Land north east of Redbourn
On behalf of Lawes Agricultural Trust
Hearing Statement
December 2019

BIDWELLS

MATTER 8
HEARING STATEMENT
ON BEHALF OF LAWES AGRICULTURAL TRUST

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1.0 Introduction

1.1 This Hearing Statement has been prepared by Bidwells LLP on behalf of Lawes Agricultural Trust in support of Land to the north east of Redbourn (hereafter "the site"). Lawes Agricultural Trust has promoted the site through representations submitted at each of the previous Local Plan consultations. They control the whole site demarked in the red line boundary plan contained in their Regulation 19 representations.

1.2 The purpose of Lawes Agricultural Trust's involvement in the Examination process is to demonstrate the availability and deliverability of allocation R-551 (North east of Redbourn, West of A5184) and to raise concerns over the proposed spatial strategy, for failing to plan for the identified local housing need and subsequently for inadequacies in relation to the assessment and release of the preferred broad locations from Green Belt. This Hearing Statement responds to:

- Matter 8: The supply and delivery of housing land
  - Main Issue: Whether the approach towards the supply and delivery of housing land is justified and effective and consistent with National Planning Policy.
    - Questions 1-14

2.0 Response to the Inspector's Matters, Issues and Questions

Question 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?

2.1 From the Plan and its supporting evidence, it is impossible to determine the total supply. Appendix 2 of the Plan indicates a supply of:

- 14,871 dwellings for the period 2020/21 – 2035/36
- 15,725 dwellings for the period 2018/19 – 2035/36

2.2 As discussed in our Matter 5 Statement, we believe that the latter period is the most appropriate.

2.3 The first concern is the errors in the baseline years. Appendix 2 shows the dwellings completed for 2017/18 and 2018/19 as 432 and 426 dwellings respectively. However, MHCLG records only show 340 and 385 dwellings respectively for these years. We have sought to determine the source of SACDC's estimates but cannot correlate them with either gross completions or the supply as calculated using the HDT method.

2.4 Setting this aside, even if we cannot accurately estimate the supply, we have sought to approximate it to understand the scale of any shortfall. This analysis has found that SACDC can reasonably rely on just 11,298 dwellings for the 2018/19 – 2035/36 period. This is a shortfall of 4,938 dwellings against the LHNSM of 16,236 dwellings (as set out in our Matter 5 Statement). We will set out the sources of this supply under the following question with a trajectory in Appendix 1.

Question 2: What is the estimated total supply in the plan period from:

a) Existing planning permissions?

2.5 As set out above, it is impossible to determine this with any accuracy from the Plan itself. For the purposes of this exercise of understanding the deficit we have assumed the SACDC's counts in Appendix 2 of the Plan are correct, although we believe there may be some double-counting and the figures may not be net.

Table 1: Existing Permissions

COMPONENT	SACDC	BIDWELLS
Under construction	217	217
With planning permission (full or reserved matters covering whole site)	747	747
Small sites with permission	64	64
Conversions with permission	56	56
With outline permission with part(s) covered by reserved matters	0	0
Outline only	171	171
Total	**1,255**	**1,255**

b) Other commitments e.g. sites subject to S106 agreements?

2.6 Based on Appendix 2 of the Plan, the following is assumed:

Table 2: Other Commitments

COMPONENT	SACDC	BIDWELLS
Where full, outline or reserved matters at post committee resolution or subject to s106 negotiations	206	206

c) Proposed site allocations?

2.7 **Appendix 1** includes our revised trajectory for each of the broad areas/allocations while **Appendix 2** provides an overview of our methodology using best practice.

2.8 SACDC expect the ten broad locations to deliver 11,945 dwellings (excluding already permitted elements), of which 10,085 dwellings would be completed by 2036. However, it appears that unreasonable lead-in times have been applied to most locations with Bidwells concluding that 7,585 dwellings is a more reasonable figure for the plan period.

2.9 The difference relates to two key adjustments:

2.10 First, the lead-in times for the East Hemel Hempstead North and South locations (EHHN and EHHS respectively) are unreasonable. National evidence of lead-in times (Appendix 2) suggests that sites of this scale would likely require six and seven years respectively from submission of the outline planning application. The analysis has assumed that these would be submitted in 2019/20, although at the time of writing this has not happened. No evidence has been provided by SACDC to suggest that these sites could reasonably come forward at a faster rate.

2.11 Indeed, the analysis finds that five of the broad locations would need to be the subject of outline planning applications in 2019/20 to achieve both trajectories. This will be exceptionally challenging for SACDC, particularly due to tight timescales but also because the planning

authority hasn't seen any developments of this scale since the Jersey Farm scheme in the 1970s and 1980s (HOU14)[1].

2.12 Consequently, EHHN and EHHS should be put back by one and three years respectively. Overall, we recommend that the contribution that the Hemel Hempstead locations make to the trajectory is reduced from 4,370 dwellings to 3,540 dwellings.

2.13 There are also concerns with the lead-in times used for East St Albans (ESA), North St Albans (NSA) and North West Harpenden (NWH) but these sites are still expected to be delivered within the plan period.

2.14 The second element is the Park Street Garden Village. This has permission for a Strategic Rail Freight Interchange (SRFI) for which development has already commenced. The promoters of this have already stated publicly that they will challenge the Plan if this location is included within the adopted version.

2.15 No evidence has been provided by the landowner (Hertfordshire County Council, HCC) to categorically state that the site is no longer available for the SRFI, nor have they provided any evidence in support of the housing allocation. Fundamentally, the representations made by HCC at the Regulation 18 stage are extremely noncommittal[2] (emphasis added):

> *"1.7 The Park Street Garden Village Broad Location is a site that currently has planning consent for a Strategic Rail Freight Terminal granted on 14 July 2014 by the Secretary of State for Communities and Local Government (applicants Helioslough Ltd). The outline planning permission agreed the principle for a rail freight interchange together with means of access, siting for the development and landscaping scheme. Following the grant of outline planning permission three reserved matters applications were submitted to agree details. At SADC Planning Referrals Committee (May 2018) planning permission for the three reserved matters applications was granted subject to conditions.*
>
> *1.8 Currently, it would appear that there are a number of planning conditions attached to the outline planning consent that are still awaiting discharge. As such,* ***HCC is proceeding with caution and has not, at this stage, commissioned a detailed feasibility study to confirm the developability and deliverability of the proposed BL allocation****.*
>
> *1.9* ***At the request of SADC in May 2018****, a high-level masterplan for residential development was prepared which shows how Policy S6xi might be delivered subject to further detailed technical and environmental investigations. This representation comprises the work undertaken thus far on the high- level masterplan which could later be developed into a preliminary masterplan informed by technical and environmental studies thus ensuring deliverability and developability of the BL allocation."*

2.16 It appears that it is SACDC that is driving the inclusion of Park Street in the Plan, not HCC who have not yet produced publicly any detailed feasibility study; a review of HCC committee reports have not found any reference to either the Garden Village or SRFI.

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[1] SACDC. October 2014. Strategic Local Plan Background Note: St Albans City and District - Major Residential Development 1950 to Present.

[2] Vincent and Gorbing. October 2018. Park Street Garden Village Broad Location Representations On behalf of Hertfordshire County Council.

2.17 SACDC cannot afford for the adoption of this Plan to be delayed by the risk of legal challenge, or the Plan to fail to meet its housing requirement should the SFRI ultimately be implemented instead of the Garden Village. Consequently, this broad location should be removed to avoid these risks. This needn't be the end for this Garden Village as the Plan will need to be reviewed within five years and most likely revised given that the housing requirement is capped. Therefore, once HCC have a clear position on how they wish to proceed, it can be re-introduced into the Plan.

Table 3: Proposed site allocations (broad locations)

COMPONENT	SACDC	BIDWELLS
S6(i) East Hemel Hempstead North (EHHN)	1,600	1,440
S6(iii) East Hemel Hempstead South (EHHS)	2,400	1,560
S6(iv) North Hemel Hempstead (NHH)	575	540
S6(v) East St Albans (ESA)	900	900
S6(vi) North St Albans (NSA)	1,000	1,000
S6(vii) North East Harpenden (NEH)	760	760
S6(viii) North West Harpenden (NWH)	580	580
S6(ix) West London Colney (WLC)	440	440
S6(x) Chiswell Green (CG)	365	365
S6(xi) Park Street Garden Village	1,670	0
Total	**10,085**	**7,585**

d) Other sources?

2.18 Appendix 2 of the Plan includes a host of other sources, none of which are sufficiently evidenced. In **Table 4** below we consider whether there might be some justification to include these elements, although again the exact amount that they will deliver is currently unknown.

