Agenda Item 3
Overview & Scrutiny Committee
25 November 2025

Title: Housing Five-Year Housing Land Supply
Lead Officer: Philip Clarke (Head of Place, Arts & Economy), Andrew Cornfoot (Planning Policy & Major Site Delivery Manager), Gary Fisher (Development Manager)
Portfolio Holder: Cllr King
Wards of the District directly affected: All

Approvals required	**Date**	**Name**
Portfolio Holder	12/11/25	Chris King
Finance	12/11/25	Andrew Rollins
Legal Services	12/11/25	Nigel Bell
Chief Executive	12/11/25	Chris Elliott
Strategic Director	12/11/25	David Elkington
Head of Service(s)	12/11/25	Philip Clarke
Section 151 Officer	12/11/25	Andrew Rollins
Monitoring Officer	12/11/25	Graham Leach
Leadership Co-ordination Group	N/A	

Final decision by this Committee or rec to another Cttee / Council?	Yes
Contrary to Policy / Budget framework?	No
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	No
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	No
Accessibility Checked?	Yes

1. Summary Why Overview & Scrutiny Committee asked for the report

1.1 The Overview & Scrutiny Committee has included this item in its work plan and asked that a report be brought to this meeting.

2. What the service is being delivered

2.1 This report was requested to provide members with more information relating to the Council's current situation in respect of its housing land supply. The Council does not currently have a five-year supply of housing land (5YHLS) and this is relevant because it impacts on how the Council should consider certain planning applications which will come before the Council. This matter will also have workload, financial and potentially reputational issues for the Council.

2.2 This report has been structured as follows.

A. What is a five-year supply of housing land and why is it important.

B. What factors impact on a Council's housing land supply situation.

C. Warwick District's current housing land supply situation.

D. What are we doing about it?

E. Immediate implication: current and forthcoming planning applications

A: What is a five-year supply of housing land and why is it important

2.3 Local planning authorities have three essential requirements in terms of planning for new housing in their areas. Firstly, they must identify how much housing growth the district needs to accommodate. Secondly, they must produce a plan that meets that level of housing growth. Thirdly, they must ensure, as far as they can, that housing comes forward at a steady rate to meet the requirements for housing growth.

2.4 For Warwick District, the first two of these requirements are at the heart of the work on the current South Warwickshire Local Plan. This will identify how much growth we need to accommodate across South Warwickshire (including unmet need from other areas) and where we should allocate land to meet this need. It is the third requirement that is most relevant to this report.

2.5 The National Planning Policy Framework (NPPF), issued by government, states the following:-

> *"….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." (para 78)*

2.6 Therefore, at any time local planning authorities (LPAs) should seek to demonstrate that over the next 5 years there are enough housing sites that will come forward to deliver new homes in accordance with the requirements of their Local Plan (or to meet local housing needs where the plan is more than five years' old).

2.7 If an LPA cannot demonstrate this, then it does not have a 5YHLS. The main implications of this are in relation to how it then needs to consider planning applications which come before it for consideration.

2.8 Where a LPA **does** have a five-year supply of housing land, the starting point for considering any planning application is the policies of the Local Plan. The NPPF sets out a presumption in favour of sustainable development, however it is clear that:-

> *"The presumption in favour of sustainable development does not change the statutory status of the development plan as the starting point for decision-making. Where a planning application conflicts with an up-to-date development plan (including any neighbourhood plans that form part of the development plan), permission should not usually be granted. Local planning authorities may take decisions that depart from an up-to-date development plan, but only if material considerations in a particular case indicate that the plan should not be followed." (para.12)*

2.9 In any assessment of the "planning balance" which would underpin consideration of any planning application, the above principle should be the starting point for that balance.

