



MANCHESTER CITY COUNCIL

Five-year Housing Land Supply Statement:

**Analysis of Strategic Housing Land Availability
Assessment Data**

Base date 1 April 2023

1.0 Introduction

- 1.1. In order to maintain supply and delivery of housing, paragraph 74 of the National Planning Policy Framework (NPPF) 2021 update requires Local Planning Authorities (LPAs) to identify and update annually a supply of specific deliverable sites sufficient to provide five years' worth of housing against their housing requirements with an additional buffer of 5%, 10% or 20% depending on local circumstances.
- 1.2. Having regard to paragraph 74 of the NPPF, in order to identify whether there is a five-year housing land supply it is necessary to:
 - 1) Identify the housing requirement for the five-year period
 - 2) Identify the appropriate buffer
 - 3) Identify the scale of housing that it is estimated will be delivered over the next five years
 - 4) Calculate whether the identified supply of housing is sufficient to meet the five-year requirement with the appropriate buffer
- 1.3. The latest identification of the five-year housing land supply in Manchester has a base date of 1 April 2023 and covers the period up to 31 March 2028. The [SHLAA](#) is published by the City Council.
- 1.4. Analysis of the identified supply has been carried out in line with National Planning Policy Framework and Planning Practice Guidance published at the time of writing (July 2023).

2.0 Five-year housing requirement

Background

- 2.1. The first part of paragraph 74 of the NPPF requires 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”
- 2.2. Local housing need' is defined in Annex 2 of the NPPF as: “The number of homes identified as being needed through the application of the standard method set out in national planning guidance (or, in the context of preparing strategic policies only, this may be calculated using a justified alternative approach as provided for in paragraph 61 of this Framework)”
- 2.3. Manchester's current Local Plan, the Manchester Core Strategy, was adopted over 5 years ago. Therefore, the requirement for the purposes of calculating whether there is a five-year supply is based on local housing need in line with the methodology set out in national planning practice guidance.

Current local housing need

2.4. The Government's national planning practice guidance (Housing and Economic Needs Assessment) explains that the standard method to calculate a minimum annual local housing need figure is as follows:

Step 1 – Setting the baseline

Set the baseline using national [household growth projections](#) (2014-based household projections in England, table 406 unitary authorities and districts in England) for the area of the local authority. Using these projections, calculate the projected average annual household growth over a ten-year period (this should be 10 consecutive years, with the current year being used as the starting point from which to calculate growth over that period)

Step 2 – An adjustment to take account of affordability

Then adjust the average annual projected household growth figure (as calculated in step 1) based on the affordability of the area.

The most recent [median workplace-based affordability ratios](#) (Table 5c), published by the Office for National Statistics at a local authority level, should be used.

No adjustment is applied where the ratio is 4 or below. For each 1% the ratio is above 4 (with a ratio of 8 representing a 100% increase), the average household growth should be increased by a quarter of a percent. To be able to apply the percentage increase adjustment to the projected growth figure we then need to add 1.

Where an adjustment is to be made, the precise formula is as shown in Figure 1

Figure 1

$$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25$$

Step 3 - Capping the level of any increase

A cap is then applied which limits the increases an individual local authority can face. How this is calculated depends on the current status of relevant strategic policies for housing.

Where these policies were adopted within the last 5 years (at the point of making the calculation), the local housing need figure is capped at 40% above the average annual housing requirement figure set out in the existing policies.

This also applies where the relevant strategic policies have been reviewed by the authority within the five-year period and found to not require updating.

Where the relevant strategic policies for housing were adopted more than 5 years ago (at the point of making the calculation), the local housing need figure is capped at 40% above whichever is the higher of:

- a. the projected household growth for the area over the 10 year period identified in step 1; or
- b. the average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).

Step 4 – cities and urban centres uplift

A 35% uplift is then applied for those urban local authorities in the top 20 cities and urban centres list. Whether a ‘cities and urban centres uplift’ applies depends on whether the local authority contains the largest proportion of population for one of the 20 cities or urban centres in England within the list.

The cities and urban centres list is devised by ranking the [Office for National Statistics list of Major Towns and Cities](#) by population size using the latest mid-year population estimates (nomis, official labour market statistics).

As at December 2020, this list of urban local authorities are: Birmingham, Bradford, Brighton and Hove, Bristol, Coventry, Derby, Kingston upon Hull, Leeds, Leicester, Liverpool, London, Manchester, Newcastle upon Tyne, Nottingham, Plymouth, Reading, Sheffield, Southampton, Stoke-on-Trent, and Wolverhampton.

Therefore the ‘cities and urban centres uplift’ applies to Manchester.

To note: where a cap is applied in Step 3, the 35% uplift is applied after the cap.

- 2.5. Having regard to the guidance, the baseline has been set using the projected annual household growth over a 10 year period using the 2014-based household projections, with 2023 being the first of the ten years given that the five-year supply period being considered within this report is for the period 2023 to 2027. The relevant ONS median workplace based affordability ratios (table 5c) at 31 March 2023 were for 1997 to 2022.
- 2.6. Taking into account the above, the local housing need figure for Manchester is set out in Table 1.