Table 4: Other sources

COMPONENT	ANALYSIS	SACDC	BIDWELLS
With application submitted	An application does not provide any certainty over the suitability of a site for development and fall outside the definition of 'deliverable' in the NPPF. Consequently, these sites should not be included in the trajectory.	122	0
With pre-application discussions occurring	As above.	291	0
Allocation only	It is assumed that this relates to allocation(s) in the 1994 Plan that will be wholly replaced by this Plan. Once this Plan is adopted, they will have no status and should not be included in the trajectory.	40	0
SHLAA sites and other sites	These fall outside the definition of 'deliverable' in the NPPF and there is no reasonable prospect that they will deliver in the Plan period. Consequently, these sites should not be included in the trajectory.	273	0
Garage sites program	Where there is evidence of a clear strategy to redevelopment specific small sites, these can reasonably be included in the trajectory. However, further evidence is required before these can be relied upon.	76	76

COMPONENT	ANALYSIS	SACDC	BIDWELLS
Windfall allowance	NPPF paragraph 70 allows for the inclusion of windfall in a trajectory where there is compelling evidence that they will provide a reliable source of supply. No evidence has yet to be provided, which will be essential if SACDC wishes to rely upon them.	1,838	1,838
Office to Residential Prior Approval 10% discount	These would fall within the NPPF definition of deliverable and needn't include the 10% discount.	338	338
Council owned sites	These fall outside the definition of 'deliverable' in the NPPF and there is no reasonable prospect that they will deliver in the Plan period. Consequently, these sites should not be included in the trajectory.	260	0
Unanticipated delay factor (discount is applied to unstarted permissions only)	This seeks to redistribute housing to reflect unknown delays but adds in an error to the trajectory because it starts in 2017/18 rather than the base date of the Plan (either 2019/20 or 2020/21). Consequently, this should not be included in the trajectory.	62	0
Local Plan/NPPF policies – delivering urban optimisation a) Intensification/conversion of employment land b) Council owned sites c) Increased density in higher buildings.	This optimisation is not included anywhere else in the Plan. Policies L9 and L10 seek to prevent the loss of employment land and therefore conflict with (a). As above, Council owned sites would still need to be considered through the planning process and fall outside of the definition of deliverable. Finally, (c) appears to refer to a proposal in the draft NPPF that was not included in the final version. There is no national policy basis for this and, even if there was, the heritage constraints in much of St Albans would limit its effectiveness. Consequently, these elements should not be included in the trajectory.	440 220 880	0 0 0
Total		**5,641**	**3,713**

Question 3: Can the Council please provide a graph to show the housing trajectory and also a clearer, simpler table than that that in appendix 2 of the Plan.

2.19 **Table 5** summarises both trajectories while **Figure 1** and **Figure 2** show SACDC's and Bidwells' trajectories respectively as graphs.

Table 5: Summary of components of the trajectories 2018/19 – 2035/36

COMPONENT	SACDC	BIDWELLS
Existing permissions	1,255	1,255
Other commitments	206	206
Proposed site allocations (broad locations)	10,085	7,585
Other sources	5,641	3,713
Total	**15,726**	**11,298**

Figure 1: SACDC's trajectory based on Appendix 2 of the Plan

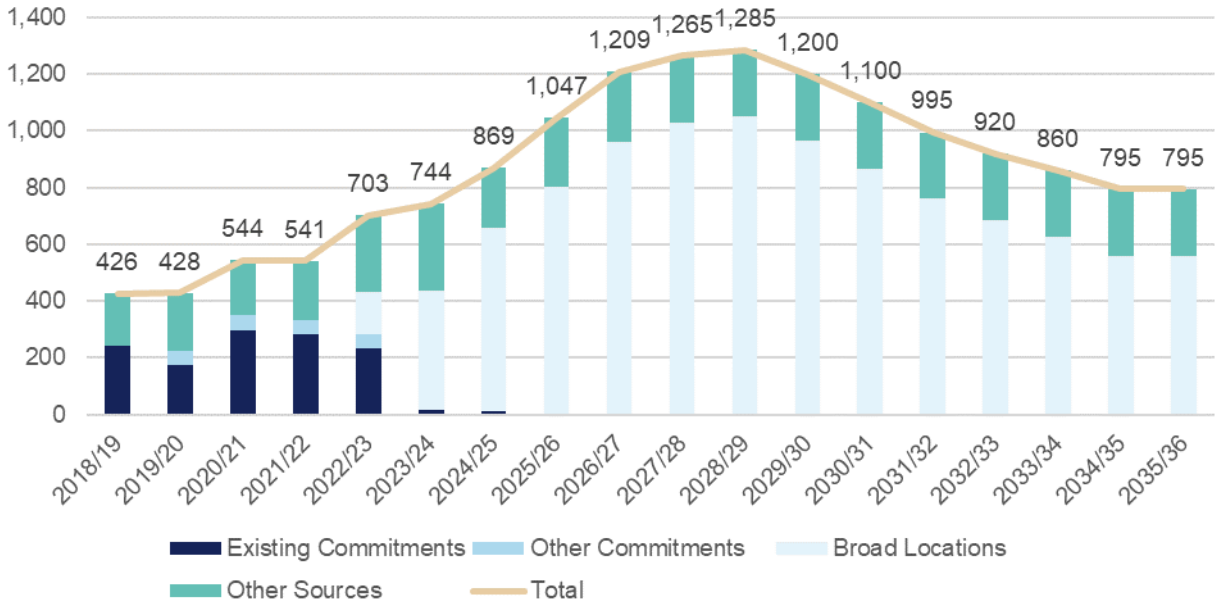
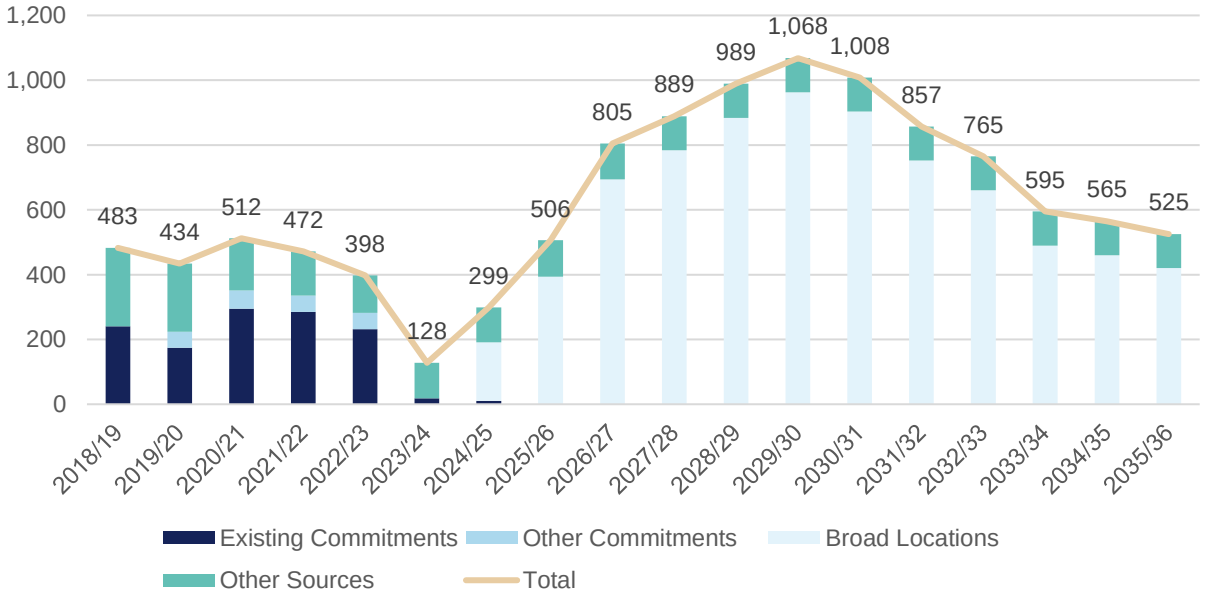


Figure 2: Bidwells indicative trajectory



Question 4: Is the housing trajectory realistic?

2.20 SACDC's trajectory is not realistic or reasonable for the reasons given above. **Figure 2** highlights the risks with this, particularly in 2022/23-2025/26 when the Plan transitions from existing commitments to the broad locations. There are then further concerns post 2030/31 when the smaller of the broad locations are completed.

Question 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?

2.21 No contingency has been identified.

Question 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?

2.22 **Table 6** sets out the HDT scenarios, both of which indicate a supply of less than 85%. Therefore a 20% buffer is required.

Table 6: Housing Delivery Test results

	2015/16	2016/17	2017/18	2019/20	TOTAL
November 2018 results					
Supply	396	347	412	-	1,155
Requirement	670	668	649	-	1,987
Result	59%	52%	63%	-	58%
November 2019 anticipated results					
Supply	-	347	412	638	1,397
Requirement	-	668	649	902	2,214
Result	-	52%	63%	71%	63%

Question 7: What are the implications of stepped delivery of housing on the supply and delivery of housing?

2.23 It is accepted that a stepped trajectory is required, as set out in our Matter 5 Statement, although we believe that it should reflect the LHNSM results:

- 2018/19-2022/23: 644dpa (3,220 dwellings)
- 2023/24-2035/36: 1,002dpa (13,026 dwellings)

Question 8: What impact will this have on the 5 year supply of deliverable housing land and the delivery of affordable housing?

