



COTSWOLD DISTRICT COUNCIL

# Review of the Cotswold District Local Plan 2011- 2031 Housing Requirement

August 2023

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## I. Executive summary

- I.1 Policy DSI of the adopted Local Plan<sup>1</sup> sets a minimum housing requirement of 8,400 dwellings (C3 use class) for the period 1 April 2011 to 31 March 2031 (the Local Plan period). There is a separate requirement of 580 nursing and residential care bedspaces (C2 use class) over the 14-year period 2017-2031 (equivalent to an average of 41 bedspaces per year). Based on the Housing Delivery Test equivalence calculation<sup>2</sup>, this represents an additional, but separate, requirement of 322 further dwellings. The combined requirement is 8,722 dwellings.
- I.2 Since the adoption of the Local Plan, the National Planning Policy Framework (July 2021) (the NPPF (2021)) has set a new requirement for strategic policies, such as the housing requirement, to be reviewed at least once every five years to assess whether they need updating<sup>3</sup>. The Government has also introduced a nationally prescribed 'standard method' for calculating housing need<sup>4</sup>.
- I.3 A review of the housing requirement has been undertaken. This has considered whether the updated housing need over the Local Plan period, which is now calculated to be a minimum of 9,094 dwellings, is a significant increase. In so doing, the review has considered the following matters:
- Unmet housing need from neighbouring authorities;
  - Affordable housing and housing affordability;
  - Growth strategy for the area;
  - Strategic infrastructure projects;
  - Areas or assets of particular importance;
  - Delivery of a sustainable pattern of development that mitigates climate change; and
  - Whether the housing need has changed significantly.
- I.4 **The review has concluded that the minimum housing requirement does not require updating, primarily for the following reasons:**
- i. The updated housing need is 429 dwellings (4.95%) higher than the adopted Local Plan housing requirement, which is a relatively small percentage increase that is well within the bounds of flexibility.
  - ii. The adopted Local Plan policy specifies the requirement is a minimum. The policy does not seek to limit development, which might otherwise prevent the minimum housing need from being fully delivered. This is demonstrated by the Local Plan already being on course to delivering nearly 10,000 dwellings over the Local Plan period.
  - iii. The Local Plan Partial Update will continue to specify that the housing requirement is a minimum.

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<sup>1</sup> [Cotswold District Local Plan 2011-2031 \(adopted 3 August 2023\)](#)

<sup>2</sup> Para. 11 of the [Housing Delivery Test Measurement Rule Book](#) (MHCLG, July 2018) explains, "The ratio applied to other communal accommodation will be based on the national average number of adults in all households, with a ratio of 1.8". Therefore, 580 bedspaces / 1.8 = 322 dwellings

<sup>3</sup> [National Planning Policy Framework \(July 2021\) paragraph 33](#)

<sup>4</sup> As set out in the [Planning Practice Guidance for Housing and economic needs assessment \(DLUHC, last updated 16 December 2020\)](#)

- iv. The Council has not been requested to accommodate any unmet housing need from neighbouring authorities.
- v. The growth strategy of the area continues to align with the planned housing growth. There is therefore no justification for the housing requirement to be any higher than the identified housing need on this basis.
- vi. Housing is less affordable in Cotswold District compared to the county, regional and national averages. The Council is keen to take action to enable people to afford a home in the district. In this regard:
  - The housing need, as calculated by the standard methodology, already includes a 188 dwelling per annum (62%) uplift to the household projections to help address the affordability of housing within district.
  - Based on a supply of existing planning permissions, site allocations and windfalls, it is estimated that 1,051 affordable homes will be delivered between 2021 and 2031 (76% of the identified need for 1,378 affordable homes in this period).
  - The Local Plan Partial Update includes various proposals, which would deliver additional affordable homes. This includes considering the allocation of additional sites to provide further affordable homes and various updates to affordable housing policies.
  - The Council's Housing Strategy will further boost the delivery of affordable housing, whilst also addressing the holistic causes of housing affordability in Cotswold District.
- vii. At the time of the examination of the adopted Local Plan, the Local Plan Inspector considered it to be reasonable for the Local Plan to deliver 64% of the identified affordable housing need. On that basis, the Inspector concluded that the affordable housing policies were sound. The affordable housing supply between 2021 and 2031 is already expected to deliver 76% of the affordable housing need (12 percentage points higher than the estimated amount of affordable housing delivery at the examination of the adopted Local Plan). Added to this, the proposed updates to the Local Plan housing policies and the Council's Housing Strategy will close the gap further – or possibly fully deliver – the affordable housing need.
- viii. Based on the evidence for the district over the last 20 years, higher levels of both market and affordable housing delivery are likely to have had very limited impact on housing affordability in the district. Housing affordability is a multifaceted national issue. The solution(s) are largely beyond the control of the Local Plan and increasing the housing requirement will make virtually no difference. There is therefore no justification to increase the housing requirement in order to improve housing affordability or increase the supply of affordable housing.
- ix. The District has two strategic infrastructure projects, which are the A417 Missing Link and the upscaling of activities at RAF Fairford. The housing needs of both have been considered but neither justify an increased housing requirement.
- x. Given the district's land constraints (e.g. 80% of the district is an Area of Outstanding Natural Beauty), there could be argument for a lower housing requirement. Notwithstanding this, the District's constraints are strong justification why the adopted housing requirement should not be increased.

- xi. When the adopted Local Plan was examined, the development strategy was found sound on the basis that housing delivery in the later part of the plan period would decrease in order to rebalance the extremely high rates of delivery earlier in the plan period. In so doing, the Local Plan would deliver sustainable levels of growth. Indeed, the District had not delivered anywhere near the average annual rates of growth in the first half of Plan period prior to 2011. Notwithstanding this, the annual delivery rates of housing have been, and are still expected to be, delivered as envisaged at the time the Local Plan was examined.
- xii. Increasing the requirement would no doubt increase housing delivery. However, as the Inspector of the adopted Local Plan concluded in his report on the examination, "*Whilst the market in the district may be sufficiently strong to mean that adopting such an approach would be effective in driving up supply, a balance has to be struck in order to achieve sustainable development having regard to the high quality of the built and natural environment and the need to avoid long distance commuting.*"
- xiii. Increasing the housing requirement will result in increased household growth rates, which creates an increased housing need. This self-perpetuating cycle can only be broken by failure to deliver the housing requirement. However, if the housing requirement is not delivered in full, a situation arises where the Council is likely to not have a five-year housing land supply or fail the Housing Delivery Test. In this situation, plan-led development can be circumnavigated by applications for housing development in otherwise unsuitable locations and where there is likely to be less opportunity to deliver benefits, particularly mitigating the impacts of climate change by locating housing in the most accessible locations. Applications are instead determined in accordance with the NPPF's 'presumption in favour of sustainable development'. Increasing the housing requirement may therefore lead to an unsustainable pattern of development and prevent the Council from mitigating the impacts of climate change, which does not accord with NPPF (2021) paragraph 11.
- xiv. The adopted Local Plan policy is set to deliver 9,671 dwellings over the Local Plan period. In addition, it is expected that 233 further homes will be released to the market resulting from the net increase in bedrooms in communal accommodation developments over the plan period – these count towards delivering the updated housing need of 9,094. In total, the 9,904 dwelling housing land supply over the Local Plan period will deliver 9% more than the minimum housing need. In other words, the identified housing land supply is capable of fully delivering the updated housing need.
- xv. The Council's Housing Land Supply Report has assessed the deliverability of sites in detail. This evidence demonstrates that the Council has a deliverable and developable housing land supply, which is capable of fully delivering both the Local Plan's 8,400 dwelling minimum housing requirement and the updated minimum housing need of 9,094 dwellings over the Local Plan period.
- xvi. The Council's approach towards determining applications for windfalls (i.e. sites not allocated for development in the Local Plan) has been positive and consistent with national policy. This is demonstrated by the very small number of planning appeals that have been lodged in this regard. Furthermore, the average annual number of windfall completions since 2011 (the beginning of the plan period) has increased from 95 to 138 a year. This demonstrates the Council's continued commitment towards treating the housing requirement as a minimum, not a maximum.

- xvii. The Council will consider whether any additional sites should be allocated for housing to provide further contingency and increase the certainty that the updated housing need will be met in full.
- xviii. An assessment has been undertaken of whether the applicable housing need has changed significantly. This concludes that the need has not changed significantly.

## 2. Introduction

- 2.1 The [Cotswold District Local Plan \(2011-2031\)](#) (the Local Plan) was adopted in August 2018 and has subsequently been kept under review<sup>5</sup>.
- 2.2 A partial update of the Local Plan is being prepared to:
- make the Local Plan green to the core (i.e. respond to the Council's Climate and Ecological emergencies) – a commitment of the Council's corporate strategy;
  - update or add policies to reflect changes to national policy and guidance and to improve the overall clarity and interpretation of the plan; and
  - where necessary, allocate additional land for housing to ensure a five-year supply can be maintained over the remaining years of the adopted plan period to 2031.
- 2.3 This report updates the review of the adopted Local Plan housing requirement to determine whether the requirement should be updated in the Local Plan Partial Update. An assessment is made of various matters that contribute towards the calculation of the housing requirement, which may have changed since the Local Plan was adopted in 2018. The review also assesses whether the applicable local housing need has changed significantly.
- 2.4 The aim is to review the existing requirement and consider if it needs to be updated, not to establish a new requirement for the remainder of the plan period.

## 3. Housing need vs housing requirement

### *What is the difference between housing need and housing requirement?*

- 3.1 Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for.
- 3.2 The housing requirement takes consideration of other planning matters, such as whether more homes should be provided to deliver additional affordable housing, economic growth strategies, strategic infrastructure improvements, or so that an authority can take on unmet need from a neighbouring authority. Such circumstances could necessitate a housing requirement that is higher than the housing need. The converse also applies. For example, protected areas or assets of particular importance may provide a strong reason for restricting the overall scale, type or distribution of development in the plan area. There may also be insufficient deliverable/developable land to meet the housing need of the plan area, in which case the authority would, if possible, seek to deliver the unmet housing need in a neighbouring authority. In simple terms, the housing requirement is the minimum housing target that the district is required to deliver over a period of time. This is for the period between 2011 and 2031 for the Cotswold District Local Plan.

### *What is the current housing requirement of Cotswold District?*

- 3.3 The adopted Local Plan strategic policies identify a minimum requirement of 8,400 dwellings (C3 use class) over the 20-year period 2011-2031 (equivalent to an average of 420 per year).

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<sup>5</sup> [A review of the adopted Cotswold District Local Plan \(2011 to 2031\)](#) (Cotswold District Council, 3 June 2020)

- 3.4 There is a separate requirement of 580 nursing and residential care bedspaces (C2 use class) over the 14-year period 2017-2031 (equivalent to an average of 41 bedspaces per year). Based on the Housing Delivery Test equivalence calculation<sup>6</sup>, this represents an additional, but separate, requirement of 322 further dwellings.
- 3.5 These requirements were endorsed by Inspector that examined the Local Plan on the basis that they would meet the identified C2 and C3 use class housing need in full.
- 3.6 The two policies represent a combined minimum requirement of 8,722 dwellings over the 20 year Local Plan period (an average of 436 dwellings per annum). However, the requirement of 580 nursing and residential care bedspaces (C2 use class) was for the period 2017 to 2031 and did not cover the first six years of the plan period. The average annual requirement from 2017 is therefore 443 dwellings per annum.
- 3.7 The District is also required to maintain a five-year housing land supply<sup>7</sup>. This is currently measured against a related, but separate requirement, known in the Local Plan as the ‘residual requirement’<sup>8</sup>. This is based on the C3 requirement and does not include the C2 requirement.
- 3.8 The purpose of the residual requirement – and the five-year housing land supply – is to ensure that the Local Plan’s overall housing requirement is fully delivered and to support the Government’s objective of significantly boosting the supply of homes by providing a sufficient amount and variety of land where it is needed so that the needs of groups with specific housing requirements are addressed.
- 3.9 The adopted Local Plan does not include a requirement for the number of dwellings that must be delivered in any given year. The average figures, in themselves, are not an annual requirement. The total Local Plan housing requirement can be delivered in any number of ways, so long as a five year supply is maintained, the Housing Delivery Test is passed and the requirement is delivered in full over the plan period.
- 3.10 The basis for the five-year housing land supply calculation is different for plans that have been adopted for more than five years, unless the housing requirement set out in strategic policies has been reviewed and updated where necessary. As the current Local Plan was adopted in August 2018, the calculation for Cotswold District would change in August 2023 unless the housing requirement has been reviewed and updated where necessary. Without the review, the five-year housing land supply would be measured against local housing need calculated by the government’s standard method calculation.

### *Why does the Local Plan housing requirement have to be reviewed?*

- 3.11 Since the adoption of the Local Plan in August 2018 when the housing requirement of the District was set, the National Planning Policy Framework (NPPF) and the Planning Practice Guidance (PPG) have been updated. In particular:
- The new nationally prescribed ‘standard method’ for calculating housing need has been introduced.

<sup>6</sup> Para. 11 of the [Housing Delivery Test Measurement Rule Book](#) (MHCLG, July 2018) explains, “*The ratio applied to other communal accommodation will be based on the national average number of adults in all households, with a ratio of 1.8*”. Therefore, 580 bedspaces / 1.8 = 322 dwellings

<sup>7</sup> NPPF (2021) paragraph 74

<sup>8</sup> The residual requirement is set out in Local Plan Policy DSI. It deducts dwelling completions since 2011 from the 8,400 dwelling Local Plan housing requirement. The residual requirement is then divided by the remaining years of the plan period to give an annualised requirement, which is used to measure the five-year housing land supply against.

- A new national policy has been introduced, which requires strategic policies (such as the housing requirement) to be reviewed at least once every five years to assess whether they need updating<sup>9</sup>. The Council’s review of its Local Plan policies<sup>10</sup> found that it was necessary to consider the implications of the housing need figure resulting from the standard methodology to establish whether any strategic policies needed updating.
  - A national policy has been introduced, which requires the five-year housing land supply to be measured against the local housing need figure, as calculated by the Standard Method, where the Local Plan housing requirement is more than five years old and has been reviewed and found to require updating<sup>11</sup>.
- 3.12 Unless the Council’s housing requirement is reviewed, and updated where necessary, and / or consideration is given to allocating additional housing sites to deliver the updated housing requirement, the Council may be unable to demonstrate a deliverable five-year housing land supply.
- 3.13 If the Council cannot demonstrate a deliverable five-year housing land supply, national policy specifies that the housing policies which are most important for determining the application will be considered to be out-of-date. Instead, planning applications will be determined in accordance with the presumption in favour of sustainable development prescribed by NPPF (2021) paragraph 11. This may result in developments in unplanned locations, which would otherwise be unsuitable. The principle of plan-led development could be circumnavigated to address a shortfall in plan-led housing supply.

#### *When would the updated Local Plan housing requirement apply from?*

- 3.14 National policy does not specify when updated Local Plan housing requirements should apply from. However, it specifies that, *“Policies in local plans and spatial development strategies should be reviewed to assess whether they need updating at least once every five years, and should then be updated as necessary. Reviews should be completed no later than five years from the adoption date of a plan, and should take into account changing circumstances affecting the area, or any relevant changes in national policy. Relevant strategic policies will need updating at least once every five years if their applicable local housing need figure has changed significantly; and they are likely to require earlier review if local housing need is expected to change significantly in the near future.”*<sup>12</sup>
- 3.15 National Policy also specifies that, *“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, or against their local housing need where the strategic policies are more than five years old”*<sup>13</sup>.<sup>14</sup>
- 3.16 The Local Plan was adopted on 3 August 2018 and the Plan becomes five years old on 3 August 2023. For ease of monitoring the Local Plan housing completions against whole months, the period that the updated housing need applies from is 1 August 2023 to 31 March 2031. This is a period of 7 years and 8 months.