2.10 Where, however, an LPA **does not** have a 5YHLS, this planning balance changes. The presumption in favour of sustainable development remains, however the weight that can be attached to adopted policies in the local plan changes and reduces. Para 11 (d) of the NPPF states that, in respect of decision making:-

> *"where there are no relevant development plan policies, or the policies which are most important for determining the application are out-of-date, granting permission unless:*
>
> *i. the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for refusing the development proposed; 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, having particular regard to key policies for directing development to sustainable locations, making effective use of land, securing well-designed places and providing affordable homes, individually or in combination."*

2.11 The NPPF defines "out-of-date" in the above paragraph to include situations where the LPA cannot demonstrate a 5YHLS. Therefore, in such cases, LPAs should not refuse planning applications simply because they are not on land that is allocated in the Local Plan. The LPA should instead weigh the benefits of a proposed development against its potential harms. If the adverse impacts do not significantly and demonstrably outweigh the benefits, planning permission should be granted. This change in the planning balance is often termed the "tilted balance".

2.12 This matter is important for LPAs because it can, and usually does, lead to a growth in speculative planning applications on land which the LPA would not otherwise normally support for development. The NPPF requires LPAs to look more favourably on applications which, in other circumstances, they would refuse. If LPAs do continue to refuse applications on such sites, there is a potentially much greater chance that they will lose these on appeal, have costs awarded against them and increase the risk of being placed into Special Measures.

2.13 As members are aware, Warwick District does not currently have a 5YHLS. In this, Warwick District is not alone, with between one third to half of all

authorities nationally being in this position. Most nearby authorities are without a 5YHLS, including Stratford-on Avon (2.74 years), Rugby (4.16 years), Nuneaton & Bedworth (4.9 years) and Solihull (2.12 years). (Coventry and North Warwickshire do have a 5YHLS, however this is only just above five years. It should also be noted that Nuneaton & Bedworth expect to have a 5YHLS once they adopt their new Local Plan.)

B: What factors impact on a Council's housing land supply situation

2.14 In order to be able to maintain a 5YHLS, a Council needs to be confident that housing delivery over the next five years will be in line with its housing requirements. This is also impacted by previous years' levels of housing completions. If events in previous years have led to lower than required levels of housing completions, this increases the amount that has to be provided in current and future years.

2.15 There are number of factors that can impact on the number of houses that are built at any time, and therefore on a Council's ability to maintain a 5YHLS. Very few of these factors are wholly within the Council's control, and many are completely outside it. There are also some factors over which the Council can exert an element of control.

2.16 Factors impacting the number of houses that are built and the ability of an LPA to maintain a 5YHLS include the following:-

- Having an up-to-date local plan. Although an up-to-date local plan is no guarantee that an LPA will have a 5YHLS, it is likely that a more recently adopted local plan will have more allocations which have not been built out and so can be demonstrated to come forward to meeting housing needs. An "up-to-date" local plan is defined as one which is less than 5 years old (from adoption).
- Determining planning applications swiftly. Lengthy delays in the planning system are often cited nationally as a reason for why housebuilding rates fall below government targets. Whilst this is often an unfair criticism, it remains the case that prompt decision making on planning applications can help to de-risk development and support housebuilding rates.
- Infrastructure delivery challenges. Many developments require infrastructure to be provided before any homes can be built or sometimes after a certain threshold of housing completions has been reached (eg: a new access road). In smaller developments this is rarely a block on the scheme coming forward; in larger schemes there is significant work needed (and costs incurred by the developer) before any homes can be built. In some cases, this can slow down the rate of development, particularly where this infrastructure requires its own separate consents.
- Complexity of delivering sites. The above two factors are made more challenging where there may be multiple developers and agencies who need to work together to bring sites forward. Councils quite reasonably seek planning obligations and impose conditions to ensure that the impacts of development are managed and that community benefits are maximised. This can sometimes slow down the progress of development sites where there are other matters which need to be resolved before development can progress. Furthermore, many sites have inherent challenges within them which need to be addressed, for example brown fields sites which may have particular issues with land contamination, dealing with existing or historic

uses, challenges of developing in built-up areas, etc. All of this can come at a price in terms of the pace at which development takes place.