2.24 If a flat trajectory is applied, the 5YHLS requirement for 1 April 2019 would be:

- Base requirement = 905dpa x 5 years = 4,510 dwellings
- Shortfall = 902 – 624 = 278 dwellings
- Base + Shortfall + Buffer = 5,788 dwellings

2.25 If the stepped trajectory above, the 5YHLS would be:

- Base requirement = 644dpa x 5 years = 3,220 dwellings

- Shortfall = 644 – 624 = 20 dwellings
- Base + Shortfall + Buffer = 3,888 dwellings

2.26 SACDC's trajectory suggests a supply of 2,960 dwellings in the 5 years while Bidwells' trajectory suggests 1,944 dwellings. This results in the following 5YHLS scenarios:

- Stepped & SACDC supply = 3.8 years, 928-dwelling deficit
- Flat & SACDC supply = 2.6 years, 2,828-dwelling deficit
- Stepped & Bidwells supply = 2.5 years, 1,944-dwelling deficit
- Flat & Bidwells supply = 1.7 years, 3,844-dwelling deficit

2.27 Therefore, in no scenario can SACDC demonstrate a 5YHLS, which will have consequences for affordable housing that is likely to be achieved, particularly with much of the existing supply comprising minor development. We however believe that 2.5 years is the most probable, which results in a deficit of 1,944 dwellings.

Question 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?

If you contend that the Plan would not provide for either (a) or (b) above (or both) could it be appropriately modified to address this?

2.28 As set out in our response to Question 1 our analysis has found that SACDC can reasonably rely on just 11,298 dwellings for the 2018/19 – 2035/36 period. This is a shortfall of 4,938 dwellings against the LHNSM of 16,236 dwellings (as set out in our Matter 5 Statement). This, however, doesn't include any contingency plan. Consequently, we recommend that the total supply should be at least 5% greater than the housing requirement, which equates to 17,048 dwellings. On this basis, there is a total deficit of 5,750 dwellings.

2.29 It is recommended that the housing land supply is diversified further to ensure a sustained delivery that reflects the stepped trajectory.

2.30 To address the first five years from adoption, to 2023/24, there is a clear requirement to increase the number of small sites allocated. As set out in **Appendix 2**, lead-in times would limit the influence of sites for more than 600 dwellings; preferably sites of less than 300 dwellings should be included of various sizes. These would need to amount to approximately 2,500 dwellings to ensure there was some contingency.

2.31 This would leave a residual of 3,250 dwellings to be identified for the remainder of the Plan period. We would suggest that this should comprise sites for 600-1,200 dwellings, i.e. sites that can be implemented in the 6 – 10-year period and continue to provide a sustained supply for the remainder of the Plan period.

Question 10: In overall terms would the Plan realistically deliver the number of dwellings required over the plan period?

2.32 The current Plan will not deliver the required number of dwellings. However, we believe the recommendations set out in response to Question 9 will make the Plan sound.

Question 14: Is there sufficient variety in terms of the location and type of sites allocated?

2.33 There is not, but our recommendations set out in response to Question 9 will diversify the size of sites available and enable a more balanced provision of sites relative to the settlement hierarchy.

APPENDIX 1
REVISED HOUSING TRAJECTORY

Policy Ref	Element of Supply (abbreviation)	Capacity	Forecast	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44	Total for Plan	Grand Total	Ave Build Rate
MHCLG Net Additional Dwellings				340	385	624																									624	624	624
S6(i)	East Hemel Hempstead North (EHHN)*	1,650	SACDC								75	140	180	180	180	180	180	180	140	100	65										1,600	1,600	145
			Bidwells										60	120	120	180	180	180	120	120	120	120	120	120	40							1,440	1,600	123
S6(iii)	East Hemel Hempstead South (EHHS)	2,400	SACDC								75	140	180	180	180	180	180	180	180	180	180	180	180	140	65							2,195	2,400	160
			Bidwells											60	120	120	180	180	180	180	180	180	180	180	180	180	120					1,560	2,400	160
S6(iv)	North Hemel Hempstead (NHH)	1,500	SACDC																75	125	125	125	125	125	125	125	125	125	125	100	75	575	1,500	115
			Bidwells																60	120	120	120	120	120	180	180	180	150	90	60		540	1,500	125
N/A	**Hemel Hempstead Cluster**	**5,550**	**SACDC**								**150**	**280**	**360**	**360**	**360**	**360**	**360**	**360**	**395**	**405**	**370**	**305**	**305**	**265**	**190**	**125**	**125**	**125**	**125**	**100**	**75**	**4,370**	**5,500**	**262**
			Bidwells										**60**	**180**	**240**	**300**	**360**	**360**	**360**	**420**	**420**	**420**	**420**	**420**	**400**	**360**	**360**	**270**	**90**	**60**		**3,540**	**5,500**	**306**
S6(v)	East St Albans (ESA)*	1,250	SACDC								75	100	100	100	100	100	100	100	100	25												900	900	90
			Bidwells									60	90	120	120	120	120	120	90	60												900	900	100
S6(vi)	North St Albans (NSA)*	1,100	SACDC							75	120	120	120	120	120	120	120	85														1,000	1,000	111
			Bidwells										60	90	120	150	180	180	120	90	10											1,000	1,000	111
N/A	**St Albans Cluster**	**2,350**	**SACDC**							**75**	**195**	**220**	**220**	**220**	**220**	**220**	**220**	**185**	**100**	**25**												**1,900**	**1,900**	**173**
			Bidwells									**60**	**150**	**210**	**240**	**270**	**300**	**300**	**210**	**150**	**10**											**1,900**	**1,900**	**190**
S6(vii)	North East Harpenden (NEH)	760	SACDC											75	75	75	75	75	85	75	75	75	75									760	760	76
			Bidwells											60	60	90	120	120	120	90	60	40										760	760	84
S6(viii)	North West Harpenden (NWH)	580	SACDC							75	75	75	75	75	75	75	55															580	580	73
			Bidwells									60	60	120	120	100	60	60														580	580	83
N/A	**Harpenden Cluster**	**1,340**	**SACDC**							**75**	**75**	**75**	**75**	**150**	**150**	**150**	**130**	**75**	**85**	**75**	**75**	**75**	**75**									**1,340**	**1,340**	**96**
			Bidwells									**60**	**60**	**180**	**180**	**190**	**180**	**180**	**120**	**90**	**60**	**40**										**1,340**	**1,340**	**122**
S6(ix)	West London Colney (WLC)	440	SACDC										75	75	75	75	75	65														440	440	73
			Bidwells										63	63	63	63	63	63	62													440	440	63
S6(x)	Chiswell Green CG)	365	SACDC									75	75	75	75	65																365	365	73
			Bidwells									61	61	61	61	61	60															365	365	61
S6(xi)	Park Street Garden Village (PSGV)	2,300	SACDC											80	150	180	180	180	180	180	180	180	180	180	180	180	90					1,670	2,300	164
			Bidwells																													0	0	-
N/A	**South St Albans Cluster**	**3,105**	**SACDC**									**75**	**150**	**230**	**300**	**320**	**255**	**245**	**180**	**180**	**180**	**180**	**180**	**180**	**180**	**180**	**90**					**2,475**	**3,105**	**194**
			Bidwells									**61**	**124**	**124**	**124**	**124**	**123**	**63**	**62**													**805**	**805**	**101**