<sup>9</sup> National Planning Policy Framework (2021) paragraph 33

<sup>10</sup> [A Review of the adopted Cotswold District Council Local Plan \(2011 to 2031\)](#)

<sup>11</sup> NPPF (2021) paragraph 74

<sup>12</sup> NPPF (2021) paragraph 33

<sup>13</sup> NPPF (2021) Footnote 9: *“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 guidance.”*

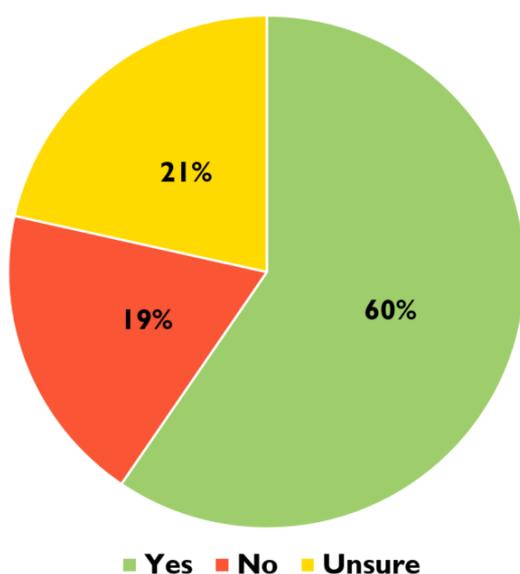
<sup>14</sup> NPPF (2021) paragraph 74

## 4. Local Plan ‘Issues & Options’ (Regulation 18) consultation

4.1 The Council undertook a Local Plan Issues and Options (Regulation 18) consultation between February and March 2022<sup>15</sup>. With regard to ‘Housing Need, Requirement, Land Supply and Delivery’ the Council presented the following two options:

- i. *Revert to standard method housing need calculation as the basis for determining the requirements against which the five-year housing land supply and Housing Delivery Test are measured. Allocate additional sites in the Local Plan to maintain a five-year housing land supply and pass the Housing Delivery Test.*
- ii. *Review and update the Local Plan housing requirement for the remainder of the Local Plan period. If required, allocate additional sites to maintain a five-year housing land supply and pass the Housing Delivery Test.*

4.2 The Issues and Options consultation document presented further information about each of the two options, and stated that the Council’s preferred option was to review and update the Local Plan housing requirement for the remainder of the Local Plan period and, if required, to allocate additional sites to maintain a five-year housing land supply and pass the Housing Delivery Test. The consultation then asked whether people agreed that this was the most appropriate option and for them to explain why.



4.3 A significant majority of people agreed that the Council’s preferred option was the most appropriate option, with more than three times as many respondents saying ‘Yes’ than ‘No’.

4.4 The main reasons given in support was that this option would be better able to deliver plan-led development. There was also support for providing a flexible and balanced housing land supply and retaining the residual requirement methodology for calculating the requirement against which the five-year housing land supply is measured.

## 5. Reviewing the housing requirement

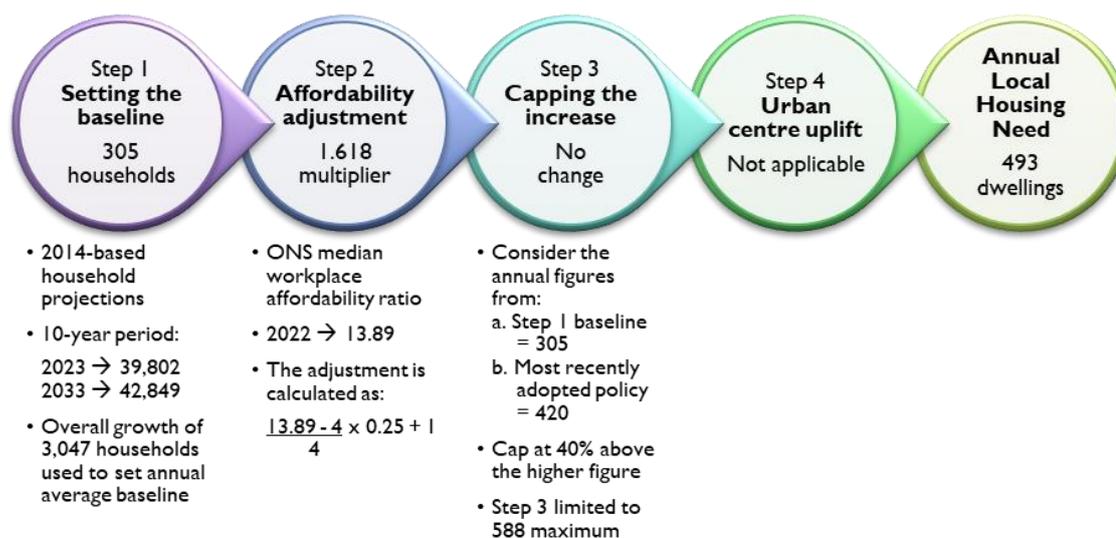
5.1 This section of the report considers the various matters that should be factored into the balance when reviewing the housing requirement for the Local Plan Partial Update.

5.2 These matters include the currently adopted housing requirement, the residual requirement (taking account of those dwellings that have already been delivered), the current local housing need for the District based on the government’s standard methodology calculation, any other factors that would justify increasing the housing requirement, as well as any constraints that should also be considered.

<sup>15</sup> [Cotswold District Local Plan 2011–2031 Partial Update Issues And Options Consultation](#)

### *What is the current housing need for Cotswold District?*

- 5.3 Changes to the National Planning Policy Framework (NPPF) in 2018 introduced a new standard methodology for calculating housing need (the standard method).
- 5.4 Using the standard method calculation, the Gloucestershire Local Housing Needs Assessment<sup>16</sup> (September 2020) established that the local housing need was 490 dwellings per year for Cotswold District. However, the housing need figure can change as and when new data is published which feeds into the calculation. Based on the latest data available in August 2023, the standard method calculation identifies that the local housing need is **493 dwellings per year**<sup>17</sup>.



- 5.5 The inputs to the local housing need calculation are expected to change next in March 2024 when new data is published. The methodology for calculating the housing need is also subject to periodic changes, as demonstrated by the government's consultation on its proposed changes to the planning system<sup>18</sup>.
- 5.6 In reviewing the housing requirement for the period 2011 to 2031, it is appropriate to maintain the housing requirement endorsed by the Local Plan Inspector (an average of 420 dwellings per year) for the period up until five years after the Local Plan was adopted. This equates to 5,180 dwellings over the first 12 years and 4 months of the Plan.
- 5.7 However, as previously noted, this figure did not allow for the increase of residents living in communal establishments as the supply of Use Class C2 (residential institutions) was monitored separately. The standard method simplified the calculation of local housing need, and the net increase in bedrooms in both student and other communal accommodation is now counted using ratios based on Census data as set out in the Housing Delivery Test measurement rule book<sup>19</sup>. Therefore, for consistency, it is necessary to consider the impact of this additional need.

<sup>16</sup> [Gloucestershire Local Housing Needs Assessment \(ORS, September 2020\)](#)

<sup>17</sup> As calculated in April 2023 by the [Planning Practice Guidance on Housing and economic needs assessment](#) (DLUHC and MHCLG, updated 16 December 2020)

<sup>18</sup> [Changes to the current planning system – Consultation on changes to planning policy and regulations](#) (MHCLG, August 2020)

<sup>19</sup> [Housing Delivery Test measurement rule book](#) (DLUHC and MHCLG, July 2018)

- 5.8 Local Plan policy H4 identifies a need for 580 nursing and residential bedspaces between 2017 and 2031. This was based on a need calculation of the Strategic Housing for Older People Analysis Tool in 2017. However, this does not provide the full C2 housing need of Local Plan period.
- 5.9 The OAHN Report that was applied to the adopted 8,400 dwelling (C3 use class) minimum housing requirement also identified an increase of 366 residents living in communal establishments (C2 use class) over the 20-year Plan period<sup>20</sup>. Census data identifies an average of 1.807 adults per household as the relevant conversion ratio for Cotswold District. This equates to a total of 203 extra households, which yields a need for 217 additional dwellings based on the 6.55% rate that was assumed for dwellings without a usually resident household.
- 5.10 On this basis, the adjustment for communal accommodation yields an additional 11 dwellings per annum (dpa) that was additional to the housing need of 420dpa endorsed by the Local Plan Inspector – so the overall housing need (including communal accommodation) totals 5,314 dwellings over the first 12 years and 4 months of the Plan.
- 5.11 The remaining 7 years and 8 months would then be based on the local housing need identified by the government’s standard method calculation at the time of the review (493 dwellings per year) equivalent to a further 3,780 dwellings. This yields an **overall need for 9,094 dwellings over the 20-year plan period.**
- 5.12 The Council’s 2023 Housing Land Supply Report confirms that 6,407 dwellings will be delivered across the District up to 31 July 2023<sup>21</sup>. In addition, 147 dwellings have been released to the market resulting from the net increase in bedrooms in communal accommodation and the amount of accommodation released in the housing market. Therefore, at least 2,540 more dwellings would have to be delivered or released to the market over the remaining 7 years and 8 months to meet the 9,094 dwelling need in full.

### *How should the housing requirement be calculated?*

- 5.13 National guidance<sup>22</sup> explains that, “*The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area. It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore, there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates. This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan). Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:*
- *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
  - *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
  - *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground.*

<sup>20</sup> [The Objectively Assessed Housing Needs of Cotswold District](#) (NMSS, December 2016)

<sup>21</sup> This is based on 6,277 dwelling completions between 1 April 2011 and 31 March 2023 and one third (four months) of the projected 391 dwellings that are estimated will be completed in 2023/24.

<sup>22</sup> [Planning Practice Guidance on Housing and economic needs assessment](#) (DLUHC and MHCLG, updated 16 December 2020)

5.14 National policy also requires Local Plans to apply a “*presumption in favour of sustainable development*”<sup>23</sup>.

*“a) all plans should promote a sustainable pattern of development that seeks to: meet the development needs of their area; align growth and infrastructure; improve the environment; mitigate climate change (including by making effective use of land in urban areas) and adapt to its effects;*

*b) strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas, unless:*

*i. the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area<sup>24</sup>; or*

*ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.”*

5.15 Therefore, the following matters form part of the review of whether the housing requirement requires updating:

- Unmet housing need from neighbouring authorities;
- Affordable housing and housing affordability;
- Growth strategy for the area;
- Strategic infrastructure projects;
- Areas or assets of particular importance;
- Delivery of a sustainable pattern of development that mitigates climate change; and
- Whether the applicable housing need has changed significantly.

***Should the updated housing requirement be higher than the housing need to accommodate unmet housing needs from neighbouring authorities?***

5.16 Cotswold District Council has not received any Duty to Cooperate requests to accommodate unmet housing needs from any neighbouring local authorities to accommodate market or affordable housing.

5.17 A Statement of Common Ground<sup>25</sup> (SoCG) has been signed between the Gloucestershire local planning authorities, which cover the entire Gloucestershire Housing Market Area. The SoCG makes the following commitments:

*7. The Parties agree that making provision to meet the full range of housing needs in the right places at the right time is a vital role for the Gloucestershire authorities. The parties acknowledge this may result in one local authority accommodating the identified needs of another local authority, particularly where a local authority is*

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<sup>23</sup> NPPF (2021) paragraph 11

<sup>24</sup> NPPF (2021) Footnote 7: “*The policies referred to are those in this Framework (rather than those in development plans) relating to: habitats sites (and those sites listed in paragraph 181) and/or designated as Sites of Special Scientific Interest; land designated as Green Belt, Local Green Space, an Area of Outstanding Natural Beauty, a National Park (or within the Broads Authority) or defined as Heritage Coast; irreplaceable habitats; designated heritage assets (and other heritage assets of archaeological interest referred to in footnote 68); and areas at risk of flooding or coastal change*”

<sup>25</sup> [Gloucestershire Statement of Common Ground](#)

*unable to accommodate all of the identified need and where accommodating need in a neighbouring authority represents the most sustainable form of development.*

*8. The parties agree to jointly seek to meet in full (at least) the aggregated housing needs for Gloucestershire as identified by the statutory standard method at the time. The parties will continue the joint approach to the collection of housing needs data through a jointly procured and managed Local Housing Needs Assessment, using the relevant housing need methodology of the day. The parties agree to deliver housing where it promotes sustainable patterns of growth in Gloucestershire and is designed to respect local character and address potential impacts on existing communities.*

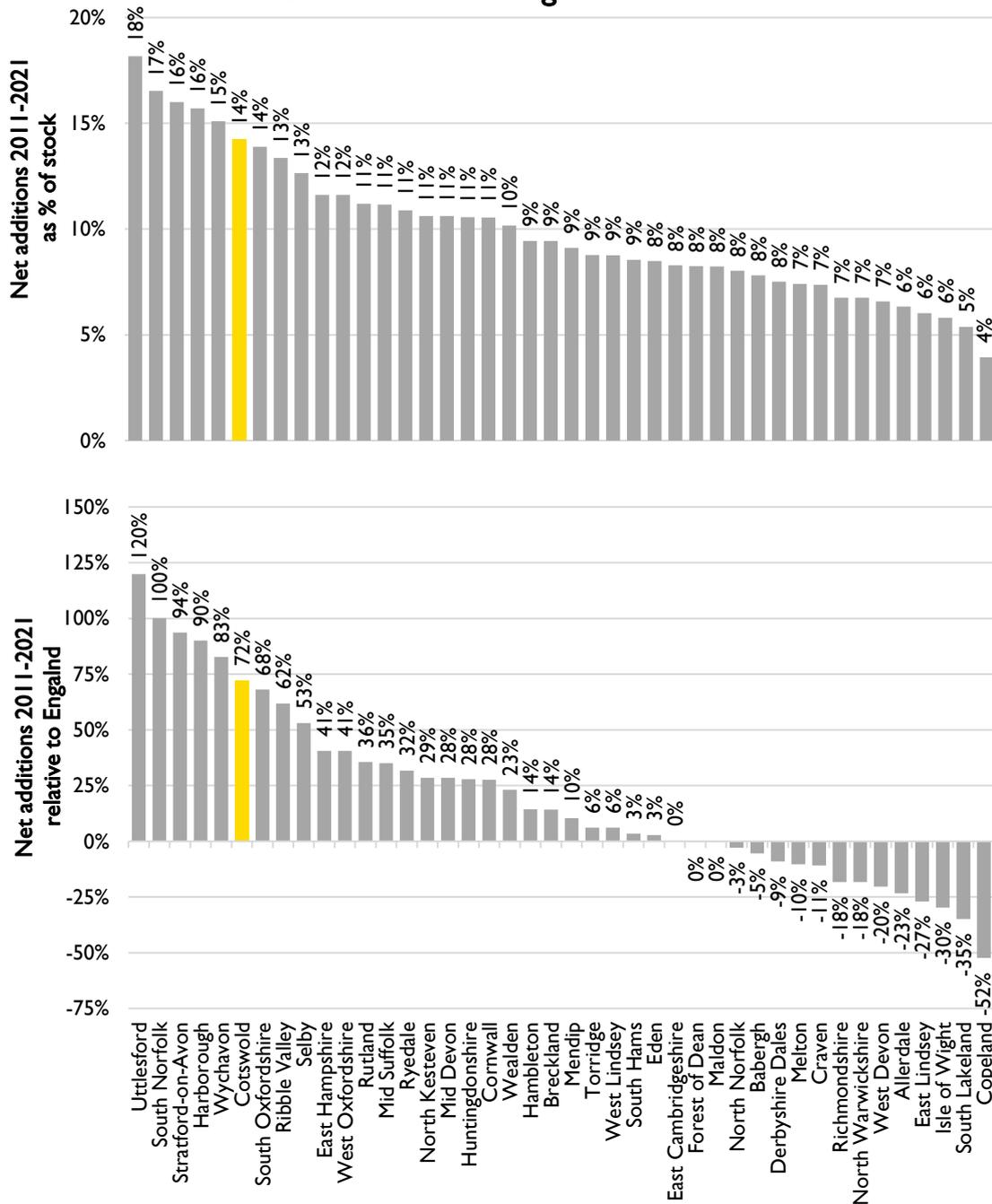
*9. The parties agree to explore the full range of development opportunities available, taking into account the potential impact on existing communities, resources and infrastructure.*

- 5.18 Therefore, there is currently no justification to set a higher or lower housing requirement to accommodate unmet housing need from neighbouring authorities.

***Should the updated housing requirement be increased or decreased based on previous rates of housing delivery?***

- 5.19 Over the first half of the Plan period (2011-2021) the dwelling stock in Cotswold District increased by 14%. That is equivalent to one new home being provided over the decade for every seven existing homes at the start of the decade. When this is considered in the context of other local areas, it is evident that the rate of housing supply in Cotswold District is amongst the highest of all other local authority areas that are classified as being predominantly rural by the Office for National Statistics (ONS).
- 5.20 The rate of supply in the majority of these rural areas was actually higher than the overall rate for England as a whole, with the rate in Cotswold District being 72% above the national average. It is evident that Cotswold District, together with many other rural areas, has achieved the Government's national policy objective to significantly boost housing supply and deliver new homes.