Table 1: Local Housing Need

Step	Process	Figure
1	Manchester 2023-2033 household increase	23479
	Av annual household growth over 10 year period	2347.9
2	Manchester local affordability ratio (2022 median house price to median workplace earnings)	6.75
	Adjustment factor (see Figure 1)	0.171875
	Local housing need 2023-33 = (1+ adjustment factor) x (projected average household growth 2023-3033)	2751
3	Strategic policies adopted over 5 years ago a 40% above step 1 figure - 3287 b 40% above Core Strategy fig of 3333 – 4666 therefore cap doesn't apply	2751
4	Annual figure with uplift of 35% applied	3,713.85
	Local housing need in total for Years 1 to 5	18,569

3.0 Supply buffer and requirement

3.1. The second part of Paragraph 74 of the NPPF states that:

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

- a) 5% to ensure choice and competition in the market for land; or
- b) 10% where the Local Planning authority wishes to demonstrate a five-year supply of deliverable sites through an annual position statement or recently adopted plan, to account for any fluctuations in the market during that year; or
- c) 20% where there has been significant under delivery of housing over the previous three years, to improve the prospect of achieving the planned supply

3.2. The City Council has not demonstrated a five-year supply of deliverable sites through an annual position statement or a recently adopted plan in accordance with paragraph 73b. Therefore, a 10% buffer is not applicable.

3.3. With regard to paragraph 74c, on 14 Jan 2022 MHCLG published the Housing Delivery Test: 2021 results which showed Manchester had delivered 169% of the required housing over the past three years. Figures for 2022 have not yet been published but are expected to be well over 85%, therefore a 20% buffer is not applicable.

- 3.4. As neither 74b or 74c apply Manchester is required to add a 5% buffer to its housing need figure in line with 73a.

Housing requirement with buffer

- 3.5. Using the identified requirements outlined in section 2 of this report, Manchester's housing need requirement over the period 2023 to 2028 with an additional 5% is **19,498 in total over the five-year period (3900 per year)**.

Place for Everyone housing requirement

- 3.6. The standard method for calculating housing need has been used in this report as Manchester's Local Plan is over 5 years old. It should be noted, however, that Manchester's new housing requirement will be set by the Places for Everyone Joint Development Plan Document (PfE). The Examination in Public of the PfE completed in July 2023 and the Inspectors report covering the housing figures was issued in June. The PfE, therefore, is now a significant material consideration in decisions made on planning applications. The housing figure set in PfE for Manchester will be 3,533 per annum. With the 5% buffer applied this equates to 3710/year or 18,550 over 5 years.

4.0 Supply of deliverable sites between 1 April 2022 and 31 March 2027

- 4.1. Manchester carried out its 2023 [Strategic Housing Availability Assessment](#) (SHLAA) between April and June 2023.

- 4.2. The definition of deliverable in the National Planning Policy Framework (Annex 2 Glossary) is:-

"To be considered deliverable, sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. In particular:

- a) sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (for example because they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans).
- b) where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years.

- 4.3. Annex 1 to this document shows a full list of all schemes considered deliverable at 31st March 2023. It contains only schemes that are covered by category a or b above.
- 4.4. At the base date of 1 April 2023, the five-year supply of specific deliverable sites totals 23,902 units.

Demolitions

- 4.5. Annex 1 takes into account residential units lost as part of a conversion. In addition to conversions, a total of 29 demolitions are planned to take place that are included in or related to planning permissions. The final net 5-year land supply figure is therefore **23,873 units**.

Assumptions for start date and build out rate

- 4.6. For major schemes (10+ units) with planning permission and/or with an identified developer partner, an expected start on site date has been assumed based upon timescales received directly from developers. These are reviewed on an ongoing basis as new intelligence is received.
- 4.7. Once a start date is established for major schemes where the entirety of the development / phase is expected to complete at the same time (primarily apartment led schemes), the expected year of completion is allocated based on the timescales received directly from developers (where available) or the average build period for a similar scale/type of development.
- 4.8. Where major schemes are expected to record completions across more than one financial year (traditional housing schemes or mixed developments), annual completions are forecast based on the timescales received directly from developers (where available) or the average annual build rate across similar schemes in that locality or within the developers existing portfolio of sites. Build out rates are therefore considered on a scheme-by-scheme basis rather than any general assumptions applied.
- 4.9. It has been assumed that sites granted planning permission for minor schemes (under ten units) between 1st April 2022 and 31st March 2023 will be completed in 2024/25 year. However, delivery has been assumed to be 2023/24 if the Council has reason to believe schemes will be completed sooner (i.e. they are under construction by 1 April 2023). These assumptions would not be applied if the Council has been given specific information (e.g. delivery has been agreed with a registered provider).
- 4.10. Minor schemes are assumed to be completed within one year of starting on site.

5.0 Manchester's five-year housing land supply position

- 5.1. Having regard to the calculated requirement (including an allowance for a 5% buffer) and to the five-year supply of deliverable sites identified in Annex 1 the five-year land supply position in Manchester over the period 1 April 2023 to 31 March 2028 has been assessed as **6.12 years**
- 5.2. When compared with the PfE requirement including the 5% buffer Manchester has 6.43 years supply of housing land.