Policy Ref	Element of Supply (abbreviation)	Capacity	Forecast	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44	Total for Plan	Grand Total	Ave Build Rate
N/A	**All Broad Locations**	**12,345**	**SACDC**							**150**	**420**	**650**	**805**	**960**	**1,030**	**1,050**	**965**	**865**	**760**	**685**	**625**	**560**	**560**	**445**	**370**	**305**	**215**	**125**	**125**	**100**	**75**	**10,085**	**11,845**	**538**
			Bidwells									**181**	**394**	**694**	**784**	**884**	**963**	**903**	**752**	**660**	**490**	**460**	**420**	**420**	**400**	**360**	**360**	**270**	**90**	**60**		**7,585**	**9,545**	**502**
Under construction	SACDC			150	142	49	18		8																							217
	Bidwells			150	142	49	18		8																							217
With planning permission (full or reserved matters covering whole site)	SACDC			10	27	95	212	215	170	18	10																					747
	Bidwells			10	27	95	212	215	170	18	10																					747
Small sites with permission	SACDC			90	38	16	10																									64
	Bidwells			90	38	16	10																									64
Conversions with permission	SACDC			36	34	14	8																									56
	Bidwells			36	34	14	8																									56
With outline permission with part(s) covered by reserved matters	SACDC																															0
	Bidwells																															0
Outline only	SACDC							47	70	54																						171
	Bidwells							47	70	54																						171
Where full, outline or reserved matters at post committee resolution or subject to s106	SACDC						50	56	50	50																						206
	Bidwells						50	56	50	50																						206
With application submitted	SACDC							25	25	24	24	24																				122
	Bidwells																															0
With pre-application discussions occuring	SACDC						49	40	45	92	65																					291
	Bidwells																															0
Allocation only	SACDC									18	11	11																				40
	Bidwells																															0
SHLAA Sites and other sites	SACDC							40	70	94	45	16		8																		273
	Bidwells																															0
Garage Sites Program	SACDC			13	7	8	18	20	2	5	3	7	6																			76
	Bidwells			13	7	8	18	20	2	5	3	7	6																			76
Windfall Allowance	SACDC			53	79	89	95	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105									1,838
	Bidwells			53	79	89	95	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105									1,838
Office to Residential Prior Approval 10% discount	SACDC			142	156	113	48	12	9																							338
	Bidwells			142	156	113	48	12	9																							338
Council Owned Sites	SACDC									20	20	20	20	20	20	20	20	20	20	20	20	20	20									260
	Bidwells																															0
Unanticipated delay factor (discount is applied to unstarted permissions only)	SACDC			-62	-57	-55	-73	-71	-73	31	30	30	30	30	30	30	30	30	30	30	30	30	30									62
	Bidwells																															0
Total	**SACDC**			**432**	**426**	**428**	**544**	**541**	**553**	**324**	**219**	**162**	**169**	**155**	**155**	**155**	**155**	**155**	**155**	**155**	**155**	**155**										**4,761**
	Bidwells			**432**	**426**	**379**	**439**	**401**	**325**	**159**	**148**	**142**	**141**	**135**	**135**	**135**	**135**	**135**	**135**	**135**	**135**	**135**										**3,713**

Local Plan/NPPF Policies - Delivering Urban Optimisation

Intensification/Conversion of Employment Land	SACDC												40	40	40	40	40	40	40	40	40	40	40									440
	Bidwells																															0
Council Owned Sites	SACDC												20	20	20	20	20	20	20	20	20	20	20									220
	Bidwells																															0
Increased Density in Higher Buildings	SACDC												20	20	20	20	20	20	20	20	20	20	20									220
	Bidwells																															0
Total	**SACDC**												**80**	**80**	**80**	**80**	**80**	**80**	**80**	**80**	**80**	**80**	**80**									**880**
	Bidwells																															**0**

Policy Ref	Element of Supply (abbreviation)	Capacity	Forecast	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44	Total for Plan	Grand Total	Ave Build Rate
Grand Total			**SACDC**			426	428	544	541	703	744	869	1,047	1,209	1,265	1,285	1,200	1,100	995	920	860	795	795									15,726		
			Bidwells			426	379	439	401	325	159	329	536	835	919	1,019	1,098	1,038	887	795	625	595	555									11,298		

Notes:

Denotes official data

Denotes SACDC forecast

Denotes Bidwells forecast

Denotes anticipated lead-in time

* Denotes broad locations where the capacity and grand total do not tally as some elements are already included in the planning permissions rows and the grain of the data available does not allow for a more detailed analysis.

Xx Denotes data that is either of questionable accuracy or is an extrapolation of available data.

APPENDIX 2
HOUSING LAND SUPPLY METHODOLOGY

3.0 Relevant Planning Policy

Sustainable Development

3.1 **The National Planning Policy Framework (NPPF)[3] explains that the purpose of the planning system is to contribute to the achievement of sustainable development (paragraph 7). As such, succinct and up-to-date plans should a provide a positive vision for the future of each area; a framework for addressing housing needs and other economic, social and environmental priorities (paragraph 15).**

3.2 **To ensure that sustainable development is pursued in a positive way, the NPPF has a presumption in favour of sustainable development at its heart, as set out in paragraph 11, which explains that for plan-making this means that:**

"a) plans should positively seek opportunities to meet the development needs of their area, and be sufficiently flexible to adapt to rapid change;

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."

Strategic Policies

3.3 **The development plan must include strategic policies to address the LPA's priorities for development and use of land in its area (paragraph 17)[4]. Strategic policies, amongst other factors, should make sufficient provision for housing and set out an overall strategy for the pattern, scale and quality of development in line with the presumption in favour of sustainable development (paragraph 20).**

3.4 **Strategic policies should look ahead over a minimum 15-year period from adoption, to anticipate and respond to long-term requirements and opportunities (paragraph 22). Strategic policies should provide a clear strategy for bringing sufficient land forward, and at a sufficient rate, to address objectively assessed needs over the plan period; including,**

3 MHCLG. February 2019. National Planning Policy Framework.
4 Section 19(1E) of the Planning and Compulsory Purchase Act 2004 (as amended).

planning for and allocation sufficient sites to deliver the strategic priorities of the area (paragraph 23).

Boosting the Supply of Homes

3.5 NPPF Paragraph 59 states that:

"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."

3.6 This objective has been central to Government policy since the beginnings of Conservative and Liberal Democrat coalition[5]:

"2. One of the most important things each generation can do for the next is to build high quality homes that will stand the test of time. But for decades in Britain we have under-built. By the time we came to office, house building rates had reached lows not seen in peace-time since the 1920s. The economic and social consequences of this failure have affected millions: costing jobs; forcing growing families to live in cramped conditions; leaving young people without much hope that they will ever own a home of their own."

3.7 **Subsequently, various measures were introduced, not least the first version of the NPPF. More recently a white paper explained that[6] *"the consensus is that we need from 225,000 to 275,000 or more homes per year to keep up with population growth and start to tackle years of under-supply".* MHCLG is now targeting[7] *"… the delivery of a million homes by the end of 2020 and half a million more by the end of 2022 and put us on track to deliver 300,000 net additional homes a year on average".* This results in the following stepped trajectory:**

- Between 2015 and 2020, one million homes, equating to an average of 200,000 net additional new homes per annum.
- Between 2020 and 2022, half a million homes, equating to an average of 250,000 net additional new homes per annum.
- From the mid-2020s, an average of 300,000 net additional new homes per annum.

3.8 The term 'home' is used exclusively throughout MHCLG's policy documents and is often thought to be synonymous with 'dwelling'. This is not however correct; it also includes communal living such as older persons accommodation and student housing, and accommodation for travellers. For ease, where applicable, homes are converted to dwellings using multipliers derived from the 2011 Census.

5 HM Government. November 2011. Laying the Foundations: A Housing Strategy for England.
6 DCLG. February 2017. Fixing our Broken Housing Market.
7 MHCLG. May 2018. Single Departmental Plan.

3.9 **The first Housing Delivery Test (HDT) results[8], which meet with the definition of 'homes', provide an insight as to how the MHCLG has fared against these targets (Table 1). The data clearly shows that with two years remaining, the target of one million homes by 2020 is achievable. However, growth between 2016/17 and 2017/18 was marginal (2.1%) and a step change in delivery will be needed to achieve an average of 250,000 net additional homes per annum in 2020/21 – 2022/23.**

Table 1: MHCLG Targets to Boost the Supply of Housing compared to the HDT Results

	2015/16	2016/17	2017/18	TOTAL	AVERAGE
MHCLG averaged target	200,000	200,000	200,000	600,000	200,000
HDT results	195,073	222,172	226,777	644,022	214,674

3.10 **NPPF paragraph 60 recognises this:**

"To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for."

The Local Housing Need (LHN) standard method is intended as the minimum required to achieve MHCLG's targets with the indicative estimates provided with the consultation document[9] summing to 266,000 net additional homes. The intention was to adjust the standard method over time to ensure it maintained a minimum requirement close to the MHCLG's targets as they increased.

This however failed to take account of changes in the methodology used to calculate the household projections on which the LHN standard method is based. Amendments were made to the relevant guidance to prevent this taking effect[10]. This is however only a temporary fix[11]:

"Over the next 18 months we will review the formula and the way it is set using National Statistics data with a view to establish a new approach that balances the need for clarity, simplicity and transparency for local communities with the Government's aspirations for the housing market."

3.11 **In any event the LHN standard method is only intended as a minimum benchmark to assist progress towards meeting the MHCLG target of 300,000 net additional homes per annum.**

8 MHCLG. February 2019. Housing Delivery Test: 2018 measurement.
9 DCLG. September 2017. Planning for the right homes in the right places: consultation proposals.
10 MHCLG. October 2018. Technical consultation on updates to national planning policy and guidance.
11 MHCLG. February 2019. Government response to the technical consultation on updates to national planning policy and guidance.

It does however underline the commitment that MHCLG has to boosting the supply of housing and therefore the weight it should be attributed in plan-making.

Maintaining Supply and Delivery

3.12 **Paragraph 67 of the NPPF next explains the framework for identifying land for homes:**

"Strategic policy-making authorities should have a clear understanding of the land available in their area through the preparation of a strategic housing land availability assessment. From this, planning policies should identify a sufficient supply and mix of sites, taking into account their availability, suitability and likely economic viability. Planning policies should identify a supply of:

a) specific, deliverable sites for years one to five of the plan period; and

b) specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15 of the plan."