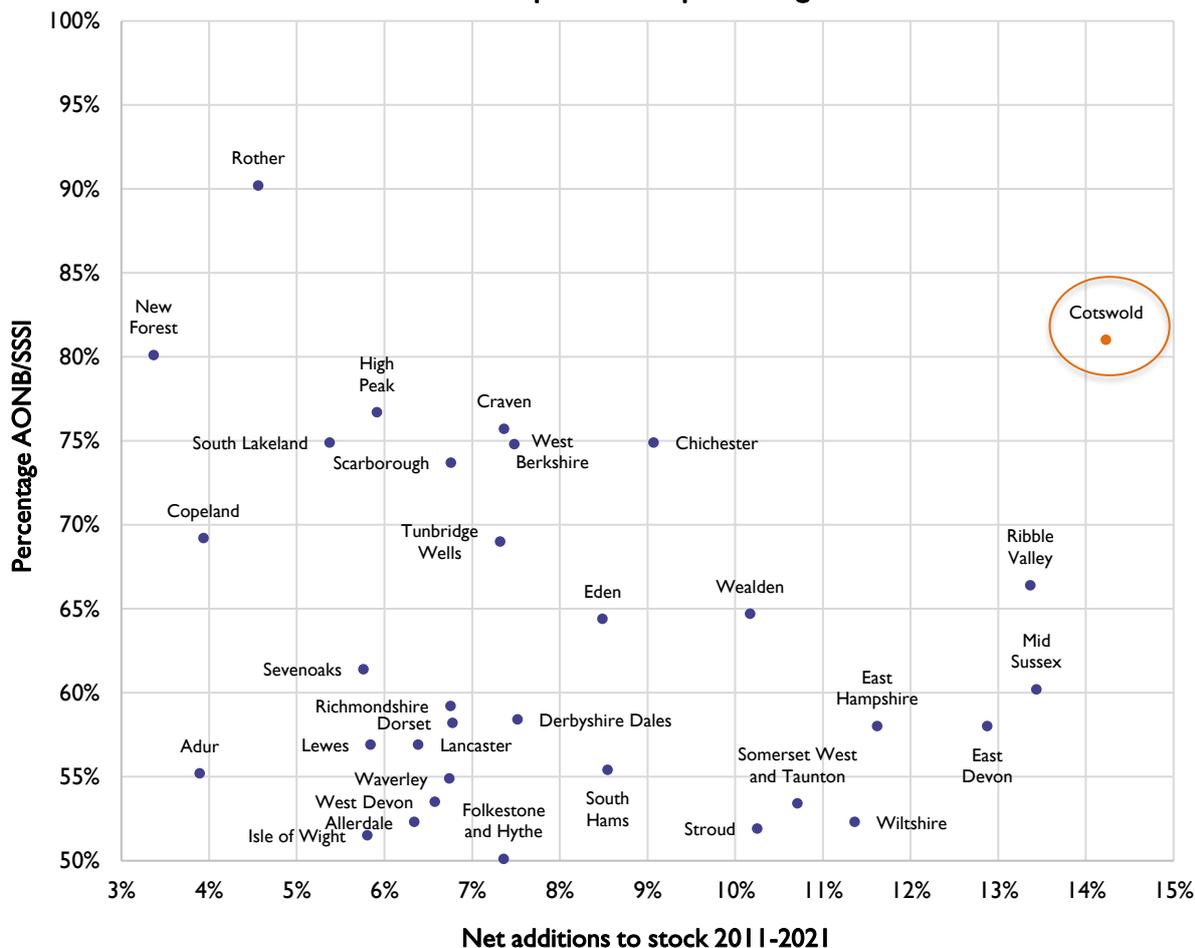
## Net additions to housing stock 2011-21



5.21 This step-change in supply has been achieved despite 80% of the land in the District being designated as an Area of Outstanding Natural Beauty (AONB) and 1.3% of the District being designated as a Site of Special Scientific Interest (SSSI), 1% of which being outside the AONB.

5.22 It is evident that no other district with similar levels of such constraints has achieved such a significant rate of new housing provision.

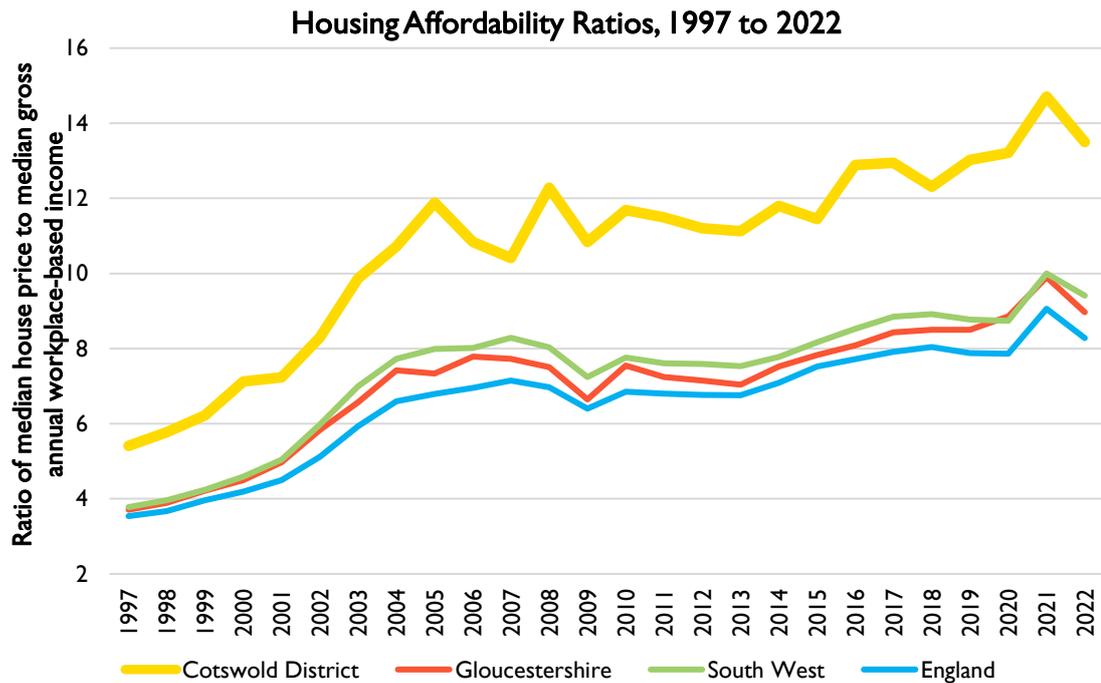
### Net additions to stock compared with percentage AONB/SSSI



5.23 Given this context, it is clear that previous rates of housing delivery in Cotswold District have been amongst the highest of any other similar areas. There is therefore no justification for the updated housing requirement to be any higher than the identified housing need.

*Should the updated housing requirement be increased or decreased based on housing affordability?*

5.24 Housing affordability is a critical input to the Government’s standard methodology for calculating housing need, and the District Council recognises that Cotswold District has an acute housing affordability issue, which has got increasingly worse over the past 25 years.



5.25 Many people, particularly younger people, are unable to afford a home close to where they work, grew up or have a close connection to. This has an impact on community cohesion, the local economy and the viability of some services. Furthermore, it can lead to an increase in commuting from areas where housing is less expensive, which runs counter to the goals of tackling climate change and improving health and wellbeing.

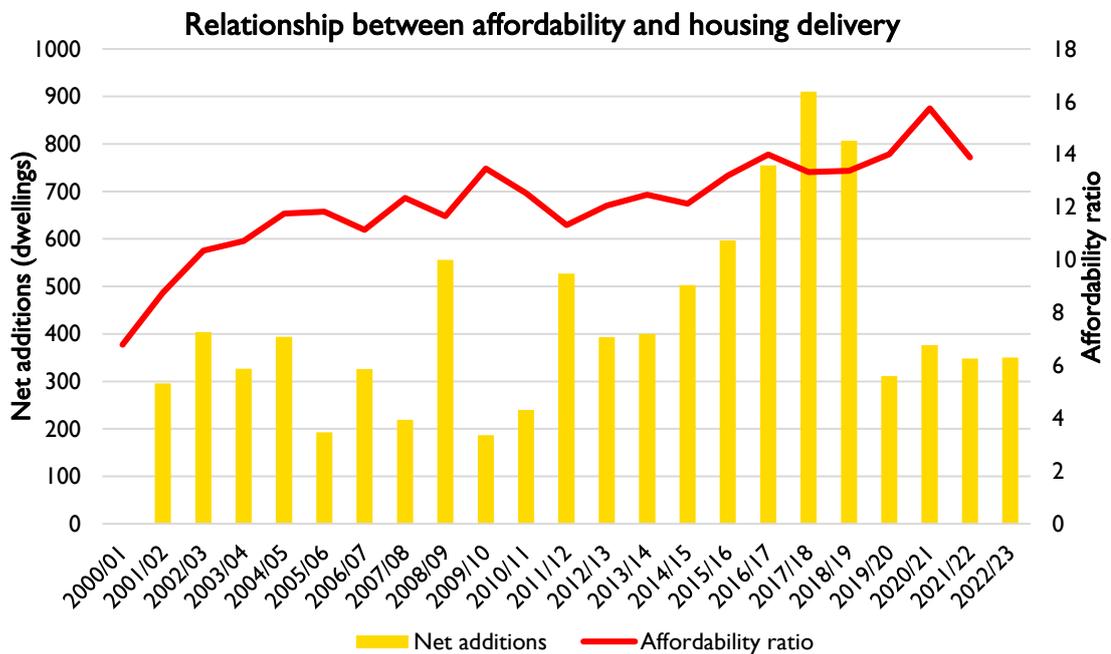
5.26 Whilst housing affordability is of significant concern to the District Council, many of the causes of housing unaffordability in Cotswold District are beyond the Council’s control. For example:

- Wages have not kept pace with house price rises.
- Developers can 'drip-feed' new homes into the market to ensure house prices remain high to maximise profits.
- Land banking (i.e. land being used as a financial asset to increase share prices rather than to deliver housing).
- Right to Buy has left a shortage of social-rented housing nationally.
- Not enough social-rented housing has been built across the country. Subsidies have been cut. More recently, funds are being diverted towards dealing with fire safety issues and retrofit.
- Quantitative easing, coupled with low interest rates, increased the ability of people to get a mortgage, which fuelled an increase in house prices. There are increasing concerns about the UK’s ability to finance loans secured in a low interest environment, with rates increasing rapidly during 2023 to address inflation.
- Stamp Duty holidays have fuelled increased demand for housing. With more money to spend on buying a home, house prices have risen.
- Second homes, holiday homes and buy to let have removed housing from the market that could otherwise be made available to those who want to own a single home, and the resulting increased demand within a reduced pool of housing stock inflates house prices and worsens affordability.

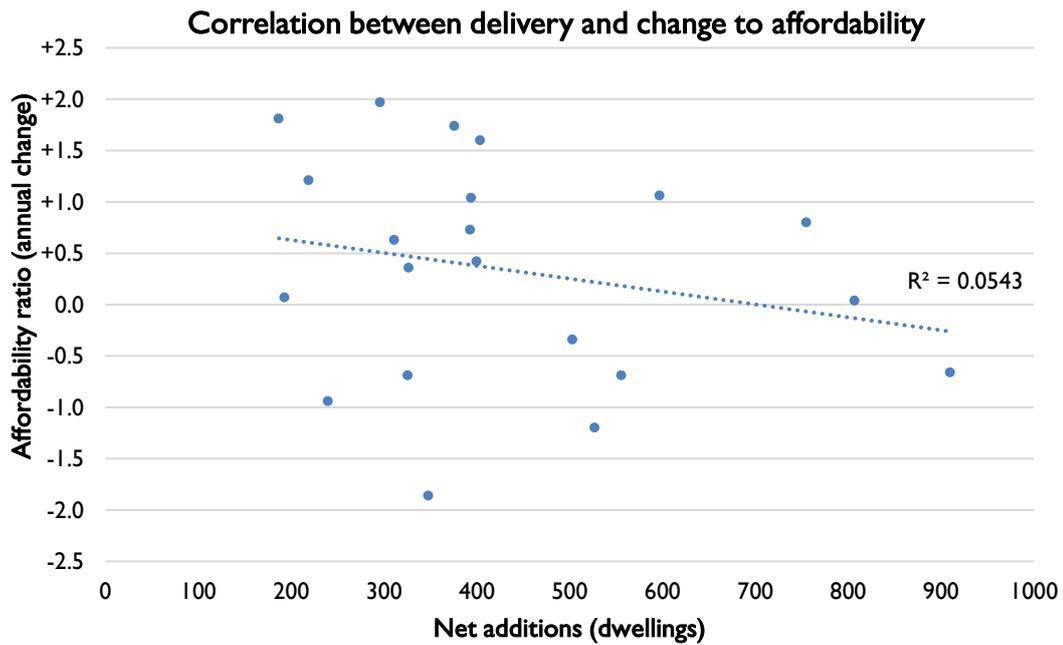
- The impact of inflationary pressures resulting from global events such as the Covid pandemic and more recently Russia’s invasion of Ukraine.
- A labour shortage in the construction workforce.
- Increased costs of building materials and labour.
- When new market homes are built, they are typically more expensive than the average house available in the market. So, counterintuitively, new housing can increase the average house price in an area.

*The relationship between affordability, housing need and housing delivery*

5.27 The graph below compares the relationship between affordability and housing delivery in the district. Whilst housing supply has significantly increased since the start of the plan period in 2011, affordability has continued to deteriorate.



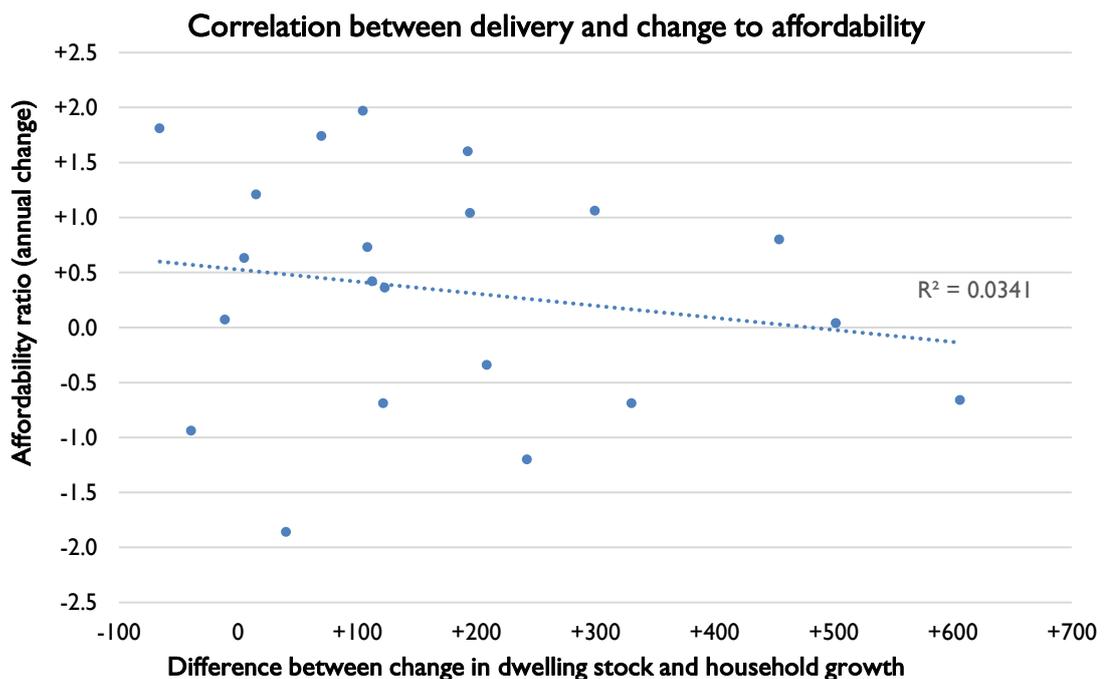
5.28 However, there is a very weak correlation between the housing delivery and annual change to affordability.



5.29 Through analysing the annual change in the affordability ratio and the net additions each year, we can establish the correlation coefficient  $r = -0.23$  (with an r-squared value of 0.0543 and a downward trend). Any correlation coefficient that is closer to 0.0 than  $\pm 0.4$  would be considered to be weak, so a correlation of  $-0.23$  would be considered very weak.

5.30 However, it perhaps more appropriate to consider the annual change in affordability relative to the difference between the change in stock and household growth. In other words, it is only when the stock is increasing faster than the number of households that affordability would be expected to improve.