- Global and national economic factors. Many factors will impact on the ability of the housebuilding industry to build new homes and – importantly – people's willingness or ability to buy them. In the last five years, the global pandemic (which shut down building sites for several months in 2020) and the cost-of-living crisis (which impacted people's willingness and ability to buy new homes) have both had a marked impact on the rate of housing completions. The cost-of-living crisis, as has been widely reported in the national media, impacted matters such as the cost of raw materials and availability (and cost) of skilled labour, all of which impacted market confidence.
- Buoyancy and size of the housing market at any time. Even setting aside global and national shocks as noted above, the buoyancy and size of the housing market is very sensitive to wider factors. These include consumer confidence (which is also related to the availability of mortgages), interest rates and income levels as well as the availability of other new homes being built in a local area. All these factors impact on people's willingness to buy new homes. House building companies will respond to this by managing the rate at which they build new homes to meet this fluctuating demand and manage their own business risks and cashflow.
- Investment and business decisions of individual housebuilders. As noted above, house building is highly sensitive to the local and national housing market, and housebuilders will make investment decisions based on this. Levels of building on housing sites may accelerate or reduce as a consequence. Also, housebuilders and developers will structure their businesses and seek to manage their risks to meet their business objectives. It is very common for a developer to promote a site and realise its increased value through obtaining planning permission on this, only to sell it on to another company, or to parcel it up and share the risks with other housebuilders. All of this is part of the usual activity of house building companies and all of it impacts on the rate at which houses are built.

C: Warwick District's current housing land supply situation

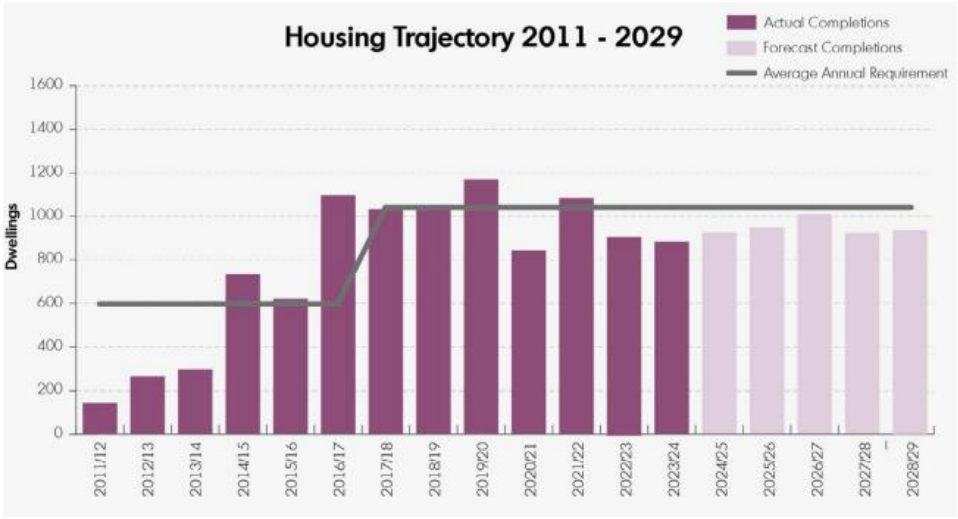
2.17 As part of our monitoring work, this Council publishes an annual housing trajectory. This sets out in detail the position in terms of our housing land supply, including a detailed breakdown of all sites which are expected to come forward in the next five years (and beyond). This is a detailed piece of work, requiring both a recording of the number of homes built in the last year together with projections for future housebuilding rates. This latter work has to be undertaken in cooperation with housebuilders. The most recent published monitoring information is for the year ending 31st March 2024 and this can be viewed on the Monitoring Reports page of the Council's website. The updated monitoring for 2025 is currently being prepared and will be published shortly.

