

ST ALBANS CITY AND DISTRICT LOCAL PLAN EXAMINATION

MATTER 8:

THE SUPPLY AND DELIVERY OF HOUSING LAND

**ON BEHALF OF: BLOOR HOMES AND DEPARTMENT OF HEALTH AND
SOCIAL CARE**

Pegasus Group

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Introduction

Pegasus is instructed by Bloor Homes and the Department of Health and Social Care to submit a Statement in respect of Matter 8, pursuant to the Matters and Questions identified by the Examination Inspectors.

Separately additional Statements have been submitted in respect of the following Matters:

- Matter 1
- Matter 2
- Matter 3
- Matter 4
- Matter 5
- Matter 6
- Matter 7

Pegasus previously submitted representations in response to the Reg 19 Publication Plan in October 2018 and the Draft Issues and Options and Call for Sites in February 2018. The Hearing Statements should be read alongside our representations and supporting evidence.

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8. MATTER 8 – THE SUPPLY AND DELIVERY OF HOUSING LAND

Issue

Whether the approach towards the supply and delivery of housing land is justified and effective and consistent with national planning policy.

8.1 What is the estimated total supply of new housing in the plan period and how does this compare with the planned level of provision?

- 8.1.1 The Housing Trajectory on page 84 of the Local Plan identifies a supply of 14,871 homes in the period 2020-36 as compared to the proposed housing requirement for 14,608. This provides a surplus of only 263 homes or 1.8%.
- 8.1.2 As identified in response to Matter 5, the housing requirement of 913 homes per annum should actually apply over the period 2018-36. Over this period, the Housing Trajectory identifies a supply of 15,726 homes against a requirement for 16,434 homes. This provides for a shortfall of 708 homes over the plan period.
- 8.1.3 It has been established in numerous Local Plan examinations that the supply should exceed the housing need to provide sufficient contingency to ensure that the need will be met. In the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy examination, the Inspector required that the housing requirement was set 5% above the housing need. Similarly, in the ongoing examination of the Vale of Aylesbury Local Plan, the Inspector has provisionally identified that the Council should identify a supply sufficient to exceed to the housing requirement by at least 5.2%. Without such contingency, it is very likely that the housing requirement will not be met across the plan period as the delivery of a proportion of sites will inevitably be delayed.
- 8.1.4 In order to provide sufficient contingency, it would therefore be necessary to identify additional sources of supply regardless of the period over which the housing requirement is determined.
- 8.1.5 Furthermore, there is no breakdown of the individual sites which make up the Housing Trajectory. Accordingly, it is not possible to scrutinise the deliverable or developable supply identified by the Council as required by the PPG (61-059).

8.1.6 Nevertheless, it is apparent from the Housing Trajectory that the Council's supply is reliant upon 156 or 206 homes subject to S106 negotiations¹; 122 homes from undetermined planning applications, 242 or 291 homes on sites which are only subject to pre-application discussions², 273 homes on SHLAA sites which are not proposed for allocation, 61 or 76 homes in garage sites which are not proposed for allocation³, and 260 homes on sites within the Council's ownership which are not proposed for allocation. The inclusion of such sources of supply relies upon:

- the successful negotiation of S106 agreements;
- the approval of undetermined applications which may be found to be unsuitable for development in the light of consultation responses;
- the submission and approval of applications which are currently subject to pre-application discussions or identified in the SHLAA notwithstanding that the applicant may not progress these and they may be found to be unsuitable in the light of consultation responses; and
- the delivery of garage sites and Council owned sites which may be found to be unsuitable for development in the light of consultation responses, and for which there is no evidence.

8.1.7 As discussed in response to Matter 3, the Housing Trajectory also includes a significant windfall allowance without any justification such as is required by paragraph 70 of the NPPF.

8.1.8 The Housing Trajectory also includes an allowance for 440 homes arising from the intensification/conversion of employment land, 220 homes from additional Council owned sites, and 220 homes from the increased density of higher buildings. There is no evidence as to how these homes are expected to be delivered as they do not appear to be supported by any policy within the Local Plan and there is also no evidence as to how these allowances have been calculated.

¹ For the period 2020-36 and 2018-36 respectively

² *ibid*

³ *ibid*

8.1.9 The inclusion of sites for which the deliverability or developability has not been confirmed through the grant of planning permission and cannot be confirmed through an allocation in this emerging Local Plan, and the majority of which have not even been subject to the necessary rounds of consultation, and the reliance upon unevidenced broad-brush assumptions on the capacity which arises from non-existent policies or the unevidenced capacity from windfall development, creates an even greater likelihood that a proportion of the supply identified by the Council will not be delivered throughout the plan period.