5.31 However, this results in an even weaker relationship, with a correlation coefficient of  $-0.18$  (with an r-squared value of 0.0341 and a downward trend).



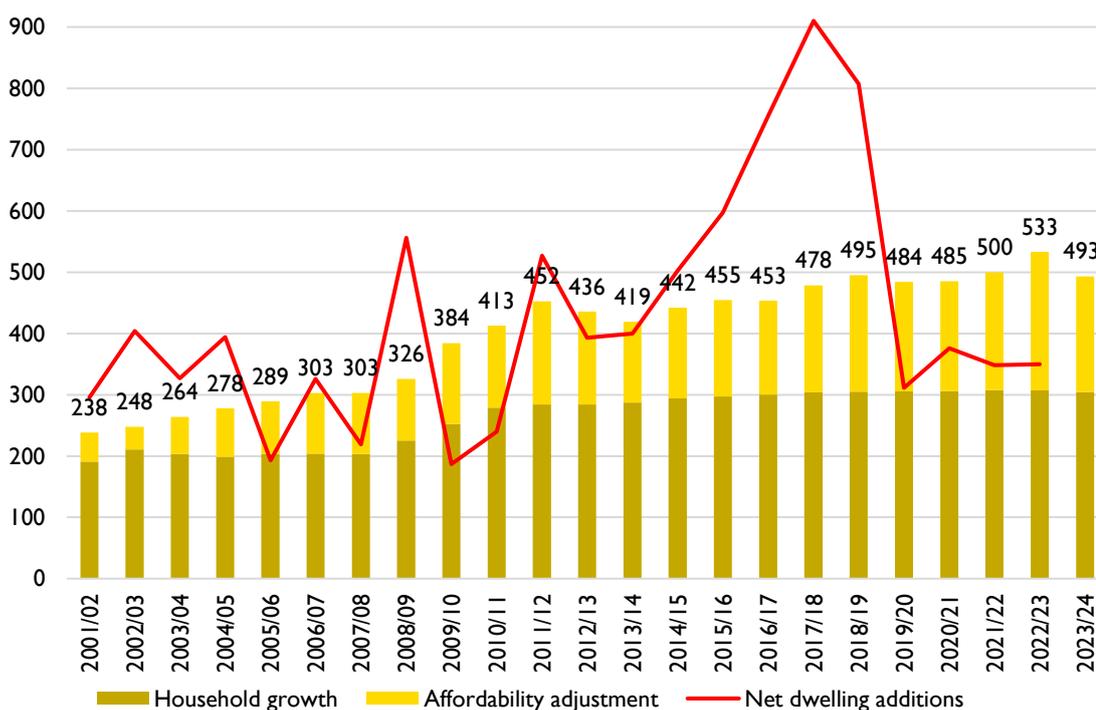
5.32 Therefore, based on the evidence for the district over the last 20 years, higher levels of housing delivery are likely to have very limited impact on local affordability.

5.33 For 2023-2024, step 1 of the standard method calculation identified a baseline need of 305dpa based on the projected household growth for Cotswold District; however, the adjustment factor at step 2 yielded an additional 188dpa based on a 61.8% uplift – so the affordability uplift represents 38% of the 493dpa housing need. This means that a large proportion of the housing need in Cotswold District and is already directed towards addressing the affordability of housing, principally due to the district’s housing affordability ratio being so high.

5.34 Using the current standard methodology calculation, we can also establish the housing need of the district for previous years. The baseline is set using the national household growth projections for each year (using the 2014-based household projections in England) to project forward the average annual household growth over the following 10-year period. An adjustment factor is then applied to take account of affordability, based on the median workplace-based affordability ratios (published by the Office for National Statistics at a local authority level) for the relevant year.

5.35 The graph below compares the relationship between the housing need of the district and housing delivery.

**Relationship between the housing need and housing delivery**



5.36 Over the 10-year period 2001/02 to 2010/11 the standard method calculation identifies that the baseline housing need would have been 2,171 dwellings and the affordability uplift would have increased this by 874 to an overall housing need of 3,045 dwellings. During the same period, there was a total 3,140 net additions to the dwelling stock, so the housing need was met in full during that period.

5.37 Similarly, the overall housing need for the 5-year period 2011/12 to 2015/16 totalled 2,204 dwellings during which time there were 2,420 net additions to the dwelling stock. Therefore, housing supply exceeded housing need by 10%.

- 5.38 There were then several years of very high housing delivery between 2016 and 2018. Despite this, housing affordability has continued to get worse and, as a consequence, annual housing need has continued to increase despite the substantial delivery of new homes.
- 5.39 Housing needs are meant to be a minimum figure, not a maximum. Despite this, the analysis demonstrates that even with a large quantity of over delivery of housing, housing affordability in the district has continued to get worse.
- 5.40 Given this context, and based on the evidence, there appears to be little (if any) relationship between housing supply and affordability in Cotswold District. Housing affordability is a multi-faceted national issue. The provision of additional affordable housing resulting from the Local Plan will go some way towards helping the situation, but the Local Plan process has limited impact on the overall affordability of the housing in the district, which is shown to be a complex governmental policy issue.
- 5.41 It can therefore be concluded that the latest affordability ratios do not provide any justification for setting a higher (or lower) housing requirement. Nevertheless, the Council will continue to seek to maximise the amount of affordable housing that is delivered, both through the planning system and through other mechanisms, to help as many local households as possible.

*Should the updated housing requirement be increased or decreased to deliver more affordable housing?*

- 5.42 Over the 12-year period since the start of the Local Plan, a total of 2,024 affordable homes have been delivered, though the figure excludes losses of affordable homes from 52 sales under the Right to Buy<sup>26</sup> and affordable homes demolished in regeneration schemes. Therefore, net additions to the stock total 1,972 affordable homes, equivalent to an average of 164 homes per year.
- 5.43 However, the planning system is only one mechanism available for delivering affordable housing, and the supply is being proactively boosted by Cotswold District Council and the Council's partners. The Cotswold District Corporate Plan<sup>27</sup> aims to deliver more genuinely affordable housing and sets out a range of actions to do so.

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<sup>26</sup> Right to Buy data covers the 11-year period 2011-2022 as figures are not yet available for 2022/23

<sup>27</sup> [Cotswold District Council Corporate Plan 2020-2024 \(Spring 2022 Update\)](#)

Our aims	Our actions	Commencement	Completion
Provide more affordable housing with the emphasis on social rented accommodation	Adopt an affordable housing delivery strategy that sets out clear aims and objectives	June 2020	November 2020
Provide additional housing to meet the needs of the district	Examine our existing assets and identify opportunities for housing delivery	September 2020	May 2021
	Identify opportunities to acquire properties for homeless accommodation	July 2020	Ongoing
	Identify and consider sites for delivery	July 2020	Ongoing
	Explore modern methods of construction in the context of our rural setting	April 2021	Ongoing
	Support young people through a 'rent to buy' scheme	April 2021	Ongoing
Deliver the Kemble housing development	Secure planning permission for the development	September 2020	March 2021
	Progress the development independently, or with a suitable partner	July 2021	June 2022
Reduce reliance on bed and breakfast and hotels for emergency homeless accommodation	Maximise the opportunities of the 'housing first' model	July 2020	Ongoing
	Acquire the property approved in July 2020, and put this to use	July 2020	December 2020
	Participate in a joint Gloucestershire bid for additional government funding	August 2020	December 2021
Deliver social rented and affordable rented accommodation across the district	Explore direct delivery options Work with partners to increase the supply of social rented accommodation Investigate the feasibility of setting up a housing company	September 2020	Ongoing

### *Affordable housing delivered through the planning system*

- 5.44 The Cotswold Strategic Housing Market Assessment (SHMA) Affordable Housing Further Update (HDH, April 2016) and associated errata note (May 2017) identified the total need for affordable housing to be 157 dwellings per year from 2015 to 2031.
- 5.45 The examining Inspector of the adopted Local Plan concluded that this affordable housing need could not be met in full through the planning system. A balance had to be struck in order to achieve sustainable development with regard to delivering affordable housing and the need to protect the high quality built and natural environment and to avoid long distance commuting.
- 5.46 The bulk of affordable housing delivery comes from Local Plan Policy H2, which requires up to 30% affordable housing on qualifying brownfield sites and up to 40% affordable housing on qualifying greenfield sites. Several further policies add to the affordable housing supply<sup>28</sup>. At the time of the Local Plan examination, the Local Plan policies were expected to deliver approximately 100 affordable homes a year through the planning system, which represented 64% of the District's affordable housing need identified by the SHMA. On that basis, the Inspector concluded that the affordable housing policies were sound<sup>29</sup>.

### *Affordable housing resulting from the updated Housing Strategy*

- 5.47 The Council's Housing Strategy will further boost the delivery of affordable housing, whilst also addressing the holistic causes of housing affordability in Cotswold District. The Strategy considers housing affordability holistically by addressing the causes of people not being able to afford a home in the District and identifies eight further areas where action can be taken to increase the supply of affordable homes and to support household budgets.
- 5.48 The focus areas are:
- Neighbourhood development plans.
  - Development management: planning permission.

<sup>28</sup> E.g. Local Plan Policies H3 and H4

<sup>29</sup> See paragraphs 55, 56 and 209 of the Report on the Examination of the Cotswold District Local Plan 2011-2031 (PINS, 5 June 2018, PINS Ref: PINS/F1610/429/2)

- Extending the rural area designation to cover most of the 20% of the district, which is not located within the Cotswolds Area of Outstanding Natural Beauty.
- Reducing household bills and delivering low carbon or zero carbon homes.
- Supporting young people.
- Providing a downsizing strategy to support older people to move into more suitable accommodation and to enable additional larger family homes to become available for families who need them.
- Tackling the impact of second homes, holiday homes and Airbnb have on the District's housing stock.
- Helping wages to keep pace with house prices.

*Affordable housing resulting from the Council's partnership with Registered Providers*

5.49 The Council is working in partnership with several Registered Providers to buy land for 100% affordable housing schemes; regenerate existing sites (often at higher densities); deliver affordable housing on Council-owned sites; use grant funding to convert market housing into affordable homes; and sell Council owned assets to raise funds to deliver more affordable homes.

5.50 For example:

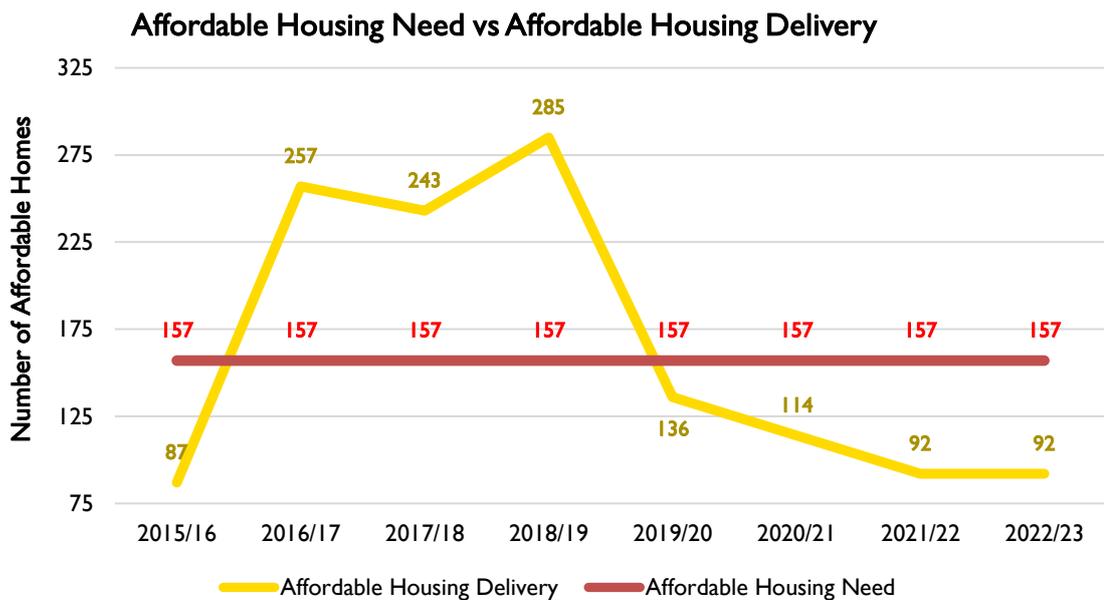
- [Patterson Road, Cirencester](#) (36 social rented homes - Bromford): In 2020, 36 new, energy efficient homes were completed to update and replace existing affordable housing that was no longer fit for purpose. These provide a mix of affordable rent and shared ownership homes, built to modern energy efficiency standards, for local residents.
- [Churnbridge Row, North Cerney](#) (12 affordable homes - Cirencester Housing): In 2020, 12 new affordable homes were completed in North Cerney. The Council granted funding for the completion of the development, which played a big part in ensuring that these will always be affordable homes for local people. The scheme comprises 10 houses and flats for affordable rent and two houses for shared ownership.
- [Wickhams Field, Tetbury](#) (30 social rented homes - Bromford): In April 2022, a 30-dwelling affordable housing development was completed at Wickhams Field, Tetbury. The site is now fully occupied with most residents having a connection to the town. The 30 homes are a mixture of two and three-bedroom houses and one-bedroom flats, all of which are for social rent.
- [Chamberlayne Close, Stow-on-the-Wold](#) (18 social rented homes - Bromford): In July 2022, 18 energy efficient homes for social rent were completed in Stow-on-the-Wold. The previous homes were identified under the Sheltered Housing Review as being no longer fit for purpose for elderly customers and they had a poor energy efficiency rating.
- [Stockwells, Moreton-in-Marsh](#) (28 social rented homes - Bromford): Stockwells cul-de-sac in Moreton is being redeveloped to provide 28 new net zero carbon social rented homes. The development will be the first affordable modular build of its kind in the Cotswolds. The existing homes at Stockwells were built in the 1950s and were not energy efficient. The scheme involves demolishing the 24 existing homes and replacing them with 28 modern, energy-efficient homes which are affordable for tenants to run. The new homes will be completely gas-free and all homes will be fitted with air source heating and solar panels to align with the Council's drive for all affordable housing to be green to the core.

- [Leaholme Court, Cirencester](#) (44 apartments - Bromford): 44 new apartments for social rent were completed at Leaholme Court in summer 2022, replacing 46 flats built in the early 1960's that were no longer fit for purpose.
- [Cross Tree Crescent and Oakley Flats, Kempsford](#) (27 1-3 bedroom houses and 2 bedroom bungalows - Bromford): A scheme is underway to demolish 14 sub-standard existing houses and 12 flats and to rebuild 27 new affordable 1, 2 and 3 bedroom houses and 2 bedroom bungalows. Oakley Flats are currently under construction and due for completion spring 2023. Cross Tree Crescent is to follow thereafter. These will be modern, energy efficient homes, which are affordable for people to live in and run.
- [The Sunground, Avening](#) (14 new social rented and shared ownership homes - Bromford): Work has commenced on the development of three 2-bedroom and six 1-bedroom social rented homes and four 2-bedroom and one 3-bedroom shared ownership homes. These will include various features that will make the homes more carbon efficient and cheaper to operate, such the homes having an air source heat pump for heating and hot water; electric vehicle charging points; solar panel; provision of water butts; secure cycle storage; and provision of broadband.
- [Land at Davies Road, Moreton-in-Marsh](#) (15 social rented homes - Cottsway): This development will provide 15 low-carbon homes for social rent, including a mix of one, two and three-bed properties. The scheme is due to be completed in 2024 and will include sustainable features such as air-source heat pumps and enhanced levels of insulation.
- [Land adjacent to Broadleaze, Down Ampney](#) (a social rented housing development - Bromford): Cotswold District Council own land adjacent to Broadleaze in Down Ampney, which is allocated in the Local Plan for housing development. The Council is currently working with Bromford Housing to bring forward a scheme for 15 social rented, energy efficient homes.
- [Sale of The Cotswold Club in Cirencester](#)<sup>30</sup>: In August 2022, the Council sold The Cotswold Club in Cirencester to invest in more net zero affordable housing. This is a further commitment from the Council to boost the delivery of affordable housing through the realisation of its assets.
- [Use of grant funding to buy market homes](#): The Council has used grant funding to purchase 118 additional affordable homes on five sites since 2011. Further market homes will be purchased in future as and when opportunities arise.
- [Berkeley Close, South Cerney](#): Bromford propose to replace 59 concrete construction homes with around 84 modern, energy-efficient homes. A planning application will be submitted in summer 2023.