3.13 **The term 'deliverable' is specifically defined in Annex 2 of the NPPF:**

"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."

3.14 **It should be made clear that this definition of deliverable only applies initially to the first five years of an adopted plan. However, it is a 'rolling' requirement in that the status of the five-year housing land supply (5YHLS) needs to be updated annually.**

3.15 **This is a notable change in emphasis from the previous NPPF that seeks to significantly increase certainty in delivery, presumably in response to the St Modwen judgement[12] by further qualifying what is meant by a 'realistic prospect'. For strategic sites this has two connotations:**

12 St Modwen v SSCLG [2017] EWCA 1643.

- In terms of part (a) of the definition, sites with detailed planning permission should normally be considered deliverable unless there is clear evidence to the contrary, such as long-term phasing plans.
- In terms of part (b) of the definition, all major development with the principal of development established but without detailed planning permission will normally not be considered deliverable unless there is clear evidence to the contrary.

3.16 In that case, for completeness, Lord Justice Lindblom concluded that:

"[There is an] essential distinction between the concept of deliverability, in the sense in which it is used in the policy, and the concept of an "expected rate of delivery". These two concepts are not synonymous, or incompatible. Deliverability is not the same thing as delivery. The fact that a particular site is capable of being delivered within five years does not mean that it necessarily will be. For various financial and commercial reasons, the landowner or housebuilder may choose to hold the site back. Local planning authorities do not control the housing market. NPPF policy recognizes that.

[…]

Sites may be included in the five-year supply if the likelihood of housing being delivered on them within the five-year period is no greater than a "realistic prospect" – the third element of the definition in footnote 11 (my emphasis). This does not mean that for a site properly to be regarded as "deliverable" it must necessarily be certain or probable that housing will in fact be delivered upon it, or delivered to the fullest extent possible, within five years."

3.17 Therefore, the revised definition is seeking to further qualify what is a deliverable site but does not go as far as to make deliverable synonymous with the 'expected rate of delivery' as discussed by Lord Justice Lindblom.

3.18 'Clear evidence' therefore cuts both ways and simply means that the assessment must be sensible, logical and supported by enough information to make it obvious to the reader how the conclusions were met. However, when read in the context of the case law, the assessment is a matter of planning judgement based on the available evidence. It is not intended to be a definitive assessment of probability of what will be delivered but rather what probably could be delivered in the time period.

3.19 It is not clear if the new definition of deliverable is a closed list and sites that do not benefit from an allocation or planning permission should not be included, which is the view of at least one planning inspector[13]. However, if it is not a closed list, it follows that the evidence threshold necessary to demonstrate that such sites are deliverable would be greater than that in part (b) of the definition. Consequently, while it might not be a closed list, the level of evidence necessary to demonstrate deliverability would mean that the inclusion of such sites would be exceptionally rare.

[13] PINS. 26 October 2018. APP/C1950/W/17/3190821: Entech House, London Road, Woolmer Green SG3 6JE.

Larger Scale Developments

3.20 **Small and medium sized sites can make an important contribution to meeting the housing requirement and are often built-out relatively quickly (paragraph 68). As such, the NPPF includes various tools to promote their identification and inclusion in development plans. Paragraph 72 explains, however, that the supply of large numbers of new homes can often be best achieved through planning for larger scale development, such as new settlements or significant extensions to existing villages and towns. In identifying suitable locations, LPAs should:**

"a) consider the opportunities presented by existing or planned investment in infrastructure, the area's economic potential and the scope for net environmental gains;

b) ensure that their size and location will support a sustainable community, with sufficient access to services and employment opportunities within the development itself (without expecting an unrealistic level of self-containment), or in larger towns to which there is good access;

c) set clear expectations for the quality of the development and how this can be maintained (such as by following Garden City principles), and ensure that a variety of homes to meet the needs of different groups in the community will be provided;

d) make a realistic assessment of likely rates of delivery, given the lead-in times for large scale sites, and identify opportunities for supporting rapid implementation (such as through joint ventures or locally-led development corporations)[35]; and

e) consider whether it is appropriate to establish Green Belt around or adjoining new developments of significant size."

3.21 **Fundamentally, Footnote 35 explains that:**

"The delivery of large scale developments may need to extend beyond an individual plan period, and the associated infrastructure requirements may not be capable of being identified fully at the outset. Anticipated rates of delivery and infrastructure requirements should, therefore, be kept under review and reflected as policies are updated."

3.22 **The Planning Practice Guidance (PPG, Paragraph 61-038-20190315) on plan-making[14] explains that:**

"The evidence needs to inform what is in the plan and shape its development rather than being collected retrospectively. Strategic policy-making authorities may wish to consider ensuring that their assessment of and strategies for housing, employment and other uses are integrated, and that they take account of relevant market signals.

14 MHCLG. March 2019. PPG: Plan-Making.

Wherever possible, assessments can share the same evidence base and be conducted over similar timescales, but strategic policy-making authorities need to take care to ensure that the purposes and statutory requirements of different assessment processes are respected."

3.23 **PPG Paragraph 61-059-20190315 further addresses the issues of larger scale development:**

"Where plans are looking to plan for longer term growth through new settlements, or significant extensions to existing villages and towns, it is recognised that there may not be certainty and/or the funding secured for necessary strategic infrastructure at the time the plan is produced. In these circumstances strategic policy-making authorities will be expected to demonstrate that there is a reasonable prospect that the proposals can be developed within the timescales envisaged."

3.24 **Note the use of the term 'reasonable prospect', which is intentionally different from the 'realistic prospect' described in the definition of deliverable. Practically, both require sites to be suitable; the only real difference being that a site that is a realistic prospect should be achievable and available now whereas a site that is a reasonable prospect just needs to be shown to be achievable and available at the time it is envisaged to be implemented in the housing trajectory. Indeed, in the PPG on housing and economic land availability assessment[15], Paragraph 3-020-20190722 explains that:**

"A site is considered achievable for development where there is a reasonable prospect that the particular type of development will be developed on the site at a particular point in time. This is essentially a judgement about the economic viability of a site, and the capacity of the developer to complete and let or sell the development over a certain period."

3.25 **PPG Paragraph 61-060-20190315 also states that:**

"In order to demonstrate that there is a reasonable prospect these large scale developments can come forward, strategic policy-making authorities are expected to make a realistic assessment about the prospect of sites being developed (and associated delivery rates)."

3.26 **PPG Paragraph 68-020-20190722 then explains how LPAs can demonstrate that a site is a reasonable prospect of being developable:**

"Annex 2 of the National Planning Policy Framework defines what constitutes a developable site. In demonstrating that there is a 'reasonable prospect' plan-makers can use evidence such as (but not exclusively):

- *written commitment or agreement that relevant funding is likely to come forward within the timescale indicated, such as an award of grant funding;*
- *written evidence of agreement between the local planning authority and the site developer(s) which confirms the developers' delivery intentions and anticipated start and build-out rates;*

15 MHCLG. July 2019. PPG: Housing and Economic Land Availability Assessment.

- *likely buildout rates based on sites with similar characteristics; and*
- *current planning status - for example, a larger scale site with only outline permission where there is supporting evidence that the site is suitable and available, may indicate development could be completed within the next 6-10 years.*

A pragmatic approach is appropriate when demonstrating the intended phasing of sites. For example, for sites which are considered developable within 6-10 years, the authority may need to provide a greater degree of certainty than those in years 11-15 or beyond. When producing annual updates of the housing land supply trajectory, authorities can use these to provide greater certainty about the delivery of sites initially considered to be developable, and those identified over a longer time span."

3.27 Timescales for delivery are further discussed in PPG Paragraph 3-022-20190722:

"Information on suitability, availability, achievability and constraints can be used to assess the timescale within which each site is capable of development. This may include indicative lead-in times and build-out rates for the development of different scales of sites. On the largest sites allowance should be made for several developers to be involved. The advice of developers and local agents will be important in assessing lead-in times and build-out rates by year."

Clear Evidence

3.28 While not relevant to the assessment of housing delivery in the latter part of the local plan period, the housing land supply for the first five years needs to be shown to be deliverable and therefore requires clear evidence.

3.29 PPG Paragraph 68-007-20190722 provides further explanation of what constitutes 'clear evidence':

"Such evidence, to demonstrate deliverability, may include:

- *current planning status – for example, on larger scale sites with outline or hybrid permission how much progress has been made towards approving reserved matters, or whether these link to a planning performance agreement that sets out the timescale for approval of reserved matters applications and discharge of conditions;*
- *firm progress being made towards the submission of an application – for example, a written agreement between the local planning authority and the site developer(s) which confirms the developers' delivery intentions and anticipated start and build-out rates;*
- *firm progress with site assessment work; or*
- *clear relevant information about site viability, ownership constraints or infrastructure provision, such as successful participation in bids for large-scale infrastructure funding or other similar projects.*

Plan-makers can use the Housing and Economic Land Availability Assessment in demonstrating the deliverability of sites."