8.1.10 Without these uncertain and unevidenced sources of supply, the Housing Trajectory identifies a supply of only 11,208 over the period 2020-36 or 11,780 homes over the period 2018-36. This results in a shortfall of either 3,400 or 4,654 homes. It will be necessary for the Council to provide robust evidence in support of the delivery of these sources of supply in order for any weight to be placed upon these. In the absence of this evidence, even to meet the housing requirement without any contingency, it will be necessary to identify a significant number of additional sites.

8.2 What is the estimated total supply in the plan period from:

- a) Existing planning permissions?
- b) Other commitments e.g. sites subject to S106 agreements?
- c) Proposed site allocations?
- d) Other sources?

8.2.1 This is broadly covered above, but the Housing Trajectory identifies a supply of:

- 1,083 homes from existing planning permissions including the delay factor over the period 2020-36 or 1,655 over the period 2018-36;
- 196 homes on other commitments namely sites subject to S106 agreements and existing allocations over the period 2020-36 or 246 over the period 2018-36;
- 10,085 homes on proposed allocations over either period; and

- 3,508 homes from other sources in the period 2020-36 or 3,740 in the period 2018-36.

8.3 Can the Council please provide a graph to show the housing trajectory and also a clearer, simpler table than that in appendix 2 of the Plan.

8.3.1 Pegasus Group will defer to the Council on this.

8.4 Is the housing trajectory realistic?

- 8.4.1 In Chapter 2 of the emerging Local Plan, the Council suggest that the stepped housing requirement is put in place to reflect realistic delivery rates. The stepped requirement identifies that the Council consider that 1,075 homes can be realistically delivered from 2025 onwards. However, the Housing Trajectory indicates that the Council consider that this number can be exceeded on average over the period 2024-29 and thereafter, with a total of 5,675 homes delivered in the period 2024-29 or 1,135 per annum.
- 8.4.2 This means that either the Housing Trajectory is unrealistic, or that the stepped housing requirement should come in earlier and be at a higher level, to address the backlog as soon as possible.
- 8.4.3 Based on the Housing Trajectory, the Council considers that it is realistic that an average of 680 homes per annum could be built in the period 2020-25, 1,201 per annum from 2025-30 and 911 per annum from 2030-36. If a stepped housing requirement is considered to be justified and the Housing Trajectory is considered to be realistic, there can be no justification for further delaying meeting the annualised housing requirement as proposed by the stepped requirement of the Council.
- 8.4.4 However, Pegasus Group do not consider that the Housing Trajectory is realistic although as identified above, the sites which make up the Housing Trajectory are not identified within the evidence and accordingly it is not possible to assess the realism of the trajectories for individual sites, other than for the emerging allocations which are individually itemised.

- 8.4.5 The Housing Trajectory relies upon the delivery of a number of strategic broad locations/allocations. The trajectories for some of these are considered unrealistic. For example, the sites at North West Harpenden (580 homes) and North St Albans (1,100 homes) are expected to achieve the first completions in 2022/23. The Start to Finish Report, Lichfields, November 2016 however identifies that on average for sites of this size it would take circa 5.5 years from the validation of the first planning application until the first completion. This would indicate that on average the trajectory of the Council would only be achieved if the first planning application had been submitted in April 2017. There is no evidence that planning applications have been submitted on either of these schemes by November 2019 such that the Council's trajectories require that the lead-in times of these sites is unrealistically significantly less than the average achieved on sites of these scales. The Council has also provided no evidence to support the lead-in times assumed. The same applies to numerous of the proposed strategic allocations.
- 8.4.6 Once realistic trajectories are assumed for the emerging allocations, this will have significant implications for the trajectory and for the supply over the plan period. For example, the Council assume that the site at East Hemel Hempstead South (2,400 homes) will achieve the first completions in 2023/24 within 4 years notwithstanding the fact that the Start to Finish report identifies that on average this would take almost 7 years from the validation of the first planning application. Assuming that this site experienced average lead-in times such that the first completion was achieved in 2026/27, this would reduce the plan period supply by 540 homes.
- 8.4.7 It is therefore evident that on the basis of the limited available evidence, the Housing Trajectory is not realistic and that this has significant implications on the ability of the Council to meet the housing requirement. The trajectory will need to be subject to further testing once the necessary evidence is made available.
- 8.5 The majority of the proposed housing will be provided on a small number of large sites. Does the Council have a contingency Plan should one or all of these sites not deliver as expected?**
- 8.5.1 The Council have not provided any evidence to support a contingency should any of proposed broad locations /allocations fail to delivery as the Council anticipate in the Housing Trajectory.