#### *Affordable housing delivery since the Local Plan was adopted*

- 5.51 Since the Local Plan was adopted, several additional years of monitoring data have become available. The graph below compares the annual affordable housing need identified by the SHMA (which was assessed from 2015 onwards) with affordable housing delivery.

<sup>30</sup> [Cotswold News: Cotswold District Council sells The Cotswold Club to invest in more net zero affordable housing](#) (22.08.2022)



5.52 In summary:

- Between 2015 and 2023, the District delivered 1,336 affordable homes (net) with 30 sales under the Right to Buy, resulting in an average increase of 163 affordable homes a year). This included 181 social rented homes (an average of 23 per year).
- Between 2023 and 2031, developments with planning permission and remaining Local Plan site allocations are expected to deliver 675 additional affordable homes (net) (an average of 84 per year). Based on historic delivery and future trends, it is conservatively estimated that around 192 further affordable homes will be delivered as windfalls between 2023 and 2031 (an average of 24 per year)<sup>31</sup>. Based on the current housing land supply, total affordable housing delivery between 2023 and 2031 is therefore expected to be 867 affordable homes delivered through the planning system (an average of 108 per year). The Council will also continue to maximise affordable housing delivered through other mechanisms.
- Total affordable housing delivery over the 20-year Local Plan period 2011 to 2031 is expected to be at least 2,839 homes (net) (142 affordable homes per year on average).

*Why have more affordable homes been delivered than were estimated for the Local Plan?*

5.53 Although the affordable housing delivery rate of just over 140 affordable homes a year over the Plan period is 30%+ higher than the figure of 100 affordable homes year that the Local Plan Inspector considered to be a reasonable target for the Plan, it is important to recognise that the overall number of homes delivered has exceeded the 420 per year average housing

<sup>31</sup> NPPF (2021) Annex 2 defines windfall sites as “*Sites not specifically identified in the development plan.*” An explanation of how the estimate of future windfall delivery in Cotswold District is calculated and the justification for using a windfall allowance in the housing trajectory is provided at pages 7 to 18 of the [Housing Land Supply Report](#) (CDC, July 2022). In addition to the guidelines provided in that report for assessing windfall delivery, the following additional guidelines have been used for determining whether affordable housing developments count as windfalls:

- Any additional affordable housing delivered on 100% affordable housing sites are counted as windfall affordable housing (the number of windfalls excludes the 30% or 40% requirement that would already have been delivered on those sites if the site is within or adjacent to the development boundaries of one of the 17 Principal Settlements identified in the Local Plan).

Market homes bought with grant funding and have been converted into affordable housing are counted as windfall affordable homes.

requirement. As affordable housing will be delivered as a proportion of overall housing delivery, the higher number of market homes already delivered has yielded a higher return of affordable homes. The reality is that the Local Plan does not set an upper limit market or affordable housing delivery.

- 5.54 Importantly, the delivery rate of over 140 affordable homes per year includes affordable housing delivered through all mechanisms (and not only the affordable housing delivered through the planning system) so it reflects the considerable wider efforts of the District Council and its partners. However, this still remains below the housing need of 157 affordable homes per year that was identified by the SHMA.

*Updated affordable housing need: the Gloucestershire Local Housing Needs Assessment (ORS, September 2020)*

- 5.55 The Gloucestershire Local Housing Needs Assessment (LHNA) (ORS, September 2020) reassessed the affordable housing need of Cotswold District. It identified an overall need for 2,497 affordable homes for the period 2021-2041. This included 248 households as the net current need in 2021 and a net newly arising need of 113 households per year on average over the 20-year period.

- 5.56 On this basis, for the LHNA period that falls within the current Local Plan period (i.e. 2021-2031) the overall need for affordable housing is around 1,378 households (i.e. (10 years x 113 of newly arising households) + 248 households with current need).

- 5.57 In terms of delivering this figure:

- 191 affordable homes were delivered from between April 2021 and March 2023, though there were seven dwellings sold under the Right to Buy in 2021/22 reducing the total to 184 net additions.
- 675 affordable homes are expected from sites with planning permission and remaining Local Plan site allocations between April 2023 and March 2031.
- 35 affordable homes Fairford Neighbourhood Development Plan site allocation.
- 192 affordable homes are expected to be delivered as windfalls between April 2023 and March 2031.

- 5.58 Based on affordable homes already delivered and the supply currently identified, it is estimated that 1,086 affordable homes will be delivered between 2021 and 2031. This represents nearly four fifths (79%) of the need of 1,378 households that was identified by the LHNA for this period, with a shortfall of 292 additional affordable homes needed in order to meet the need in full.

- 5.59 For development to be included in the Local Plan housing supply, it has to have a reasonable prospect of delivery in accordance with strict national policy tests. The effect in Cotswold District is often a conservative underestimate of what will actually be delivered – so it is likely that more affordable homes will be delivered in practice, as evidenced by the affordable housing delivery since the Local Plan was adopted (163 affordable homes a year) being so much higher than the figure that could be demonstrated during the Local Plan examination (100 affordable homes a year).

*Affordable housing resulting from the Local Plan Partial Update*

- 5.60 The Local Plan Partial Update includes various proposals that will further boost the delivery of affordable housing. For example:

- Policy H1 proposes to improve housing affordability by:
  - Increasing the requirement for smaller house types, which are generally more affordable.
  - Increasing the requirement for bungalows, which will enable older people to downsize and will free up larger accommodation for family housing.
- Policy H2 proposes to boost affordable housing delivery by:
  - Increasing the affordable housing requirement up from 40% on qualifying greenfield sites to potentially as high as 50% (as it was in the previous Local Plan).
  - Reducing the threshold for which affordable housing is required in designated rural areas to from 5 to 3 dwellings.
  - Reducing the threshold for which affordable housing is required in all other locations from 11 to 10 dwellings.
  - Requiring affordable housing on sites of 0.5 hectares or more, which is currently not requirement in the Local Plan.
  - Closing a loophole, which currently enables affordable housing contributions to be avoided where multiple small schemes gain planning permission, which on their own do not require trigger an affordable housing contribution but in combination would.
  - Requiring that affordable housing must delivered on site in all but exceptional circumstances, wherever in the district the development is located.
  - Requiring 25% of affordable homes to be First Homes with a 50% discount of the market price.
  - Providing policy support for entry level exception sites outside the Cotswolds Area of Outstanding Natural Beauty.
  - Clarifying the circumstances when viability is a reason to not provide affordable housing, particularly the price that is paid for land.

*Conclusion on whether the Local Plan housing requirement should be increased or decreased to deliver more affordable housing*

- 5.61 The provision of additional affordable housing resulting from the Local Plan can go some way towards helping the housing situation, and the Council is keen to ensure that it does all it can to enable people to afford a home in Cotswold District. In this regard:
- The housing need, as calculated by the standard methodology, already includes a 188dpa (62%) uplift to the household projections to help address the affordability of housing within district.
  - Based on a supply of existing planning permissions, site allocations and windfalls, it is estimated that 1,051 affordable homes will be delivered between 2021 and 2031 (76% of the identified need for 1,378 affordable homes in this period).
  - The Local Plan Partial Update includes various proposals, which would deliver additional affordable homes. This includes considering the allocation of additional sites to provide further contingency and increased certainty that the updated housing need will be met in full and various updates to affordable housing policies. As with the extant Local Plan,

the updated Local Plan policies will set a minimum housing requirement and will not prevent over-delivery.

- The Council's Housing Strategy will further boost the delivery of affordable housing, whilst also addressing the holistic causes of housing affordability in Cotswold District.

- 5.62 At the time of the examination of the adopted Local Plan, the Local Plan Inspector considered it to be reasonable for the Local Plan to deliver 64% of the identified affordable housing need. On that basis, the Inspector concluded that the affordable housing policies were sound.
- 5.63 The affordable housing supply between 2021 and 2031 is already expected to deliver 76% of the affordable housing need, which is 12 percentage points higher than the estimated amount of affordable housing delivery at the examination of the adopted Local Plan. Added to this, the proposed updates to the Local Plan housing policies and the Council's Housing Strategy will close the gap further – or possibly fully deliver – the affordable housing need.
- 5.64 Based on the evidence for the district over the last 20 years, higher levels of housing delivery are likely to have very limited impact on local affordability. Housing affordability is a multifaceted national issue, the solution(s) are largely beyond the control / influence of the Local Plan.
- 5.65 There is therefore no need to increase the housing requirement in order to further boost the delivery of affordable homes.

*Should the updated housing requirement be increased or decreased to accommodate housing needs resulting from growth strategy of the area?*

- 5.66 Whilst Cotswold District has several larger employers, thriving town centres and an economy that is recovering well from the Coronavirus pandemic, the growth strategy for the area is relatively small-scale compared to more urban areas with more strategic growth aspirations. This is illustrated by the adopted Local Plan, which requires 24ha of employment between 2011 and 2031.
- 5.67 The Council's Green Economic Growth Strategy<sup>32</sup> aims to deliver green economic growth by creating a dynamic, vibrant and balanced economy in the Cotswolds by growing high value, highly-skilled, low environmental impact commerce in the District. The Strategy identifies, in common with Gloucestershire's Draft Local Industrial Strategy<sup>33</sup>, agritech, cyber/digital, green technologies and tourism as key growth sectors for the District. It also identifies the importance of housing growth in the District's economic recovery and that housing affordability is a significant issue for the District, which can cause businesses to face skill and labour shortages.
- 5.68 Nevertheless, paragraph 56 of the Inspector's report of the examination of the Local Plan, states that, "*As the OAN assumes a population increase sufficient to fill all of the additional jobs expected to be created in the district, increasing the housing requirement further would be likely to lead to net out commuting and therefore longer journeys by private motor vehicles.*"<sup>34</sup> The original housing requirement of 8,400 dwellings provided sufficient new homes to ensure a balance between jobs and workers over the 20-year Local Plan period, and there is a continued risk that any increase would still be likely to lead to increased out-commuting. The housing land supply over the 20 year Local Plan period is now expected to be nearly

<sup>32</sup> [Cotswold District Green Economic Growth Strategy \(adopted December 2020\)](#)

<sup>33</sup> [Gloucestershire's Draft Local Industrial Strategy \(Gfirst LEP, 2019\)](#)

<sup>34</sup> [Report on the Examination of the Cotswold District Local Plan 2011-2031](#) (PINS, 5 June 2018. ref: PINS/F1610/429/2)

10,000 net additional homes. Any further increase to the housing requirement would likely deliver further housing could lead to an imbalance between jobs and workers and an increase risk of out-commuting.

- 5.69 The Gloucestershire Local Housing Needs Assessment<sup>35</sup> has assessed the alignment between future jobs and workers over the 20-year period 2021-2041. At the time of the study, the minimum local housing need (LHN) figure was 490 dpa and delivering that number of homes annually would have led to an increase of 4,291 economically active residents, of which 3,700 would have been likely to work in the local area. That increase was considerably higher than the jobs growth identified by the Oxford Economics baseline forecast, though aligned with the medium-high scenario. Whilst more workers would have been needed to align with the Cambridge Econometrics forecast, paragraph 5.19 of the LHNA noted that the surplus of workers elsewhere in the Gloucestershire Housing Market Area could ensure alignment with only small changes to net commuting patterns.
- 5.70 Nevertheless, there is clearly significant uncertainty about the extent of future economic growth, as illustrated by the different forecasts. There is also uncertainty about the long-term impact of recent changes to the employment market (especially with regard to the number of employees working from home) which may also have impacted commuting patterns since the 2011 Census. Given this context, whilst the Council recognises the need for broad alignment between housing and employment growth, it is cautious about placing undue weight on any one set of figures given these inherent uncertainties. It is also clear that the caution raised by the Local Plan Inspector about increases to net out-commuting and therefore longer journeys by private motor vehicle remains relevant.
- 5.71 Given this context, it seems likely that the growth strategy of the area continues to align with the planned housing, so there is therefore no justification for the housing requirement to be any higher than the identified housing need on this basis.

*Should the updated housing requirement be increased or decreased to accommodate housing needs resulting from strategic infrastructure projects?*

- 5.72 There are two relevant strategic infrastructure projects in Cotswold District. These have been assessed to establish whether the housing requirement should be increased to accommodate additional housing growth resulting from these projects.

*Upscaling of activities at RAF Fairford*

- 5.73 An upscaling of activities is planned at RAF Fairford, which will increase the number of United States Air Force personnel who are stationed in this location. The housing requirements for this project have been assessed<sup>36</sup> and the implications of the project on housing needs have been taken into consideration in the Gloucestershire Local Housing Needs Assessment<sup>37</sup>. The project was not considered to have any implications that required an uplift the 490 dwelling local housing need. An update from RAF Fairford in 2023 confirmed the situation remains unchanged.

*A417 Missing Link*

- 5.74 The Missing Link project aims to reduce delays and increase safety on a three-mile stretch of single-lane carriageway on the A417 between the Brockworth bypass and Cowley roundabout, which is on the north-western edge of Cotswold District. The project will free up an important

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<sup>35</sup> [Gloucestershire Local Housing Needs Assessment \(ORS, September 2020\)](#)

<sup>36</sup> RAF Fairford Housing Requirements and Market Analysis 2018-2023 (RDN Inc. on behalf of the USAF)

<sup>37</sup> See paragraphs 9.31 to 9.39

route from Gloucester to Swindon. The scheme has four key objectives, including economic growth: “to help boost growth and prosperity by making journeys more reliable and improving connectivity”.

- 5.75 The Development Consent Order was approved in November 2022 and works are expected to start in 2023.
- 5.76 Whilst both projects will provide improvements to the local infrastructure and could result in higher levels of demand than would have been suggested by past trends in isolation, it is important to recognise that the standard method calculation for housing need incorporates a significant uplift to the trend-based figures.
- 5.77 The household projections identified a trend-based growth of 305 households each year at step 1 of the standard method calculation, but this is increased by 61.8% at step 2 as a consequence of the affordability adjustment.
- 5.78 Housing need identified by the standard method is therefore higher than the trend-based household growth, as the affordability adjustment helps meet the policy objective of significantly boosting the supply of homes. It is likely that strategic infrastructure will need to be delivered to help meet that policy objective and whilst more homes will be delivered, this will fundamentally enable the growth already captured within the standard method housing need rather than being additional to it.