3.30 **To date there have been only a small number of appeal decisions that have considered this new definition of clear evidence in detail. They effectively fall into two categories:**

- The first is the strict interpretation – if the LPA has not provided the clear evidence, sites that fall within part (b) of the definition of deliverable cannot form part of the 5YHLS.
- The second is a slightly more relaxed approach, allowing evidence that is provided by third parties to be taken into consideration in the absence of the LPA providing the clear evidence.

3.31 **The former appears to be advocated in a recent called-in appeal decision where the SSHCLG undertook his own analysis of the 5YHLS and concluded that ten sites did not meet the definition of 'deliverable' and were entirely removed from the 5YHLS[16]. Unfortunately, the Inspector's report pre-dated the revised NPPF and is therefore not particularly insightful. Furthermore, in a recent recovered appeal, the SSHCLG endorsed the approach of his Inspector who discounted sites with outline planning permission for as little as 10 dwellings from the 5YHLS on the basis that there was no evidence of reserved matters or discharge of conditions[17]. As one Inspector recently explained[18]:**

"… it is clear from the NPPF and PPG that, until sites achieve detailed planning permission, they should not be treated as deliverable, unless the evidence clearly demonstrates that this status is justified."

3.32 **Another recent appeal considered in detail build rates of sites with planning permission that would start within the 5-year period but dismissed an allocation with an extant, positively determined, outline planning application because of the lack of clear evidence[19].**

4.0 The Housing Land Supply Methodology

Introduction

4.1 This section looks at the detail of how the policy and guidance set out in the previous section is applied. Specifically, it considers lead-in times to commence development, lapse and non-implementation rates, and build-out rates.

Lead-In Times

4.2 There has been considerable analysis of lead-in times in recent years. Hourigan Connolly[20] found that on average, sites for more than 500 dwellings could expect an 8-year period from

16 MHCLG. 8 July 2019. APP/Z1510/V/17/3180729: Land East of Gleneagles Way, Hatfield Peverel.
17 MHCLG. 20 December 2018. PCU/APP/G1630/W/3184272: Land South of Oakridge, Highnam, Gloucestershire.
18 PINS. 3 September 2019. APP/J2210/W/18/3216104: Land off Popes Lane, Sturry, Kent CT2 0JZ.
19 PINS. 27 August 2019. APP/U2805/W/18/3218880: Southfield Road, Gretton NN17 3BX.

preparation of the outline planning application to the first housing completions. However, this included sites across the UK and as such needs to be used with care. An earlier report by Colin Buchanan[21] found that in the East of England:

- Sites for 1,000 – 1,999 dwellings have a lead-in time on average of 4.7 years.
- Sites for 2,000 – 2,999 dwellings have a lead-in time on average of 5.0 years.
- Sites site 3,000 or more dwellings have a lead-in time on average of 5.5 years.

4.3 Because of the age of this report however, which included sites built in the 1980s and 90s when the evidence required to justify development were less, it should be given less weight than more recent research. It and an earlier Hourigan Connolly report were considered and updated by Savills in 2014 who found that there was evidence that lead-in times were declining, although the relationship between this and the recession is not analysed[22].

4.4 The most recent analysis by NLP[23] suggests lead-in times vary from 3.8 years to 6.9 years, depending on the size of the site:

- Sites for 1 – 99 dwellings spend one year to achieve planning permission and a further 2.8 years before the first completions are achieved.
- Sites for 100 – 499 dwellings spend 2.2 years in planning and a further 1.9 years post-planning before the first completions are achieved.
- Sites for 500 – 999 dwellings spend 4.1 years in planning and a further 1.2 years post-planning before the first completions are achieved.
- Sites for 1,000 – 1,499 dwellings spend 4.8 years in planning and a further 0.9 years post-planning before the first completions are achieved.
- Sites for 1,500 – 1,999 dwellings spend 5.3 years in planning and a further 1.3 years post-planning before the first completions are achieved.
- Sites for 2,000+ dwellings spend 6.1 years in planning and a further 0.8 years post-planning before the first completions are achieved.

4.5 Interestingly, none of the research reviewed found any evidence of local plan allocations significantly speeding-up delivery. This evidenced is summarised in Table 2 and shows that, despite the differences in the periods actually assessed, the conclusions are broadly comparable. However, for those sites of more than 2,000 dwellings, the data is somewhat sparse and therefore subject to greater sample errors. Furthermore, the timing of the

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[20] Hourigan Connolly. February 2014. Report into the Delivery of Urban Extensions on behalf of Gladman Developments Limited.
[21] Colin Buchanan. December 2005. Housing Delivery on Strategic Sites Research Study on behalf of Countryside Properties.
[22] Savills. October 2014. Urban Extensions: Assessment of Delivery Rates on behalf of Barratt Homes.
[23] Nathaniel Lichfield & Partners. November 2016. Start to Finish: How quickly to large-scale housing sites deliver?

analysis is likely to be key with the 2014 Hourigan Connolly report likely to be significantly influenced by the recession.

Table 2: Summary of the evidence on lead-in times

	LICHFIELD (2016)			HC (2014)				CB (2005)
DWELLINGS	SUBMISSION TO FULL PERMISSION	FULL PERMISSION TO 1ST COMPLETIONS	TOTAL	SUBMISSION TO OUTLINE PERMISSION	OP TO FULL PERMISSION	FULL PERMISSION TO 1ST COMPLETIONS	TOTAL	OUTLINE PERMISSION TO FULL PERMISSION
1-99	1.1	2.7	3.8					
100-499	2.2	1.9	4.1					-
500-999	4.1	1.2	5.3					
1,000-1,499	4.8	0.9	5.7	4.25	2.75	1.0	8.0	4.7
1,500-1,999	5.3	1.3	6.6					
2,000-2,999	6.1	0.7	6.8					5.0
3,000+								5.5

4.6 **Figure 1 provides an illustration of how compatible these different analyses are using greater breakdown of sites by size. From 60-4,200 dwellings, the illustration is comparable with the Lichfield report while the average periods for outline permission to full permission and full permission to 1st completion are also comparable with the Hourigan Connolly report.**

4.7 **The key difference from the Hourigan Connolly report is the time taken between submission and outline permission, with Figure 1 suggesting an average of 2.74 years compared to Hourigan Connolly's 4.25 years. As discussed above, this is likely due to the influence of the recession, which resulted in many applications being held in abeyance.**

4.8 **For the purposes of this report, unless there is alternative clear evidence providing lead-in times for a development, the timescales set out in Figure 1 are applied.**

Figure 1: Illustration of lead-in times based on the size of a site

Dwellings	Years																														Submission to Outline Permission		Outline Permission to Full Permission		Submission to Full Permission		Full Permission to 1st Completion		Total Lead-In Time	
	1				2				3				4				5				6				7				8				9									
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	Total	Ave	Total	Ave	Total	Ave	Total	Ave	Total	Ave
60																																		0.50		0.50		1.00	1.00	2.75	2.75	3.75	3.75
180																																		1.00		1.00		2.00	2.25	2.00	1.88	4.00	4.13
300																																		1.25		1.25		2.50		1.75		4.25	
600																																		1.75		1.75		3.50	4.00	1.25	1.25	4.75	5.25
900																																		2.25		2.25		4.50		1.25		5.75	
1,200																																		2.25		2.25		4.50	4.50	1.25	1.25	5.75	5.75
1,500																																		2.50		2.50		5.00	5.25	1.25	1.25	6.25	6.50
1,800																																		2.75		2.75		5.50		1.25		6.75	
2,100																																		2.75		2.75		5.50		1.25		6.75	
2,400																																		2.75		3.00		5.75		1.00		6.75	
2,700																																		3.00	2.74	3.00	2.80	6.00		1.00		7.00	
3,000																																		3.00		3.00		6.00		1.00		7.00	
3,300																																		3.00		3.25		6.25		0.75		7.00	
3,600																																		3.25		3.25		6.50		0.75		7.25	
3,900																																		3.25		3.25		6.50	6.66	0.75	0.77	7.25	7.43
4,200																																		3.25		3.50		6.75		0.75		7.50	
4,500																																		3.50		3.50		7.00		0.75		7.75	
4,800																																		3.50		3.50		7.00		0.75		7.75	
5,100																																		3.50		3.75		7.25		0.50		7.75	
5,400																																		3.75		3.75		7.50		0.50		8.00	
5,700																																		3.75		3.75		7.50		0.50		8.00	
6,000																																		3.75		4.00		7.75		0.50		8.25	

Build-Out Rates

4.9 **PPG Paragraph 68-007-20190722 states that clear evidence to demonstrate deliverability may include build-out rates. PPG Paragraph 68-020-20190722 further explains that, in the context of plan-making, clear evidence can include *"likely buildout rates based on sites with similar characteristics"*. This section considers the evidence that is generally available and can be used to inform assessments of housing land supply. As the Inspector in the Bures Hamlet appeal put it:**

"The Framework definition of deliverable sites provides that in some cases (including outline permissions for major sites and also for development plan allocations where there is as yet no planning permission) there should be clear evidence that housing completions will begin on site within five years. To establish the site's contribution to the housing supply there would also logically need to be an assessment of the <u>amount</u> of housing expected to be delivered within that five-year period." [emphasis is the Inspector's]

4.10 **Build-out rates are affected by several factors:**

4.11 **The vagaries of the housing market. Housebuilders need to make a profit and therefore need to consider how the supply and demand for housing will affect prices. In its simplest terms, this calls for the restriction of supply to increase prices. However, this needs to be balanced against the benefits of building quicker for less profit to enable the next site to be started.**

4.12 **Furthermore, there is the matter of competition between sites. Previous research on behalf of the DCLG found that perceived competition limits for individual developments varied depending on the development type[24]. For apartments, it varied between an**

24 DCLG. February 2008. Factors Affecting Housing Build-Out Rates.

average of 2.73 miles and 3.37 miles, depending on the location relative to the settlement centre. For houses on greenfield sites, it varied between 5.62 miles and 7.97 miles depending on whether it was an urban extension or located in a mainly rural area (such as a new settlement). This was thoroughly reviewed in a very detailed analysis by PBA in 2014 and found to be consistent post-recession25.