8.5.2 This is a high risk strategy in an area where the Council does not have a good track record of housing delivery as evidenced by the recently produced Housing Delivery Test Action Plan (September 2019), the Council scored 58%, there is a record of historic underperformance.

8.6 Has there been persistent under delivery of housing? In terms of a buffer for a five year supply of housing sites, should this be 5% or 20% in relation to para 73 of the NPPF?

8.6.1 Paragraph 73 of the NPPF identifies that where there has been significant under-delivery, which footnote 39 defines to be less than 85% according to the Housing Delivery Test, the Council will be subject to a 20% buffer.

8.6.2 The Housing Delivery Test results of 2018 identify that in St Albans only 58% of the housing requirement had been met such that it is necessary to apply a 20% buffer.

8.6.3 Whilst the release of the Housing Delivery Test results of 2019 has been delayed owing to the general election, the data necessary to calculate these has been published by MHCLG. It can therefore be calculated that 63% of the housing requirement has been met in the period 2016-19 such that it will continue to be necessary to apply a 20% buffer.

8.7 What are the implications of stepped delivery of housing on the supply and delivery of housing?

8.7.1 The PPG (2a-012-20190220) identifies that the standard method identifies the annual minimum local housing need. Any requirement which does not meet this on an annual basis, results in housing needs not being met as they arise. The extent of the resultant harm of such a proposal needs to be considered.

8.7.2 According to the PPG (2a-007 -20190220) the cap of the standard method is applied to help ensure that the standard method is as deliverable as possible. However, the PPG proceeds to identify that the cap does not reduce housing need itself and that consideration should be given to a housing requirement which more appropriately responds to the actual housing need. In SADC,

without the cap, the standard method produces a need for circa 1,150 homes per annum.

- 8.7.3 The proposed stepped requirement does not even meet the standard method let alone the actual housing need for many years. The Chart below demonstrates that the stepped requirement does not meet the annualised requirement (which itself is capped significantly below the actual need) until 2036 such that there will be a shortfall of circa 1,740 homes against the annualised requirement by 2025. Against the actual housing need identified by the uncapped standard method, the proposed housing requirement gives rise to a shortfall of 3,786 homes across the plan period with the majority of this shortfall arising (of 2,936) arising by 2025.



- 8.7.4 Therefore, it is considered that the harm which arises from a stepped requirement is significant in St Albans, especially given that the plan period requirement does not meet the housing need.

- 8.7.5 Furthermore, the Local Plan is required to be reviewed within five-years, say by 2025. In this review, as a result of the reduced rate of delivery, the household projections will identify lower levels of growth such that the

standard method will be lower. Accordingly, the Local Plan review will only be required to address a smaller level of need and the stepped requirement for 1,075 homes per annum will never be implemented. These housing needs would then be diverted to other LPAs as the households in need of housing in SADC will have no choice but to move elsewhere and these trends would become embedded in the household projections of those other LPAs.

- 8.7.6 In effect, the stepped requirement simply excuses the Council from ever meeting the housing needs which exist in the LPA. This is likely to have significant adverse social, economic and environmental impacts on SADC including as there will be an insufficient workforce to support the local economy and the workforce there will need to commute significant distances into SADC.

8.8 What impact will this have on the 5 year supply of deliverable housing land and the delivery of affordable housing?

- 8.8.1 The only benefit of the stepped housing requirement is that it will support the Council's ability to maintain a five-year land supply in the short-term. However, this will be a five-year land supply which is measured against a figure which does not represent either the annualised requirement or more importantly the housing need, and as described above, it will give rise to significant adverse effects on the communities within the LPA.
- 8.8.2 Even with the stepped housing requirement, and assuming that the Council's unrealistic trajectory is delivered from 2020 onwards, the Council would be able to demonstrate a marginal five-year land supply from 1st April 2020, with a surplus of only 11 homes, and then would fall into a five-year land supply deficit in the following two years. Once a realistic trajectory is adopted, these shortfalls will be both more pronounced and will last for a longer period.
- 8.8.3 Even if the emerging Local Plan is found to be sound and the trajectory is considered to be realistic, the policies will be out-of-date by 1st April 2021 if not sooner. This is an inevitable consequence of a strategy based on a limited range and choice of sites facilitated by the emerging Local Plan. If the Local Plan proceeds as proposed, as a minimum, it will be necessary to identify a sufficient range and choice of sites to ensure that it will remain effective during the early years of the plan period.