*Should the updated housing requirement be increased or decreased to protect areas or assets of particular importance?*

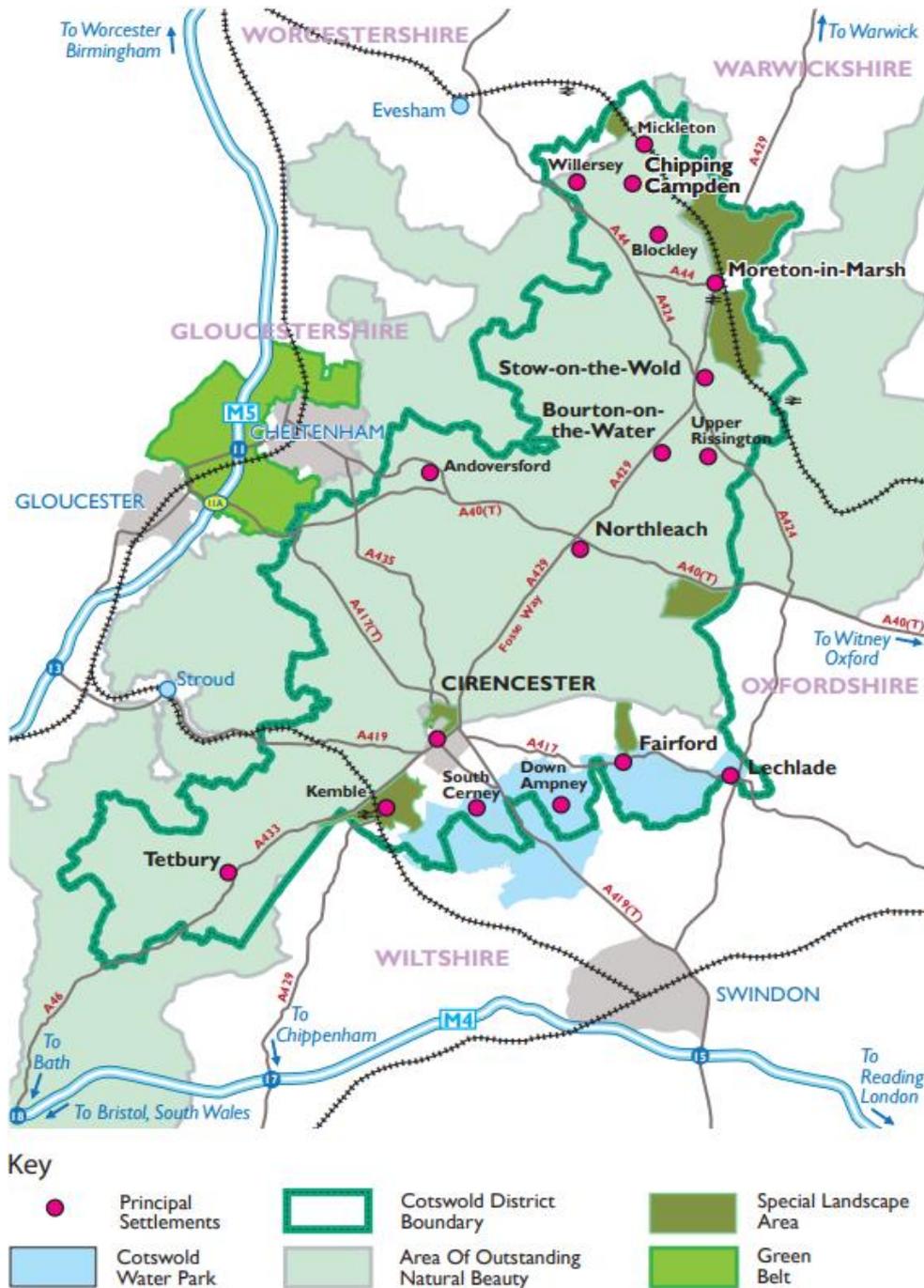
- 5.79 National policy identifies several areas or assets of particular importance, which can provide a strong reason for restricting the overall scale, type or distribution of development in a plan area<sup>38</sup>. Of particular relevance to Cotswold District are:
- Cotswolds Area of Outstanding Natural Beauty / National Landscape (the AONB);
  - Green Belt;
  - Local Green Spaces;
  - Irreplaceable habitats;
  - Habitats sites (and those sites listed in paragraph 181 of the NPPF) and/or designated as Sites of Special Scientific Interest;
  - Designated heritage assets (and other heritage assets of archaeological interest referred to in footnote 68 of the NPPF); and
  - Areas at risk of flooding.
- 5.80 These issues can be considered at both the macro (district-wide) scale and micro (settlement / site specific) scale.
- Macro (district-wide) scale*
- 5.81 The AONB covers 80% of Cotswold District. A further 6% of the District is designated as a Special Landscape Area, much of which provides an important setting and an effective buffer for the AONB. A further 6% of the District is located within Cotswold Water Park, a large

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<sup>38</sup> NPPF (2021) paragraph 11 and Footnote 7

proportion of which is designated as a Site of Special Scientific Interest<sup>39</sup>. The District also incorporates a small part of the Gloucester and Cheltenham Green Belt.

**Figure 1: Map showing the Cotswolds AONB, Special Landscape Areas, Cotswold Water Park and the Gloucester and Cheltenham Green Belt**



Contains Ordnance Survey data © Crown copyright and database rights 2015

5.82 The District also has:

- 33 registered historic parks and gardens
- 144 Conservation Areas (more than any other District in England)

<sup>39</sup> [Cotswold Water Park confirmed as a Site of Special Scientific Interest](#)

- 5,004 entries on the statutory list of buildings of special architectural and historic interest (second after City of Westminster)
- 238 Scheduled ancient monuments
- Various habitats sites, including:
  - 2 internationally designated [Special Areas of Conservation](#)
  - 37 other nationally designated [Sites of Special Scientific Interest](#) and 1 [National Nature Reserve](#)
  - Various other locally designated sites, such as Local Sites, [Key Wildlife Sites](#) and [Local Nature Reserves](#)
  - Various areas of Priority Habitat<sup>40</sup>.

5.83 Many of these areas or assets are located within the 8% of the district that is not within the Cotswolds AONB, a Special Landscape Area, Cotswold Water Park or the Green Belt.

5.84 Eight of the District's Principal Settlements, as defined by Local Plan Policy DSI, are completely within the AONB<sup>41</sup>. A further five Principal Settlements are bound by the AONB on one or more sides and form part of the setting in the AONB<sup>42</sup>.

5.85 National policy requires that great weight should be given to the conservation and enhancement of AONBs, which have the highest status of protection in relation to these issues. Furthermore, the scale and extent of development within AONBs is required to be limited, while development within their setting should be sensitively located and designed to avoid or minimise adverse impacts on the AONB<sup>43</sup>.

5.86 The existing Local Plan sought to meet the identified housing need in full, despite these extensive constraints. Furthermore, the rate of housing delivery in Cotswold District has been amongst the highest of any area with such constraints.

5.87 Although the standard method increases the housing need for the remaining years of the Plan, it is necessary to consider whether an increase in the housing requirement can be accommodated given the land constraints of the District. However, it is also appropriate to recognise that the identified housing need can be delivered in full without any further step-change to housing delivery.

5.88 It is clear that there would be arguments for setting a housing requirement below the identified housing need due to the land constraints. However, any unmet need would then need to be addressed, which would not be necessary if the identified need could be met in full within the District.

***Should the updated housing requirement be increased or decreased to promote a sustainable pattern of development and mitigate climate change?***

5.89 When the Local Plan was examined, it was found sound on the basis that housing delivery in the later part of the plan period would decrease in order to rebalance the extremely high

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<sup>40</sup> These are wildlife habitats that are listed at section 41 of the [Natural Environment and Rural Communities Act](#) 2006 as being [habitats of principal importance for biodiversity](#).

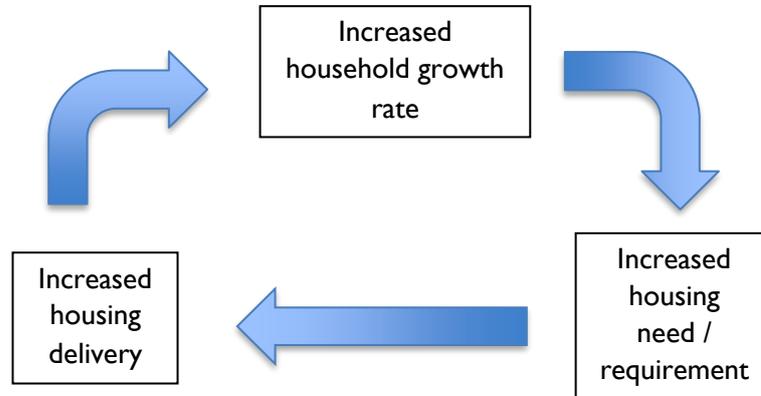
<sup>41</sup> Andoversford, Blockley, Bourton-on-the-Water, Chipping Campden, Northleach, Stow-on-the-Wold, Tetbury and Upper Rissington

<sup>42</sup> Cirencester, Kemble, Mickleton, Moreton-in-Marsh and Willersey

<sup>43</sup> NPPF (2021) paragraph 176

rates of delivery earlier in the plan period and, in so doing, the Local Plan would deliver sustainable levels of growth. Indeed, the District had not delivered anywhere near the average annual rate of growth prior to 2011. The Local Plan inspector considered that, “As the OAN assumes a population increase sufficient to fill all of the additional jobs expected to be created in the district, increasing the housing requirement further would be likely to lead to net out commuting and therefore longer journeys by private motor vehicles... Whilst the market in the district may be sufficiently strong to mean that adopting such an approach would be effective in driving up supply, a balance has to be struck in order to achieve sustainable development having regard to the high quality of the built and natural environment and the need to avoid long distance commuting.”

- 5.90 Around 5,580 homes were delivered in the first half of the Local Plan period – 66% of the entire Local Plan housing requirement – with the annual delivery rate peaking at 911 dwellings in 2017/18. This compares to the average annual housing requirement of 420 homes a year.
- 5.91 The development strategy is playing out as planned and the average annual delivery rate between 2019/20 and 2022/23 has fallen back down to 350 homes a year (or 366 homes a year if an allowance for the net increase in bedrooms in communal accommodation is included).
- 5.92 The issue is now that housing requirements must be reviewed once every five years. Step 1 of the standard method formula for calculating housing need relies on household projections, which derive from household growth rates. The district’s high level of over-delivery of housing will be reflected in the household growth rates, which will also increase. This means that future housing need calculations will also likely increase. The issue is self-perpetuating and results in an ever increasing housing need if the housing requirement is delivered in full.



- 5.93 If the housing requirement is not delivered in full, a situation arises where the Council is likely to not have a five-year housing land supply or fail the Housing Delivery Test. In this situation, plan-led development can be circumnavigated by applications for housing development in otherwise unsuitable locations and where there is likely to be less opportunity to deliver benefits, particularly mitigating the impacts of climate change by locating housing in the most accessible locations. Applications are instead determined in accordance with the NPPF’s ‘presumption in favour of sustainable development’.<sup>44</sup>
- 5.94 The Government’s standard method approach continues to rely on 2014-based projections, which are informed by trends that largely pre-date the current Plan period. They therefore do not include the extreme peaks in housing delivery early in the Local Plan period and are therefore an appropriate basis on which to calculate the housing need.

<sup>44</sup> NPPF (2021) paragraph 11

- 5.95 The Plan seeks to ensure alignment between jobs and workers and minimise any additional net outward commuting. The Council is also seeking to provide as much affordable housing as possible, to ensure that local households can continue to live near to their families.
- 5.96 Whilst the Council recognises that many households want to live in the District, it is unlikely that any increase in the housing requirement could be accommodated given the land constraints. Despite these constraints, the existing Local Plan sought to meet the identified housing need in full and the rate of housing delivery in Cotswold District has been amongst the highest of any area with such constraints. However, it would be unsustainable for the housing requirement to be higher than the identified housing need as, counterintuitively, increasing the housing requirement results in an increased housing need and unsustainable rates of development for Cotswold District, which is a heavily constrained rural area.

## 6. Has the applicable local housing need figure changed significantly?

- 6.1 This part of the report specifically determines whether the applicable local housing need has changed significantly. This is a distinct from other sections of this report in that it will update the Council's review of the adopted Local Plan published in 2020, specifically the applicable local housing need figure. This is an important consideration in the balance of issues that determine whether the adopted Local Plan requirement should be updated. A further outcome is to guide the development management process in helping to determine planning applications.

### *What is the 'applicable local housing need' of Cotswold District?*

- 6.2 NPPF (2021) paragraph 33 specifies (added emphasis):

*Policies in local plans and spatial development strategies should be reviewed to assess whether they need updating at least once every five years, and should then be updated as necessary<sup>20</sup>. Reviews should be completed no later than five years from the adoption date of a plan, and should take into account changing circumstances affecting the area, or any relevant changes in national policy. **Relevant strategic policies will need updating at least once every five years if their applicable local housing need figure has changed significantly;** and they are likely to require earlier review if local housing need is expected to change significantly in the near future.*

Footnote 20:

*Reviews at least every five years are a legal requirement for all local plans (Regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012).*

- 6.3 To be clear, the NPPF (2021) specifies that the measure is whether the local housing **need** figure has changed significantly. It does not say the measure is whether the housing requirement has changed significantly.
- 6.4 There are good reasons for this. For example, the adopted requirement may have been set lower than the applicable housing need figure (e.g. due to constraints or a lack of land availability) or it might have been higher (e.g. due to it including unmet need from another area, or there being a policy-based decision to aim for a requirement that was higher than the identified need). In the case of Cotswold District, the adopted C2 requirement is for the period from 2017 to 2031 and does not include the six year period from 2011 to 2017. The combined C2 and C3 adopted requirement is therefore incomplete and does not provide a like for like comparison with the current applicable housing need.

6.5 Notwithstanding this, consideration has been given to various scenarios of the original applicable housing need to provide further justification and rational.

**Table 1:** Tested scenarios of original applicable housing need

	Scenarios for original applicable housing need	Applicable housing need (August 2023)	Change to applicable housing need
<b>Scenario 1:</b> C3 and C2 need identified in OAN report (NMSS, 2014) (i.e. 8,448 <sup>45</sup> + 217)	8,665 (433 per annum)	9,094 (455 per annum)	429 (4.95%)
<b>Scenario 2:</b> C3 need identified in OAN report (NMSS, 2014) and updated C2 need calculated with SHOP Tool during Local Plan examination (i.e. 8,448 + 322 <sup>46</sup> )	8,770 (422 per annum from 2011 to 2017) (443 per annum from 2017)	9,094 (455 per annum)	324 (3.69%)
<b>Scenario 3:</b> C3 need identified in OAN report (NMSS, 2014) and C2 need (calculated with SHOP Tool) identified in SHMA (2016) report (i.e. 8,448 + 419 <sup>47</sup> )	8,867 (422 per annum from 2011 to 2014) (447 per annum from 2014)	9,094 (455 per annum)	227 (2.56%)
<b>Scenario 4:</b> Adopted Local Plan combined C2 and C3 requirement (i.e. 8,400 + 322 <sup>48</sup> )	8,722 (420 per annum from 2011 to 2017)	9,094 (455 per annum)	372 (4.30%)
<b>Scenario 5:</b> Adopted Local Plan C3 requirement (i.e. 8,400)	8,400 (420 per annum)	9,094 (455 per annum)	694 (8.26%)
<b>Scenario 6:</b> C3 and C2 need identified in NMSS (2016 Update) report (i.e. 8,100 + 217)	8,316 (416 per annum)	9,094 (455 per annum)	778 (9.35%)

6.6 The applicable housing need scenarios range from 8,316 to 8,867 dwellings. The change in the housing need from the six scenarios ranges from 778 dwellings (9.35%) to 227 dwellings (2.56%).

6.7 Table 2 considers the advantages and disadvantages of each scenario.

<sup>45</sup> The 2014 OAN report's figures were published in Table 21A of [The Objectively Assessed Housing Needs of Cotswold District](#) (NMSS, December 2016)

<sup>46</sup> Based on the conversion of 580 bedspaces into an equivalent number of dwellings using the ratio provided by the Housing Delivery Test of 1 dwelling for every 1.8 C2 bedspaces.

<sup>47</sup> Based on the conversion of 755 bedspaces into an equivalent number of dwellings using the ratio provided by the Housing Delivery Test of 1 dwelling for every 1.8 C2 bedspaces.

<sup>48</sup> Based on the conversion of 580 bedspaces into an equivalent number of dwellings using the ratio provided by the Housing Delivery Test of 1 dwelling for every 1.8 C2 bedspaces.