4.13 **The vagaries of the supply market, including materials and labour. The Housing White Paper, for example, highlighted the issues of training:**

"The construction sector relies heavily on subcontracted and self-employed labour, and has low levels of investment in skills and new technologies. This has contributed to skills shortages now facing the industry in some key trades and in some regions. This situation is likely to worsen if left unchecked, with many workers due to retire over the next 10 years. The 2016 Farmer Review of the UK Construction Model, Modernise or Die, sets out several challenges for industry, which we have considered."

4.14 **This was echoed in Bellway PLC's last annual report[26]:**

"Labour and material availability remain the greatest constraint to growth in the sector, with pressures tending to be specific to certain trades, locations and supplies of items such as structural timber, plastics, bricks and blocks. These pressures are a result of the growth in housebuilding over the last five years, an industry-wide lack of investment in training over the long-term and the cyclical nature of the industry."

4.15 **It was also foreseen by the OFT[27]:**

"The recent downturn in the housing market coupled with the impact of the 'credit crunch' is likely to result in a significant reduction in the number of homes built in the short term and a reduction in capacity of the homebuilding industry. The likelihood is that once the market begins to improve there will be a substantial time lag before there is sufficient capacity in the industry to once again build homes at 2007 rates."

4.16 **Site specific infrastructure. For many large-scale developments, there are key triggers that limit the amount of housing that can be built before certain infrastructure is in place. Whilst this is perfectly reasonable, often the delivery of this infrastructure is not entirely within the control of the housebuilders, which can then lead to delays.**

4.17 **Affordable housing. The proportion of affordable housing that is delivered is a matter of policy and viability. Areas with good viability can require a higher proportion of affordable housing. During construction, this is not as affected by the vagaries of the housing market and can sometimes be built out at a different rate to the market housing.**

4.18 **The type of housing. While apartment schemes generally have longer lead-in times to the first completions, their build out rate is generally quicker from then on. The sales rate**

25 PBA and HDH. June 2014. Sutton Coldfield Green Belt Sites, Phase 2: Report of Study on behalf of Birmingham City Council.
26 Bellway PLC. November 2018. Annual Report.
27 OFT. September 2008. Homebuilding in the UK A Market Study.

(which is used interchangeably with the build rate below because of their close relationship) is also affected by the type of housing with apartments more likely to be purchased off-plan before they are complete.

4.19 **To understand the likely rates of housebuilding on individual sites the following have been considered:**

4.20 **Where a housebuilder is known for a site, their average market housing sales rate per outlet is initially applied, which can often be sourced from their annual financial reports (Table 3). Where the housebuilder is not known, an average sales rate is applied. These average-sales rates however hide significant fluctuations dependent on the size of the local housing market and the types of housing it comprises. For example, several of Crest Nicholson's fastest delivering sites at present are apartment schemes in high demand areas (e.g. Western Riverside in Bath and Centenary Quay in Southampton). This has led to their sales rate being one of the highest.**

4.21 **This is also consistent with analysis previously undertaken by DCLG that suggested that between one sale per outlet every week to 10 days is optimal for both Green and Brownfield sites[28].**

4.22 **This average sales rate will not include affordable housing. Accordingly, the relevant affordable housing requirement is added to the sales rates for each site to derive a build rate; indicative build rates are set out in Table 3.**

Table 3: Market housing sales rates by PLC housebuilder

HOUSE-BUILDER	AVERAGE UNIT SALES PER OUTLET		INDICATIVE BUILD RATE INCLUDING AFFORDABLE HOUSING		SOURCE
	PER WEEK	PER YEAR	30%	40%	
Barratt	0.72	37.4	53.4	62.3	Annual Report 2018
Bellway	N/A				
Berkeley	N/A				
Bovis	0.58	30.2	43.1	50.3	Annual Report 2018
Countryside	0.80	41.6	59.4	69.3	Annual Report 2018
Crest Nicholson	0.77	40.0	57.1	66.7	Trading Update May 2018
Galliford Try	0.59	30.7	43.8	51.2	Annual Report 2018
Kier	0.70	36.4	52.0	60.7	Annual Report 2017
Legal & General	N/A				
Miller	0.67	34.8	49.7	58.0	Annual Report 2018
Persimmon	0.75	39.0	55.7	65.0	Annual Report 2018
Redrow	0.70	36.4	52.0	60.7	Annual Report 2018
Taylor Wimpey	0.80	41.6	59.4	69.3	Annual Report 2018

28 DCLG. February 2008. Factors Affecting Housing Build-Out Rates.

HOUSE-BUILDER	AVERAGE UNIT SALES PER OUTLET		INDICATIVE BUILD RATE INCLUDING AFFORDABLE HOUSING		SOURCE
	PER WEEK	PER YEAR	30%	40%	
AVERAGE	0.71	36.8	52.3	61.3	

4.23 **Site-specific infrastructure requirements are then considered and whether these might affect the rate of building during the five-year period.**

4.24 **The number of market housing sales outlets on a site is largely dependent on the size of the site, the site ownership, and the phase of development. For example, a relatively small site in the ownership of a housebuilder will likely only have a single sales outlet. Conversely, a larger site might be divided into plots that are then sold to individual housebuilders, each with their own sales outlet. Generally, however, on large sites there is a lead housebuilder that will be in place for the first year or two. It is only once the site is established that more housebuilders might be introduced. The total number of outlets is dependent on the overall size of the development and the saturation of the local housing market. Overall, it is a matter of judgement.**

4.25 **In addition, Lichfield's 2016 analysis concluded that Greenfield sites on average build out faster than Brownfield sites. It set out the Greenfield rates by site size:**

- 500-999 dwellings: 86dpa
- 1,000-1,499 dwellings: 122dpa
- 1,500-1,999 dwellings: 142dpa
- 2,000+ dwellings: 171dpa

4.26 **Colin Buchanan's analysis found that:**

- 1,000 to 1,999 dwellings: 101dpa
- 2,000 to 2,999 dwellings: 189dpa
- 3,000+ dwellings: 330dpa

4.27 **Lichfield also undertook analysis of smaller sites but did not provide a breakdown by Greenfield/Brownfield:**

- 1-99 dwellings: 27dpa
- 100-499 dwellings: 60dpa

4.28 **It should be noted however that these are averages across the entire build period, which is likely to see fluctuations with lower rates at the start and end. This is important where large sites have yet to start onsite and are therefore unlikely to reach these averaged delivery rates for several years.**

4.29 **In addition, it should be recognised that these averages cover significant range of site sizes, particularly the 100-499 dwellings range. While it is accepted that the average of 60dpa for this range is entirely reasonable, this will hide an equally wide range of delivery**

rates. Sites of 100 dwellings would be expected to be in the region of 30-50dpa while sites of 499 dwellings to be in the region of 70-90dpa, depending on local circumstances.