2.18 **As of 31st March 2024, Warwick District Council had 2.34 years' supply of housing land. This is a deficit of 2,971 dwellings**; in other words, the Council needs to identify an additional 2,971 dwellings which can be built over the five-year period 1/4/24 to 31/3/29 in order to have a 5YHLS.

2.19 The Council also publishes an annual Authority Monitoring Report. This provides more information on the housing trajectory including a review of

previous years' housing completions. This is shown on table 1 below. As can be seen, the black line represents the average annual housebuilding requirement to meet the requirement of the current Local Plan – 1,098 new dwellings per year. As can also clearly be seen, there have been several years where that average has not been achieved. Noting the comments in para 2.16 above, evidence of the impact of the pandemic on housebuilding rates can be seen in the low level of completions for 2020/21 (841 dwellings). There was a strong recovery in 2021/22 as the housing market responded after the pandemic, but then the lower figures since then can be attributed, in part, to the cost-of-living crisis and its aftermath.

Table 1: Latest Housing trajectory for Warwick District (as of 31/3/24)



2.20 The housing trajectory for 2024/25 is currently being finalised. This has proved problematic as the Council is reliant on cooperation from house builders to provide information on their projected build-out rates on sites which have permission. In some cases, investment and business decisions of companies are making it difficult for them to currently provide reliable information.

2.21 Officers can, however, report that completions of new dwellings in 2024/5 are **850**. As can be seen above, this is still significantly below the required average of 1,098. Indeed, housing completions in 2024/25 are only marginally above those of 2020/21 and show a third consecutive year below the average.

2.22 Members should also be made aware that all LPAs are subject to a **Housing Delivery Test** (HDT). This is prepared by government and is an annual measurement of housing delivery and reviews completions over the last three years. The most recent HDT (covering the years up to 31/3/23) for Warwick District showed that over that period 2,602 dwellings were required, and 2,715 dwellings were delivered. WDC therefore have a score of 104% and this means that there are currently no consequences for WDC. However, should WDC fall below 100% in future years, there will be consequences. One of these is that WDC will need to produce an action plan to show what it is seeking to do to address this. More significantly, a 20% buffer should be added to 5YHLS if delivery is below 85% of the housing requirement. It is expected that when the government next publishes the HDT, it will show that WDC drops below 100%.

2.23 To put all this in context, it is important to note that the situation that this Council is facing in terms of its 5YHLS is not unusual. The Council was in the same situation in 2013 and 2014 prior to the adoption of the current Local plan. Furthermore, as noted in para 2.13, the Council is far from alone in not having a 5YHLS now.

D: What are we doing to address the lack of a five-year housing land supply?

2.24 Clearly, given the factors outlined in para 2.16, there are limits to what LPAs can do to address the lack of a 5YHLS. There are, however, a number of measures that can be taken.

2.25 Most importantly, the Council will need to apply the "tilted balance" in considering appropriate planning applications. This will mean that officer recommendations may be different in planning committee reports than would be the case if the "tilted balance" was not being applied. Officer reports will need to reflect this position and provide planning and legal advice to assist councillors in making decisions. Section E below sets out some of the current or very recent applications that are, or have been, before the Council which will have to be cognisant of this position.

2.26 In considering such applications, there are other measures which, in appropriate cases, may be applied to relevant planning applications. The purpose of these measures is to ensure, as far as is possible, that if the council approves sites because we do not have a 5YHLS, significant progress will be made on building these homes within five years.

- The Council may choose to reduce the life of the planning application. Normally, where an outline application is submitted, it is a requirement that applications for approval of reserved matters shall be made not later than three years from the date of a permission. If a justification for approving the application is to support delivery of homes within the next five years, it is reasonable to reduce this period, to encourage the applicant to progress the application. Setting a time limit of 12 months for the submission of reserved matters may not, therefore, be unreasonable.
- The Council may also choose to require developers to provide a delivery timetable as part of the application to show their intentions in terms of when the development will be brought forward. Whilst these could not be binding on the applicant, they would assist the Planning Committee in understanding the applicant's broad intentions for the pace of development on the site.