**Table 2:** Appraisal of housing need scenarios of original applicable housing need

<p><i>Scenario 1: C2 and C3 need identified in OAN Report (NMSS, 2014) (8,448 + 217)</i></p>	
<p><b>Advantages</b></p> <p>Covers whole Local Plan period from 2011 to 2031.</p> <p>Consistent with standard methodology in that it includes both C2 and C3 needs.</p> <p>The C3 use class need was applied to the adopted policy DSI requirement.</p> <p>Consistent with NPPF (2021) paragraph 33, as it is a need figure and not a requirement figure.</p> <p>Uses non-rounded figures so includes all of the need.</p> <p>Consistency between methodologies for calculating C2 and C3 needs within the same report.</p>	<p><b>Disadvantages</b></p> <p>The C2 need was not applied to the adopted policy H4 requirement.</p>
<p><i>Scenario 2: C3 need identified in OAN Report (NMSS, 2014) and updated C2 need calculated with SHOP Tool<sup>49</sup> during Local Plan examination (8,448 + 322)</i></p>	
<p><b>Advantages</b></p> <p>Consistent with standard methodology in that it includes both C2 and C3 needs.</p> <p>Consistent with NPPF (2021) paragraph 33, as it is a need figure and not a requirement figure.</p> <p>The C3 need was applied to the adopted policy DSI requirement.</p> <p>The C2 need was applied to adopted policy H4 requirement.</p> <p>Test whether the current applicable housing need affects both the C2 and C3 requirements of policies DSI and H4.</p> <p>Uses non-rounded figures so includes all of the need.</p>	<p><b>Disadvantages</b></p> <p>Does not cover whole Local Plan period, as C2 need covers the period from 2017 to 2031.</p> <p>Inconsistency between methodologies for calculating C2 and C3 needs from two different reports.</p>
<p><i>Scenario 3: C3 need identified in OAN Report (NMSS, 2014) and C2 need (calculated with SHOP Tool) identified in SHMA (HDH, 2016) (8,448 + 419)</i></p>	
<p><b>Advantages</b></p> <p>Consistent with standard methodology in that it includes both C2 and C3 needs.</p> <p>Consistent with NPPF (2021) paragraph 33, as it is a need figure and not a requirement figure.</p> <p>The C3 need was applied to the adopted policy DSI requirement.</p>	<p><b>Disadvantages</b></p> <p>Does not cover whole Local Plan period, as C2 need covers the period from 2014 to 2031.</p> <p>C2 need was not applied to the adopted policy H4 requirement.</p> <p>Inconsistency between methodologies for calculating C2 and C3 needs from two different reports.</p>

<sup>49</sup> [Strategic Housing for Older People Analysis Tool](#) – assessment done in 2017

<p>Same methodology as 2016 SHMA and covers more of the Local Plan period than the adopted policy.</p> <p>Uses non-rounded figures so includes all of the need.</p>	
<p><i>Scenario 4: Adopted Local Plan combined C2 and C3 requirement (8,400 + 322)</i></p>	
<p><b>Advantages</b></p> <p>Consistent with standard methodology in that it includes both C2 and C3 needs.</p> <p>Tests whether the change in need affects the adopted policies.</p>	<p><b>Disadvantages</b></p> <p>Does not cover whole Local Plan period, as the C2 need covers the period from 2017 to 2031.</p> <p>Inconsistent with NPPF (2021) paragraph 33, as it is a requirement figure and not a need figure.</p> <p>Uses rounded figures so excludes some of the need.</p> <p>Inconsistency between methodologies for calculating C2 and C3 needs from two different reports.</p>
<p><i>Scenario 5: Adopted Local Plan C3 requirement (8,400)</i></p>	
<p><b>Advantages</b></p> <p>Covers whole Local Plan period from 2011 to 2031.</p> <p>Test whether the current applicable housing need affects the C2 requirement of policy DSI.</p>	<p><b>Disadvantages</b></p> <p>Inconsistent with the standard methodology, as it does not include the C2 requirement.</p> <p>Inconsistent with NPPF (2021) paragraph 33, as it is a requirement figure and not a need figure.</p> <p>Does not test whether the current applicable housing need affects the C2 requirement of policy H4.</p> <p>Uses rounded figures so excludes some of the need.</p>
<p><i>Scenario 6: C3 and C2 need identified by OAN Update (NMSS, 2016) (8,100 + 217)</i></p>	
<p><b>Advantages</b></p> <p>Covers whole Local Plan period from 2011 to 2031.</p> <p>Consistent with standard methodology in that it includes both C2 and C3 needs.</p> <p>Consistent with NPPF (2021) paragraph 33, as it is a need figure and not a requirement figure.</p> <p>Was the last housing need assessment before the standard methodology was introduced, although on this logic a previous figure produced from the standard methodology is equally applicable.</p> <p>Uses non-rounded figures so includes all of the need.</p>	<p><b>Disadvantages</b></p> <p>Was not applied to the adopted Local Plan policies. Paragraph 6.1.1 of the adopted Local Plan explains the District's objectively assessed need was 8,400 (rounded) and not the 8,100 dwellings in the 2016 update of this report).</p> <p>8,100 dwellings is a rounded figure, whereas the other figures are unrounded.</p> <p>The 217 figure derives from the analysis underwriting the 8,400 OAN and there is no equivalent table for the 8,100 figure.</p> <p>Does not test whether the current applicable housing need affects the C2 or C3 requirements of policy DSI and H4.</p>

Consistency between methodologies for calculating C2 and C3 needs within the same report.	
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- 6.8 On balance, Scenarios 1 and 2 are the most consistent with national policy and guidance. Scenario 2 was applied to the adopted Local Plan policies but does not contain a C2 need for the entire Local Plan period. Scenario 1, however, contains the C3 need that was applied to Policy DSI and a C2 need for the entire Local Plan period, which was assessed in the same report as the C3 need. It is therefore reasonable to use Scenario 1 as the applicable local housing need.

### *Defining 'significant change'*

- 6.9 Neither the NPPF (2021) or the Planning Practice Guidance provide a specific definition of what is meant by a “significant change” to help determine whether the applicable local housing need figure has changed significantly. However, NPPF (2021) paragraph 74(c) provides a definition of “significant” to determine whether there has been a significant under delivery of housing (added emphasis):

*The supply of specific deliverable sites should in addition include a buffer (moved forward from later in the plan period) of 20% where there has been **significant under delivery of housing** over the previous three years, to improve the prospect of achieving the planned supply<sup>41</sup>.*

*Footnote 41 This will be measured against the Housing Delivery Test, where this indicates that delivery was below 85% of the housing requirement.*

- 6.10 In other words, the NPPF (2021) defines “significant” when determining the level of under delivery to mean a shortfall of more than 15% of the housing requirement over the previous three year period.
- 6.11 There is a strong relationship between the application of significant in NPPF (2021) paragraphs 33 and 74(c). For example, both terms relate to the measurement of housing; both can apply to a measurement of the local housing need – as confirmed by the Housing Delivery Test Measurement Rule Book<sup>50</sup>; and both are used in the NPPF (2021) (as opposed to two separate documents where there may be greater scope for a variance between the two meanings). The meaning of significant in paragraph 74(c) is a reliable and useful indicator of what paragraph 33 means as significant.
- 6.12 The NPPF (2021) paragraph 74(c) definition of significant relates solely to a percentage figure (i.e. a percentage of the housing requirement or local housing need over the previous three year period). It does not specify an absolute figure for the number of homes that are considered to be significant. Paragraph 74(c) instead recognises that the measurement of significance can be different according to the individual circumstances of each local planning authority.
- 6.13 If the 15% increase were to be applied in the context of paragraph 34, the 8,665 dwelling applicable local housing need results in a figure of 9,965 dwellings (a change of 1,300 dwellings).
- 6.14 NPPF (2021) paragraph 74(c) provides further guidance in terms of the time period the change applies to. Significant under delivery of housing is determined to be under-delivering more

<sup>50</sup> Housing Delivery Test Measurement Rule Book: Method for calculating the Housing Delivery Test result (MHCLG, July 2018)

than 15% of the housing requirement over the previous three year period. However, the applicable change to the housing need in Cotswold District applies to the Local Plan period. It is less of an issue to deliver housing over a longer time period.

- 6.15 Further definition of the meaning of ‘significant’ is provided in several dictionaries.
- Cambridge Dictionary: *important or noticeable*
  - Collins English Dictionary: *important, notable, or momentous* (in terms of statistics, this it is defined to be “*of or relating to a difference between a result derived from a hypothesis and its observed value that is too large to be attributed to chance and that therefore tends to refute the hypothesis*”)
  - Dictionary.com: *important and deserving of attention; of consequence*
  - Oxford Learner’s Dictionary: *large or important enough to have an effect or to be noticed*
- 6.16 Whether something is noticeable, important, momentous, or of consequence supports the notion that whether something is significant or not requires context. For example, as a simple thought experiment, an increase in the housing need by one dwelling may not immediately be perceived to be noticeable or important. However, if the original housing need was for two dwellings, the one dwelling increase would be important enough to have effect and would be deserving of attention. Similarly, if there is an increased need for 1,000 dwellings, this may initially appear to be a large increase but if the housing need is for 660,000 homes over a ten year period or 66,000 a year (e.g. in the London Plan<sup>51</sup>), then the increase may not be considered to be significant and even more so in the context of a city area containing 3.7 million homes and an expected growth rate of 70,000 people per annum to 2040<sup>52</sup>.
- 6.17 In summary, the NPPF (2021) definition of ‘significant under delivery’ being 15% of the housing requirement over the previous three year period is a it is a reliable and useful indicator of what the NPPF means as significant. Whether there has been a significant change to the housing need requires an understanding of whether the change is large or important enough to have an effect or to be noticed, which must relate to the local context. Ultimately, whether the change is significant is a matter of judgement for each local planning authority.

### *Has the housing need changed significantly from an evidence-based analytical perspective?*

- 6.18 If the applicable housing need figure has changed significantly, then it will be necessary to update the relevant strategic policies. However, if there has not been any significant change then the Council can continue to rely on the existing adopted policies.
- 6.19 Given the importance of this issue, the Council has commissioned Opinion Research Services (ORS), the consultancy that prepared the latest Gloucestershire Local Housing Needs Assessment, to review the evidence and consider whether or not there has been a significant change to the applicable local housing need figure based on their professional judgement.
- 6.20 That independent review is provided as a separate Annex.
- 6.21 The conclusions of the review set out the applicable local housing need figures in context to consider the possible significance of any change (paragraphs 34-36):

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<sup>51</sup> As set out at paragraph 4.1.1 of [The London Plan \(March 2021\)](#)

<sup>52</sup> [https://www.london.gov.uk/sites/default/files/the\\_london\\_plan\\_2021.pdf](https://www.london.gov.uk/sites/default/files/the_london_plan_2021.pdf) page 13 and [Number of housing units in London from 2001 to 2021](#)

*The applicable local housing need figure was 8,665 dwellings at the time that the Local Plan was adopted. The updated housing need figure has been calculated to be 9,094 dwellings. Although there is an absolute difference of 429 dwellings between the two specific figures, neither the original assessment nor the standard method calculation should be considered to represent a precise or definitive figure. Instead, both figures provide a reasonable estimate of the scale of housing that is likely to be needed over the plan period.*

*The original figure was based on a range of 7,800 to 9,500 dwellings (equivalent to an average of 390 dpa to 475 dpa) with a midpoint of 8,700 dwellings (435 dpa). The updated housing need figure (9,094 dwellings, equivalent to an average of 455 dpa) falls within that original range.*

*The difference of around 400 dwellings is equivalent to a change of 4.95% and represents an average of only 20 dpa. Based on the various different uncertainties set out above, it is reasonable to conclude that this limited change will fall well within the margins of error associated with the two estimates.*

6.22 The review goes on to conclude (paragraph 41):

*The updated housing need figure represents a change of less than 5% and that is far lower than the threshold of 15% that the Framework considers to be significant in the context of housing delivery. **Given this context, we can reasonably conclude that the applicable local housing need figure for Cotswold district has not changed significantly.***

6.23 Therefore, having reviewed the evidence relevant to the applicable local housing need figure, the report concludes that there has not been a significant change from an evidence-based analytical perspective.

6.24 However, it is also important to consider whether it would be reasonable to conclude that there had been a significant change from a planning perspective.

#### ***Has the housing need increased significantly in absolute terms?***

6.25 The applicable housing need of 8,665 dwellings is 429 dwellings (4.95%) lower than the current applicable housing need of 9,094 dwellings.

6.26 It could be argued that a 429 dwelling development in a single location is a large development site. Likewise, it could be argued that a one dwelling development would be impactful on its immediate surroundings. However, the real terms impact of the district-wide 429 dwelling increase is set against the Council's development strategy (or simply the district), not a single development site or a single settlement. Furthermore, the measure is whether the change in housing need is significant, not the significance of a specific development site on its environs.

6.27 The NPPF (2021) does not specify an absolute number of homes that is a significant change to the housing need. If the government had meant to include an absolute number on what it defines to be significant, it would have done so. As previously discussed, NPPF (2021) paragraph 74(c) is a reliable and useful indicator of what the NPPF considers to a significant amount of housing. This uses a percentage figure of the housing requirement and the measure of significance therefore reflects the individual circumstances of each local planning authority.

6.28 The Housing Delivery Test Measurements between 2018 and 2021 identify numerous instances where under delivery of housing in excess of 400 homes a year have not been

considered to be a ‘significant under delivery of housing’. In one example, Tower Hamlets delivered 802 dwellings less than its requirement of 10,146 homes for the three year period from 2018/19 to 2021/22<sup>53</sup>. The 802 dwelling shortfall is not deemed by NPPF (2021) paragraph 74(c) to be significant.

**Table 3:** Authorities that have not significantly under delivered housing<sup>54</sup>

Local Planning Authority	2021	2020	2019	2018
Barnet	–	419	692	–
Bradford	–	486	–	–
Bristol, City of	–	–	766	–
Camden	–	–	436	–
Greenwich	–	700	656	–
Hackney	–	424	617	–
Kirklees	561	706	–	–
Lewisham	514	492	–	–
Milton Keynes	–	–	–	679
Southwark	670	–	495	–
Tower Hamlets	802	–	–	–

- 6.29 Using the NPPF (2021) paragraph 74(c) definition of “significance”, Tower Hamlets could have under delivered by as much as 1,522 homes (15%) of its 10,146 requirement and, in absolute terms, this still would not have been considered by the NPPF to be a significant number of homes.
- 6.30 Further comparison is made with similar rural authorities to Cotswold District, which also have a large proportion of Area of Outstanding Natural Beauty and / or Sites of Special Scientific Interest. This further demonstrates that even in these authorities, under delivery in excess of 400 dwellings per year would not be considered by NPPF (2021) paragraph 74(c) to be a significant number of homes.

**Table 4:** Comparison with rural authorities with large percentage of AONB or SSSI<sup>55</sup>

Local Planning Authority	Percentage AONB or SSSI	Housing Delivery Test Requirement	15% of Housing Delivery Test Requirement
Dorset	58%	6,758	1,014
Wiltshire	52%	5,239	786
South Hams	55%	3,385	508
West Devon	54%	3,385	508
Wealden	65%	3,179	477

- 6.31 Although these examples show that upwards of 400 dwellings can be considered by the NPPF (2021) to not be a significant number of homes for a constrained rural authority, it is again important to highlight that these figures relate to a three year period. The change in housing need in Cotswold District relates to the 20 year Local Plan period.

<sup>53</sup> See [Housing Delivery Test: 2021 measurement](#)

<sup>54</sup> Source: Housing Delivery Test Measurements (2018 to 2021)

<sup>55</sup> Source: Housing Delivery Test 2021 Measurement

- 6.32 To summarise, NPPF (2021) paragraph 34 does not provide an absolute number of homes that is a significant change. NPPF (2021) paragraph 74(c) provides a reliable and useful indicator of what the NPPF considers to a significant amount of housing. In accordance with paragraph 74(c), as much as 1,522 homes can be considered as not being a significant number in an urban authority and 1,014 homes in a rural authority. However, the absolute number of dwellings cannot be considered in isolation. Determining whether there has been a significant change requires local context to measure the impact of the change and whether it is “large or important enough to have an effect or to be noticed”, as per the Oxford Learner’s Dictionary definition.

*Have any Neighbourhood Development Plan examinations found the housing need has changed significantly?*

- 6.33 NPPF (2021) paragraph 66 requires that (added emphasis):

*Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period. Once the strategic policies have been adopted, these figures should not need retesting at the neighbourhood plan examination, **unless there has been a significant change in circumstances that affects the requirement.***

- 6.34 Cotswold District has eight ‘made’ Neighbourhood Development Plans (NDP), none of which have sought to retest the Local Plan housing requirement<sup>56</sup>. The most recent NDP to be made, the Fairford NDP, includes a residential site allocation. At the time of both the NDP examination and the Examiner’s report, the local housing need of the District calculated by the standard methodology was 533 homes a year.
- 6.35 A requirement of the Fairford NDP Examiner would have been to test the NDP against the NPPF (2021) and consider whether the housing need had changed significantly. However, neither the representations made to the Fairford NDP nor the Fairford NDP Examiner raised the change to the local housing need as an issue and the NDP was recommended for approval on that basis. The local housing need of the District has subsequently decreased from 533 to 493 homes a year.

