

KING'S LYNN & WEST NORFOLK LOCAL PLAN REVIEW EXAMINATION

Lapse Rate Note (15/05/2024)

During Week 4 of the Local Plan Examination Hearings (April 2024), the Inspectors requested a note regarding the inclusion of or non-inclusion of a discount or lapse rate as part the 5-year housing land supply calculation, provided as part of the Borough Council's Matter 6 Housing AMIQ Response (K25) as follows:

- Lapse rate for windfall sites which have planning permission.
- Non-inclusion of a further discount for the windfall allowance.

The reason for the request was to provide evidence and aid clarification to support the proposed approach as part of the land supply calculation.

This note has been prepared as a response to this request.

Detailed Note

1. The Borough Council’s Hearing Statement for Matter 6 Housing (K25) provided a 5-year housing land supply calculation. At page 10, Table 2: Identified Housing Supply, a 5% discount was shown against windfall sites. This was included to provide an appreciation that some planning permission will not be delivered as envisaged at the time the housing trajectory was composed. With the most likely contribution towards this being planning permission which are not implemented for whatever reason and therefore do not make a positive contribution towards the identified housing land supply.
2. After some debate, through which the lapse rate was considered to be between 5% and 8%, the Inspectors requested that the evidence to support the inclusion of such a discount / lapse rate and based on the evidence what the lapse rate percentage should be included within the 5-year housing land supply calculation.
3. In response the Borough Council has analysed housing planning permissions granted over a previous 5-year period on windfall sites in terms of both planning permissions granted and planning permission which have lapsed to provide a percentage rate. This 5-year period has been chosen, to look back over a recent previous 5-year block. 2018/19 to 2022/23 was chosen, as this would be the previous 5-year period to the data provided as part of K25 and as it would be recent would be appropriate to include a new 5-year housing land supply calculation based on the point of adoption, as per the National Planning Policy Framework.
4. Table1 below provides the lapse rate calculation, and the result is a Lapse rate of 7% for windfall sites.

Table 1: Lapse Rate Calculation

5 Year Time Period	Number of Homes Granted Planning Permission on Windfall Sites	Number of Homes which had Planning Permission on Windfall Sites which have Lapsed	% Lapse Rate
2018/19 to 2022/23	2,326	166	$166 / 2,326 \times 100 = 7\%$

5. Based on the above table it is therefore considered appropriate that in the 5-year housing land supply calculation to include a 7% discount/lapse rate for windfall sites, rather than the 5% proposed in K25. The land supply calculation will be provided as a Main Modification to the Local Plan supported by an updated Housing Trajectory, taking account of the end of the 2023/24 financial year and the availability of full data for that period. This will enable demonstration of a 5-year housing land supply position at the point in time in which the Local Plan Examination is currently anticipated to conclude; near the end of the 2024/25 financial year.
6. The windfall allowance provided in K25 already includes a 25% discount, thereby already suppressing the actual historic windfall data. This 25% discount already functions as a proxy “lapse rate”.

7. As discussed at the hearing sessions, it was considered not appropriate to apply a further lapse rate reduction (e.g. increasing this by 5%, to 30%). The 25% discount is already applied, in recognition that land is a finite resource. However, other agreed Main Modifications and Actions, set out the Inspector Action/ Homework List [G40], ensure this will be factored into the overall housing provision and 5 year housing land supply calculation.