2.27 This approach to considering planning applications will need to be supported by training and briefings for councillors. All-member briefings on 5YHLS were undertaken in 2024 and again in April 2025. The need for further training, particularly for planning committee members, will be kept under review.

2.28 It should be noted that every planning application that is approved for new housing should improve the Council's land supply position. However, given the scale of the current shortfall (2,971 dwellings – see para 2.18), it is extremely unlikely that sufficient planning permissions will be granted to return the council to a position where it does have a 5YHLS. Until the Council can demonstrate that it does have a 5YHLS, the Council must still apply the tilted balance when determining planning applications.

2.29 In the longer term, the best way of improving the Council's housing land supply position is through the adoption of the South Warwickshire Local Plan (SWLP). Members will be aware from other briefings and reports on how this work is progressing. On its adoption, the SWLP will make many new allocations for housing which will all, potentially contribute to meeting the Council's 5YHLS. It is confidently expected that, if not before then, the adoption of the SWLP will return the district to a position where it has a 5YHLS.

2.30 Other measures that the Council is taking to help manage and reduce the shortfall are as follows:-

- Speed of decision making. Officers are working to seek to determine planning applications as promptly as possible, whilst at all times ensuring that all planning matters are properly considered. As members will be aware, officers do monitor the speed of determining planning applications and report these as KPIs. In the latest quarter (July – September 2025) we have reported that 97% of applications were determined within the statutory timeframe (allowing for extensions of time agreed with applicants). We also record the percentage of all planning applications approved (93% in Q2 against a target of 80%) and the average time taken to determine major planning applications. This is currently 231 days – a reflection of the complexity of major applications, the time taken to complete legal agreements and the delays caused by awaiting technical input from statutory consultees. This is one area where officers are continuing to work with consultees to see how their response times can be improved.
- Monitoring. Officers will be undertaking rigorous assessment of the deliverability of sites in our annual housing trajectory and 5YHLS paper to ensure that members have the best available information on the current position.
- Site Delivery. A way to address the inherent complexity of delivering many housing sites is to work with developers to try and encourage and support the delivery of sites. The Council has been doing this for many years through its Site Delivery Officers. Currently there are two permanent Site Delivery Officers, and the third is on a fixed-term contract which runs until May 2026. Site Delivery Officers play a vital role in working with developers, liaising with infrastructure providers, coordinating the delivery of infrastructure and finding innovative solutions to delivery challenges which otherwise would slow down the pace of development and lead to sub-optimal outcomes.

2.31 In respect of the last point, there are a number of sites within the current Local Plan which have encountered challenges in coming forward in the manner, and in the timeframe, anticipated when the Local Plan was adopted. The Site Delivery Officers are working with other colleagues and site owners / developers to being these sites forward as soon as possible. Site in the current Local Plan which have encountered delays but are currently being progressed include the following in table 2.

Table 2: Some of the major sites in the current Local Plan which have encountered delays but are currently being progressed.

Local Plan allocation	Site	Capacity
H02	Former sewerage works, south of Harbury Lane	315
H03	Land east of Whitnash / south of Sydenham	300
H06	Kenilworth (Rugby Club)	200
H09	Kenilworth school (Leyes Lane)	257
H12	Kenilworth school (Rouncil Lane)	97
H43	King's Hill	2,350 (*)
Total		**2,747 (**)**
* These figures are in relation to current outline permission only. ** Note that not all these homes are anticipated to be delivered before the end of the current Plan period (2029).		

E: Immediate implications: current and forthcoming planning applications

2.32 An immediate consequence of the Council not having a 5YHLS is that we are more likely to see a number of speculative planning applications on sites which, had we had a 5YHLS, would almost certainly not have been submitted. Applicants are aware that the Council is required to have regard to the "tilted balance" in considering such application and so may decide to submit applications on that basis.