*Does the change in the applicable housing need prevent the delivery of the adopted Local Plan vision, policy objectives or spatial strategy?*

- 6.36 The change to the housing need does not affect the delivery of the Local Plan vision. Of particular note, the Local Plan vision expected that the Local Plan will have “*supported the delivery of a range of housing that helps to meet the requirements of all sections of the community*” and that, “*The development needs of communities, businesses, and visitors will have been enabled taking particular account of: climate change and flood risk; the area’s internationally recognised natural, built and historic environment; and the provision of adequate supporting infrastructure.*”
- 6.37 The change to the housing need also does not affect the delivery of the Local Plan objectives. Of particular note, Objective 2a of the Local Plan is:

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<sup>56</sup> The eight made neighbourhood development plans are: Fairford; Kemble and Ewen; Lechlade on Thames; Northleach with Eastington; Preston; Somerford Keynes and Shorncote; South Cerney; Tetbury and Tetbury Upton

*Through establishing the District's OAN for the Plan period and allocation of land, provide an adequate supply of quality housing, of appropriate types and tenures, to at least meet objectively assessed needs.*

- 6.38 Taking account of additional dwellings that have been released to the market resulting from the net increase in bedrooms in communal accommodation, the District is expected to deliver 9,904 dwellings over the Local Plan period. This is 810 dwellings (8.9%) more than the updated housing need of 9,094 dwellings for the Plan period. The Council's Housing Land Supply Report has assessed the deliverability of sites in detail. This evidence demonstrates that the Council has a deliverable and developable housing land supply.
- 6.39 When the Local Plan was examined, the development strategy was found 'sound' on the basis that housing delivery in the later part of the plan period would decrease in order to rebalance the extremely high rates of delivery earlier in the plan period. In so doing, the Local Plan would deliver sustainable levels of growth. Indeed, the District had not delivered anywhere near the average annual rates of growth in the first half of Plan period prior to 2011. Notwithstanding this, the annual delivery rates of housing have been, and are currently expected to be, delivered as envisaged at the time the Local Plan was examined. In accordance with the examined development strategy, the average annual delivery rate between 2019/20 and 2022/23 has fallen back down to around 350 dpa (or 366 homes a year if an allowance for the net increase in bedrooms in communal accommodation is included).
- 6.40 Local Plans often include a larger housing land supply than the housing requirement in order to provide a flexible housing land supply in case any sites are not delivered or if there are any delays to the delivery of sites. For example, at the point of adoption, the extant Local Plan sought to deliver 9,614 dwellings (14% more than the 8,400 dwelling housing requirement). This has proven to be effective. The flexible housing land supply has ensured that the adopted Local Plan housing requirement and the updated housing need continue to be delivered in full.
- 6.41 In summary, the change to the housing need does not affect the delivery of the adopted Local Plan spatial strategy, which is provided by Policies DS1-DS4. Of particular note, the current applicable housing need is able to be fully delivered in accordance with the spatial strategy and without an update to these policies. Furthermore, the Council is able to continue to maintain a five year housing land supply and pass the Housing Delivery Test.

***Does the change in the applicable housing need prevent the delivery of the NPPF (2021)?***

- 6.42 In determining whether the change in the local housing need is significant, it is helpful to quantify the impact of the increase in terms of whether the adopted Local Plan requirement continues to deliver the requirements of the NPPF (2021).
- 6.43 Key NPPF (2021) policies include:

*Paragraph 11. Plans and decisions should apply a presumption in favour of sustainable development. For plan-making this means that:*

- a) all plans should promote a sustainable pattern of development that seeks to: meet the development needs of their area; align growth and infrastructure; improve the environment; mitigate climate change (including by making effective use of land in urban areas) and adapt to its effects.*
- b) strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas, unless:*

- i. *the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area; or*
- ii. *any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.*

Paragraph 15. *The planning system should be genuinely plan-led.*

Paragraph 31. *The preparation and review of all policies should be underpinned by relevant and up-to-date evidence. This should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and take into account relevant market signals.*

Paragraph 60. *To support the Government's objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay.*

- 6.44 Taking account of the increased housing need, earlier sections of this report demonstrate that the adopted Local Plan housing requirement(s) continue to deliver all aspects of these NPPF (2021) policies. The housing requirement also significantly boosts the supply of housing. Furthermore, adequate and proportionate changes to the adopted Local Plan are currently being undertaken in the Local Plan Partial Update to make further improvements. The increased housing need is therefore insignificant in this context.

#### *Summary of whether applicable local housing need figure has changed significantly*

- 6.45 National policy and guidance require relevant strategic policies to be updated at least once every five years if the applicable local housing need figure has changed significantly. The current applicable housing need for the Local Plan period is 9,094 dwellings. Analysis of a range of scenarios has been undertaken to establish the original applicable local housing need figure, which concludes Scenario 1 (8,665 dwellings) has the most justification. The 429 dwelling increase (4.95%) is equivalent to an increased average annual delivery rate from 433 to 455 homes a year across the 20 year Local Plan period.
- 6.46 Scenario 2, which also has reasonable justification, provides a change of as little as 324 dwellings (3.69%). Scenario 6 includes the largest change (778 dwellings or 9.35%), although this scenario perhaps has the weakest justification of the six that were considered.
- 6.47 National policy and guidance do not specifically define what a significant increase in housing need means. However, the meaning of significant (i.e. more than 15% of the housing requirement over the previous three year period) provided by NPPF (2021) paragraph 74(c) is a reliable and useful indicator of what a significant change to the housing need could mean. Whether there has been a significant change to the housing need also requires an understanding of whether the change is large or important enough to have an effect or to be noticed, which must relate to the local context. Ultimately, however, whether the change is 'significant' is a matter of judgement for each local planning authority.
- 6.48 None of the six scenarios that were tested increase the housing need beyond 9.4%. They all fall well below the 15% threshold that NPPF (2021) paragraph 74(c) indicates to be a significant proportion of the housing requirement.

- 6.49 ORS has undertaken specific analysis of whether the local housing need has changed significantly. This finds that the original applicable housing need was based on a range of 7,800 to 9,500 dwellings (equivalent to an average of 390 dpa to 475 dpa) with a midpoint of 8,700 dwellings (435 dpa). The updated housing need figure (9,094 dwellings, equivalent to an average of 455 dpa) falls within that original range. Based on various different uncertainties with the calculating housing needs, ORS conclude that it is reasonable that this limited change will fall well within the margins of error associated with the estimates of the original and current applicable housing need figures.
- 6.50 None of the eight Neighbourhood Development Plan (NDP) examinations have found the local housing need to have changed significantly, which is a requirement of NPPF (2021) paragraph 66.
- 6.51 The change to the applicable housing need continues to enable the delivery of the adopted Local Plan vision, policy objectives and spatial strategy without an update to the adopted Local Plan policies. In particular, the adopted Local Plan policies deliver the increased housing need in full.
- 6.52 The change to the applicable housing need continues to enable the delivery of the NPPF (2021) policies without an update to the adopted Local Plan policies. In particular, the adopted Local Plan policies continue to boost the supply of housing, enable plan-led development, pass the Housing Delivery Test and maintain a five year housing land supply. There has also never been a “has never been a ‘significant under delivery of housing’ in Cotswold District.
- 6.53 In conclusion, the change to the local housing need is not large or important enough to have an effect or to be noticed. The adopted Local Plan housing requirement(s) already fully delivers the increased need.

## **7. Conclusion: a review of the housing requirement**

- 7.1 The NPPF (2021) requires strategic policies, including policies that identify the housing requirement, to be reviewed at least once every five years to assess whether they need updating<sup>57</sup>. The Government has also established a nationally prescribed ‘standard method’ for calculating housing need.
- 7.2 The Council undertook a review of its Local Plan policies, including the housing requirement, in June 2020<sup>58</sup>. This found that it was necessary to consider the implications of the housing need figure resulting from the standard methodology to establish whether any strategic policies needed updating.
- 7.3 In reviewing the housing requirement for the period 2011 to 2031, it is appropriate to maintain the housing requirement endorsed by the Local Plan Inspector (an average of 420 dwellings per year) for the period up until five years after the Local Plan was adopted. This equates to 5,180 dwellings over the first 12 years and 4 months of the Plan.
- 7.4 However, as previously noted, this figure did not allow for the increase of residents living in communal establishments as the supply of Use Class C2 (residential institutions) was monitored separately. This yields a need for 217 additional dwellings over the plan period (an average of 11 dwellings per annum).

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<sup>57</sup> [National Planning Policy Framework \(2021\) paragraph 33](#)

<sup>58</sup> [A Review of the Adopted Cotswold District Local Plan \(2011 to 2031\) \(CDC, 3 June 2020\)](#)

- 7.5 The overall housing need (including communal accommodation) totals 5,314 dwellings over the first 12 years and 4 months of the Plan.
- 7.6 Based on the latest data, the standard method calculation identifies that the local housing need for the District to currently be 493 dwellings per year<sup>59</sup>. However, the housing requirement endorsed by the Local Plan Inspector applies until 31 July 2023 (together with an adjustment of 11 dwellings per year to ensure consistency in the way that the net increase in bedrooms in communal accommodation is now counted). The updated need figure will apply for the remaining Local Plan period.
- 7.7 On this basis, the overall housing need for the 20-year period from 1 April 2011 to 31 March 2031 can be calculated:

$$\text{Housing Need} = 12 \frac{1}{3} \text{ years} \times (420 + 11) + 7 \frac{2}{3} \text{ years} \times 493 = \mathbf{9,094 \text{ dwellings}}$$

Or

$$\text{Housing Need} = 5,315 + 3,779 = \mathbf{9,094 \text{ dwellings}} \text{ }^{60}$$

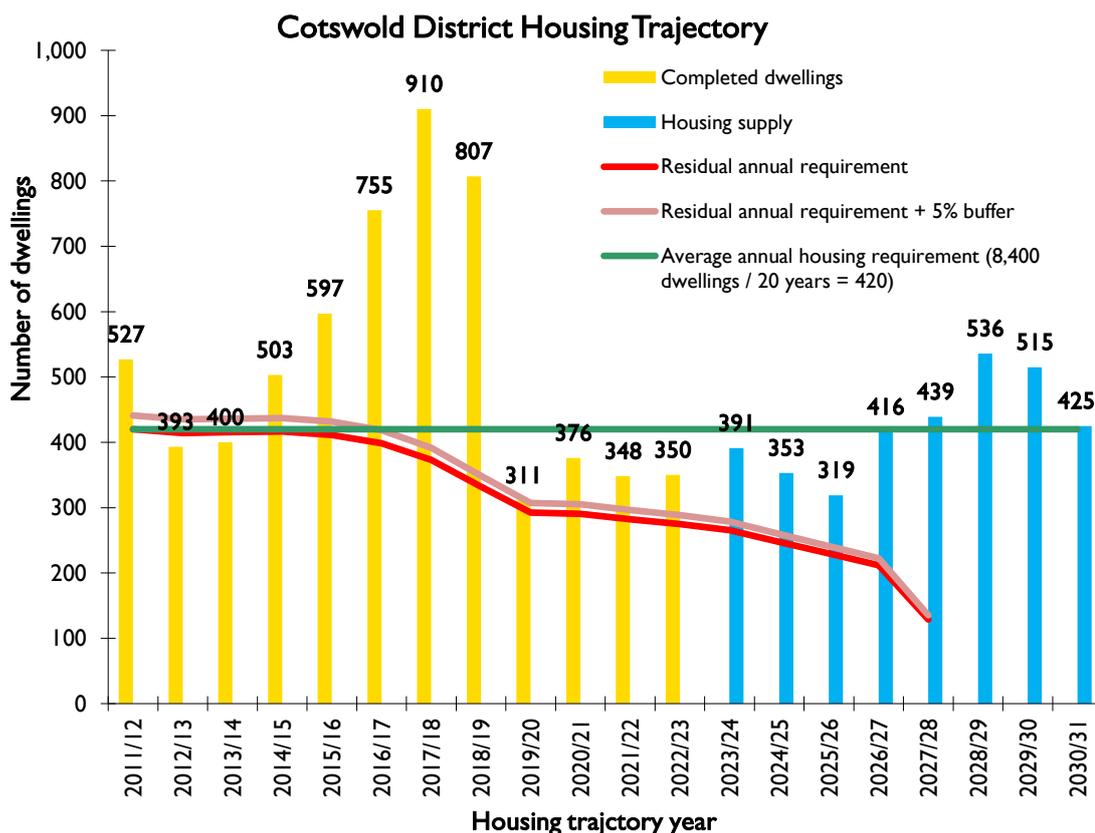
- 7.8 The applicable local housing need figure is now 429 dwellings (4.95%) higher than the applicable figure at the time that the Local Plan was adopted (on a like-for-like basis). Whilst the Council does not consider this to be a significant change, it is appropriate to consider whether the housing requirement should be increased.
- 7.9 The adopted Local Plan strategic policies identify a minimum requirement of 8,400 dwellings in Use Class C3 over the 20-year period 2011-2031 (equivalent to an average of 420 per year) and a separate requirement of 580 nursing and residential care bedspaces (C2 use class) over the 14-year period 2017-2031 (equivalent to an average of 41 bedspaces per year). Based on the Housing Delivery Test equivalence calculation<sup>61</sup>, the two policies represent a combined minimum requirement of 8,722 dwellings (an average of 436 dwellings per annum for the 20 year plan period and 443 dwellings per annum from 2017 onwards). These figures were endorsed by Inspector that examined the Local Plan on the basis that it would meet the identified C2 and C3 use class housing need in full.
- 7.10 This can be compared to the updated local housing need figure of 9,094 dwellings over the 20-year period 2011-2031, which incorporates both C3 dwelling and C2 communal accommodation needs. Notwithstanding that the adopted Local Plan C2 requirement excludes the period between 2011 and 2017, the 8,722 dwelling adopted combined requirement (as it appears in the plan) is 372 dwellings (4.3%) less than the updated local housing need.
- 7.11 The updated local housing need represents an average of 455 dwellings per year over the plan period, which is fractionally higher than the adopted Local Plan strategic policies, but the difference is only 2.7% (12 dwellings per year) compared to the average 443 dwelling per annum combined requirement from 2017 onwards. The strategic policies specify that the housing requirement is a minimum and a buffer of at least 5% is routinely maintained in terms of housing supply. The updated Local Plan strategic policies will continue to do so.

<sup>59</sup> As calculated in April 2023 by the [Planning Practice Guidance on Housing and economic needs assessment](#) (DLUHC and MHCLG, updated 16 December 2020)

<sup>60</sup> Calculated using non-rounded figures from household projections and the standard method for assessing housing need

<sup>61</sup> “The ratio applied to other communal accommodation will be based on the national average number of adults in all households, with a ratio of 1.8” (para. 11 of the [Housing Delivery Test Measurement Rule Book](#), MHCLG, July 2018). 580 bedspaces = 322 dwellings.

- 7.12 The housing trajectory included within the Council’s Housing Land Supply Report provides an annualised estimate of housing delivery up to 2031<sup>62</sup>. This is based on the current housing land supply of sites with planning permission, remaining Local Plan site allocations and an allowance made for homes delivered as windfalls. It does not include any additional sites that may be allocated by the Local Plan Partial Update.
- 7.13 The housing trajectory estimates that 3,264 dwellings will be delivered between 1 August 2023 and 31 March 2031, which, when added to the 6,407 dwellings that are expected to have been delivered between 1 April 2011 and 31 July 2023, will yield an overall total of 9,671 dwellings over the 20-year Local Plan period.



- 7.14 In addition to the housing delivered over the Local Plan period, it is also expected that 233 additional homes will be released to the market resulting from the net increase in bedrooms in communal accommodation developments over the plan period. These do not count towards delivering the adopted minimum 8,400 dwelling C3 housing requirement but, due to the way housing needs are calculated, they do count towards the updated housing need for the Local Plan period. In accordance with the Planning Practice Guidance<sup>63</sup>, they also count towards the delivery of the updated housing need.
- 7.15 Overall, as of 1 April 2023, it is estimated that the total supply of housing over the plan period that counts towards delivering the updated housing need will be 9,904 dwellings.
- 7.16 Whilst the adopted housing requirement sets a minimum that is lower than the updated housing need, the housing supply clearly demonstrates that the existing strategic policies are

<sup>62</sup> Cotswold District Housing Land Supply Report (CDC, 2023)

<sup>63</sup> PPG: Housing supply and delivery - Counting other forms of accommodation (Paragraph: 034 Reference ID: 68-034-20190722 and Paragraph: 035 Reference ID: 68-035-20190722, DLUHC, 22.07.2019)

likely to deliver sufficient new homes to meet the identified housing need over the Local Plan period in full. Having considered the evidence, on balance there does not appear to be justification for the housing requirement to be any higher than the identified need, and given the land constraints across the district, there could be argument for a lower requirement. The Council therefore does not believe that any increase beyond the identified need is justified.

- 7.17 The Council has reviewed the strategic policies in this context, and based on a comprehensive and detailed evaluation has concluded that the housing requirement identified by **Policy DSI does not require updating**, particularly given that the development strategy of the adopted Local Plan is on course to deliver nearly 10,000 new homes. This is considerably higher than the housing need of 8,400 dwellings that was originally identified, and housing supply is likely to comfortably exceed the updated housing need of 9,094 dwellings based on the Government's standard method for the remainder of the Plan period.
- 7.18 Whilst the adopted housing requirement is lower than the updated housing need, the Council will continue to maintain that the housing requirement is a minimum, not a maximum, when determining planning applications. In this regard, the Council will consider whether any additional sites should be allocated for housing to provide further flexibility and/or to address ambitions contained within the Council's corporate plan.