Housing Delivery Test

11. This measures net homes delivered in a local authority area against the homes required, using national statistics and local authority data. The Secretary of State will seek to publish the Housing Delivery Test results for each local authority in England annually.

12. Local planning authorities should monitor progress in building out sites which have permission. Where the Housing Delivery Test indicates that delivery has fallen below the local planning authority's housing requirement over the previous three years, the following policy consequences apply:

   a. Where delivery falls below 95% of the requirement over the previous three years, the authority should prepare an action plan to assess the causes of under-delivery and identify actions to increase delivery in the future;

   b. Where delivery falls below 85% of the requirement over the previous three years, a buffer of 20% should be added to the identified supply of specific deliverable sites. This is in addition to the requirement for an action plan;

   c. Where delivery falls below 75% of the requirement over the previous three years, an evidenced unmet need for housing is deemed to exist for the purpose of applying

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[74] This will be measured against the Housing Delivery Test, where this indicates that delivery was below 85% of the housing requirement.
[75] Or the housing requirement is more than five years old and the relevant development plan policies have been reviewed and found not to require updating.
[76] Defined as the total housing requirement, divided by the number of years in the plan period. For joint local plans, the percentage should be applied in aggregate across the joint local plan area.

policy S5(1)(j) in this Framework. This is in addition to the requirements for an action plan and 20% buffer.

13. The Housing Delivery Test consequences set out above will apply the day following the annual publication of the Housing Delivery Test results. At this point they supersede previously published results. Until new Housing Delivery Test results are published, the previously published result should be used.