- 8.8.4 Appendix 6 of the emerging Local Plan identifies that the affordable housing needs represent more than 75% of the housing requirement. HOU 002 actually identifies a need for 617 affordable homes per annum⁴ or 9,872 over 16 years which equates to 68%. However, Policy L3 proposes that only 40% of housing will be delivered as affordable housing limited to sites of 10 or more homes. Even if the entire housing requirement was delivered on sites of 10 or more homes, only 5,843 affordable homes would be delivered as compared to the need for 9,872. In such circumstances, the PPG: Housing needs of different groups paragraph 67-001-20190722 identifies that in such circumstances a higher level of need should be considered to facilitate meeting the affordable needs. However, no such adjustment has been considered by the Council.
- 8.8.5 Given that the annualised housing requirement does not provide sufficient scope to meet the affordable needs, the stepped housing requirement will place an even greater constraint on meeting affordable needs in the short-term. The balance between affordable need and supply (even assuming that all of the housing requirement is delivered on sites of 10 or more homes) is presented graphically below. This shows that across the plan period there would be a shortfall of 4,012 affordable homes and that almost 2,000 of this would accrue within the first five-years of the plan period as a result of the stepped requirement.

⁴ 102 intermediate homes and 515 social/affordable rented homes in Table 43.



8.9 On the basis of the Plan as submitted, is it realistic that it would provide for:

a) A supply of specific deliverable sites to meet the housing requirement for five years from the point of adoption?

b) A supply of specific, developable sites or broad locations for growth for years 6-10 from the point of adoption.

8.9.1 As identified above, even if the trajectory of the Council is considered realistic, there would only be a 5.02-year land supply with a surplus of 11 dwellings⁵, and there would be a five-year land supply shortfall in the subsequent two years.

8.9.2 However, this position relies upon all of the sites identified as being deliverable in the period 2020-25 being deliverable by 1st April 2020. The NPPF identifies two closed lists of sites which are considered eligible for inclusion in the deliverable supply including only sites which benefit from planning permission, sites which are allocated, sites with permission in principle and sites identified on a brownfield register. To consider any other sources of supply would require

⁵ Calculated from the supply of 3,401 homes identified in the Housing Trajectory compared with a five-year requirement for 3,390 homes (= 565 x 5 + 20%)

the Council to invent the appropriate policy test contrary to national policy. This has been the consistent finding of every appeal Inspector to have considered this matter of principle, including most recently by the Secretary of State in the recovered Winsford appeal decision (2212671).

8.9.3 Therefore, in order to demonstrate even a 5.02-year land supply with a surplus of 11 homes, the Council need to have either granted planning permission, granted permission in principle or identified on a brownfield register all of the following by 1st April 2020:

- all of the sites subject to a resolution to grant planning permission;
- all of the sites subject to undetermined planning applications;
- all of the sites subject to pre-application discussions;
- all of the SHLAA sites;
- all of the garage sites programme sites; and
- all of the Council owned sites.

8.9.4 The 5.02-year land supply also requires that the unrealistically short lead-in times on the proposed allocations will be achieved.

8.9.5 Furthermore, the sites with outline permission only, the existing allocation, any sites identified on the brownfield register and the emerging allocations can only be considered deliverable where there is clear evidence that completions will begin on sites within five-years according to the NPPF Glossary. No such evidence has been provided by the Council and accordingly all of these sites cannot be considered to be deliverable in accordance with the NPPF.

8.9.6 It is therefore considered inevitable that at the point of adoption, even on the basis of the limited evidence which is available, the Council will be unable to demonstrate a five-year land supply.

8.9.7 In years 6-10 and beyond, as identified previously, the Housing Trajectory is not considered realistic and as a result there will be a shortfall across the plan period, such that the Council is unable to identify a developable supply as required by paragraph 67b of the NPPF.

8.10 In overall terms would the Plan realistically deliver the number of dwellings required over the plan period?

8.10.1 No, as addressed above.

8.11 How have site densities been determined? How rigid are these figures?

8.11.1 Pegasus Group will defer to the Council on this.

8.12 What are the targets for the provision of affordable housing? What has been achieved in recent years?

8.12.1 Pegasus Group will defer to the Council on this.

8.13 Is the type and size of housing provided/planned meeting/likely to meet the needs of this area?

8.13.1 Pegasus Group will defer to the Council on this.

8.14 Is there sufficient variety in terms of the location and type of sites allocated?

8.14.1 Pegasus Group have objected to the strategy and the Council's methodology for strategic site selection and evaluation. There are significant concerns about the deliverability of the Plan as evidence in our representations and in response to the Inspectors questions. In order for the Plan to be found sound, to significantly boost housing supply in accordance with the NPPF and to ensure a five housing land supply; a range and choice of sites is required. Additional allocations are required in the Plan.