2.33 In response to Warwick District being unable to demonstrate a 5YHLS a number of landowners and developers have indicated their interest in, or intention to, submit applications. At the time of preparing this report, the following applications are with the council. NB: All applications are in outline, so the figure is a maximum.

Table 3: Current planning applications which are outwith the current Local Plan to which the Council's lack of a 5YHLS is a significant material factor.

App no.	Location	No of homes	Comment
W/25/0388	Land South of Westwood Heath Road	140	Application refused (5/11/25)
W/25/1121	Land off Mallory Road, Bishop's Tachbrook	125	
W/25/1339	Land at Oakley Wood Road, Bishops Tachbrook	160	
Total		**425**	

2.34 In addition to this, officers have received formal requests for pre-application advice from sites which could yield up to a further **1,715 homes**. Finally, officers have had informal contacts from prospective applicants which indicates that applications may be received for a further **1,000 homes**. One of these is south of Warwick on land at Park Farm (junction of A452 Warwick By-pass and A425 Banbury Road - adjacent to the Asps) where the developer has undertaken their own pre-application public engagement on a site for up to 750 homes.

2.35 Offices will continue to monitor this activity.

3. The key risks to the service and how they are being managed

3.1 The key risks to the service and the Council can be divided into strategic and operational.

3.2 The key strategic risks to the council are that these planning applications may lead to unplanned growth. This may occur in a way which (a) leads to less-than-optimal patterns of sustainable development, and (b) does not allow the proper planning and delivery of key infrastructure for the wider benefit of the district. It is reasonable to require that such speculative applications comply with all current planning requirements (for example in terms of affordable housing provision, open space, compliance with the Net Zero Carbon DPD, etc). What unplanned development makes much more challenging, however, is a holistic overview of the infrastructure requirements of the wider district. This can only effectively be done through the Local Plan.

3.3 There is also the risk of additional costs to the Council if applications are refused which then subsequently go to appeal. Furthermore, if appeals are lost, there will be an additional risk that costs may be awarded against the Council.

3.4 Members also need to be aware that the repeated refusal of major planning applications which are then subsequently allowed on appeal significantly increases the risk of the Council being placed into Special Measures which ultimately could mean that future such applications may be determined by the Planning Inspectorate rather than the Council as Local Planning Authority.

3.5 These risks can be best mitigated by ensuring that members of the planning committee are fully briefed on all 5YHLS planning applications, and that any lessons learnt and best practice is quickly disseminated to them.

3.6 The key operational risks relate to officer capacity to deal with this workload. All of these applications will pay a fee in the usual way, and managers within the development management service will ensure – as far as they are able - that staffing levels are maintained (and increased if necessary) to meet this extra workload demand. It does need to be noted that this upturn in work is coming at a time when the department is already focussing its resources on the deployment of the new planning software (which is anticipated to be coming on stream in mid-2026), so this will need to be managed closely.

4. What is working well and what is not working so well

4.1 Officers have undertaken briefings for planning committee members (and other councillors) on the 5YHLS, and officers will continue to keep the need for this under review. Further training will be undertaken as required.

4.2 Furthermore, a group of officers now meet on a regular basis to monitor all applications and ensure that case officers are in the best position to bring reports to the Planning Committee with the best available evidence.

5. Changes to improve performance

5.1 The most significant change that could assist the Council's housing land supply position is the adoption of the SWLP. Other reports are being prepared for councilors' consideration on this matter. The first of these will be the revisions to the timetable for the South Warwickshire Local Plan which will be going to the Joint Cabinet Committee on 18th December.

5.2 More immediately, another measure which would assist the determination of planning applications is a reduction in the time taken to receive comments from consultees. Officers will continue to work with other organisations and agencies, including the county council, to seek to expedite these technical responses.

5.3 A further change which would speed up decision making is to extend the current scheme of delegation to officers. The proposed national scheme of delegation is likely also to achieve this, but WDC could amend its scheme of delegation before the national scheme comes into effect if it chose.

Background papers:

National Planning Policy Framework, December 2024.

Supporting documents:

None.