4.30 **When the build rate per outlet data in Table 3 is compared with the above site-wide build rates, it is found that on average a site needs a capacity of at least 600 dwellings before a second outlet can be supported. A third outlet would need approximately 1,200 dwellings and a fourth approximately 1,800 dwellings. However, this is subject to the disposal strategy, particularly whether the intention is to sell individual serviced plots (which can allow a diverse range of builders onsite at the same time) or sell an entire phase to a single housebuilder. Note that the provision of serviced plots, and therefore a greater range of outlets, does not necessarily mean increased build rates due to market absorption, see below.**

4.31 **Figure 2 illustrates how sites of a size might be built-out, based on the collective evidence set out above. It is however only theoretical and local circumstances must be taken into consideration. Furthermore, for the larger sites, it is probable that the effect of macro-economic cycles will be greater with peaks and troughs influencing the trajectory significantly. It is however a useful indicator of how average build-out rates should be taken into consideration.**

Figure 2: Illustration of build-out rates over time based on the size of a site

Dwellings	Years																									Average	Bidwells	NLP	CB
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26				
60	30	30																									30	30	27	
180	60	60	60																								60	60	60	-
300	60	60	60	60	60																						60			
600	60	60	90	120	90	60	60	60																			75	88	86	
900	60	90	120	120	120	120	120	90	60																		100			
1,200	60	90	120	150	180	180	150	120	90	60																	120	120	122	
1,500	60	120	180	180	180	180	180	150	120	90	60																136	143	142	101
1,800	60	120	150	180	240	240	210	180	150	120	90	60															150			
2,100	60	120	180	210	240	240	240	210	180	150	120	90	60														162	171		
2,400	60	120	180	240	240	240	240	240	240	180	150	120	90	60													171			189
2,700	60	120	180	240	300	270	240	240	240	210	180	150	120	90	60												180			
3,000	60	120	180	240	300	300	270	240	240	240	210	180	150	120	90	60											188			
3,300	60	120	180	240	300	300	300	270	240	240	240	210	180	150	120	90	60										194			
3,600	60	120	180	240	300	300	300	300	270	240	240	240	210	180	150	120	90	60									200			
3,900	60	120	180	240	300	300	300	300	300	270	240	240	240	210	180	150	120	90	60								205			
4,200	60	120	180	240	300	300	300	300	300	300	270	240	240	240	210	180	150	120	90	60							210			
4,500	60	120	180	240	300	300	300	300	300	300	300	270	240	240	240	210	180	150	120	90	60						214			
4,800	60	120	180	240	300	300	300	300	300	300	300	300	270	240	240	240	210	180	150	120	90	60					218			
5,100	60	120	180	240	300	300	300	300	300	300	300	300	300	270	240	240	240	210	180	150	120	90	60				222			
5,400	60	120	180	240	300	300	300	300	300	300	300	300	300	300	270	240	240	240	210	180	150	120	90	60			225			
5,700	60	120	180	240	300	300	300	300	300	300	300	300	300	300	300	270	240	240	240	210	180	150	120	90	60		228			
6,000	60	120	180	240	300	300	300	300	300	300	300	300	300	300	300	300	270	240	240	240	210	180	150	120	90	60	231			

30-60	1 Sales outlet + 40% affordable housing
90-120	2 Sales outlet + 40% affordable housing
150-180	3 Sales outlet + 40% affordable housing
210-240	4 Sales outlet + 40% affordable housing
270-300	5 Sales outlet + 40% affordable housing

4.32 **The recent Letwin review[29] considered why large sites cannot seem to increase their delivery beyond a certain point – most commonly known as the market absorption rate. To build at a higher rate results in a depreciation in house prices and therefore housebuilder profits. It is therefore in the interests of housebuilders to carefully balance output against local demand.**

29 Rt Hon Sir Oliver Letwin. October 2018. Independent Review of Build Out Final Report.

4.33 This is best characterised by Professor Whitehead[30]:

"Perhaps the most fundamental question is whether any of these changes will actually increase output. One core issue here is the levels of actual demand backed by the ability to pay, as opposed to requirements without financial underpinning.

There are reasons to think demand may be running at lower levels than projected requirements:

- *potential new entrants to owner-occupation have less secure incomes than in the past and find it harder to meet credit conditions;*
- *established households face higher transactions costs when moving so activity levels are low and the overall market is unhealthy;*
- *the Buy to Let market, which is currently providing for those excluded from owner-occupation and for younger households in particular, is being hit with additional tax burdens and institutional investors are still only dipping their feet into the market;*
- *significant proportions of current output would not have occurred without government support (Help to Buy Equity loans; shared ownership etc) or, especially in central London, pre-sales to international buyers; and*
- *government support is based more on financial instruments than traditional subsidy so prices and rents even of government supported housing are higher.*

It is not surprising therefore that risk-averse developers, who suffered very considerably from the financial crisis and are only just rebuilding their capital base are not prepared to expand rapidly. Indeed, if for Brexit or other reasons, prices and confidence were to fall the industry would look very fragile. The fundamental volatility of the UK housing market thus has an inherent dampening effect on supply which in turn means prices rise more rapidly than necessary during economic upturns. Improved macro-stabilisation policies which took account of these costs could probably add more to supply than any changes in planning mechanisms."

4.34 The Letwin Review found that the median build rate of the sites reviewed, all of which were more than 1,500 dwellings, was 6.5% of the total site size. That is, if a site comprises 3,000 dwellings, it could be expected to deliver 195dpa and take more than 15 years to complete, which is consistent with Figure 2. The Review concluded that it was largely an issue of market differentiation, no matter how many builders were on a site, they are all generally producing the same product and are therefore in competition with one another. This is nothing new and was highlighted in the DCLG (February 2008) research.

4.35 The Review suggests various measures to improve market differentiation and consequently improve site delivery rates. These however will take time to implement and are unlikely to affect the sites currently in consideration.

4.36 Overall therefore, the build rates are applied as appropriate to each site but with a recognition that these should not exceed the market absorption rate in that sub-market area.

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30 Whitehead, C. 2017. Breaking Down the Barriers to Housing Delivery. JPL Occasional Paper.

Risks to Delivery

4.37 PPG Paragraph 3-024-20190722 states that:

"Once the sites and broad locations have been assessed, the development potential of all sites can be collected to produce an indicative trajectory. This should set out how much housing and the amount of economic development that can be provided, and at what point in the future (i.e. within years 1 to 5, 6 to 10, and 11 and beyond). An overall risk assessment should be made as to whether sites will come forward as anticipated."

4.38 These risks are generally broken down into two categories:

- The lapse and non-implementation rate: the average number of housing planning permissions that have lapsed over a given period against the total number of housing planning applications permitted. These are often broken down into minor (less than 10 dwellings) and major development permissions as minor development permissions are generally treated differently in housing land supply analysis as windfall.
- Optimism bias: this is a more qualitative assessment considering whether the LPA has regularly underestimated lead-in times or overestimated build out rates either for the entire housing land supply or for specific sites.

4.39 In relation to lapse and non-implementation rates, the Planning Advisory Service (PAS) has previously advised that for 5YHLS:

"There are examples of cases and Inspectors supporting the need for an allowance but also recognising that one is not necessary. The contradictory appeals are due to different circumstances. The issue of an appropriate discount on the delivery of sites has been discussed at length in the Bloor Homes East Midlands Ltd v SoS and Hinckley and Bosworth BC 2014] EWHC 754 (Admin) 19 March 2014 High Court decision where it was found that the Inspector failed to deal with the need to make a 10% discount from the notional delivery on larger sites and which might have led the supply to be less than five years' worth. More recently in November 2014 an appeal in Stratford on Avon (APP/J3720/A/14/2215757) considered the issue of lapse rates and the 5% versus 10% rate. The need for this type of allowance will depend on the robustness of your evidence about the sites relied upon to deliver housing.

The decision about whether to include an allowance for non-implementation depends on how robust the delivery information is considered to be and is only necessary where there is uncertainty about whether some of the sites are going to come forward. If you have a good evidence base including from developers that confirm sites will come forward there may not be a need for a lapse rate. However, if you have significant number of small sites which you don't have reliable information about then a non-implementation rate based on past data might be useful. It is suggested that as part of the risk review advocated by the Practice Guidance an assessment of the evidence and need for any allowance is considered. If a rate is going to be applied, it is suggested that this is based not on a standard approach but on historic data which sets out the number of permissions compared with completions on similar sized sites."

4.40 Ultimately it is concluded that the applicability of a lapse and non-implementation rate comes down to the robustness of the evidence supporting the housing trajectory. This

was echoed in another judgement, which confirmed that a lapse rate should not be applied indiscriminately but rather only on those parts of the supply where there is a concern over their robustness[31].

4.41 **The reasons why a planning permission may be allowed to lapse are considerable, as set out in research by both the DCLG[32] and Lichfields[33]:**

- An existing occupier of the land or building sought planning permission for reasons other than to build out the site
- The landowner cannot get the price for the site that will justify the disposal of the asset
- A developer cannot secure finance or meet the terms of an option
- The development is not considered to be financially worthwhile
- Market downturns that render the development unviable or less attractive
- The priorities of the landowner/developer may change
- The site is sold to a new developer who wants to re-plan the proposed development in a way that requires a new planning permission
- Pre-commencement conditions take longer than anticipated to discharge.

4.42 **DCLG's research found that in 2015 the number of permissions 'on hold' was just 10% nationally, down from the 23% noted in October 2013. This could be indicative of the market strengthening following the recession. However, some 10-20% of permissions lapse, although 15-20% are not actually abandoned but instead a new permission is sought. This would suggest that around 5% of permissions can be reasonably deducted from the housing land supply, based on local evidence. In addition, consideration needs to be given to potential delays to developments due to the need to reapply for planning permission, effectively restarting the clock. This could affect 5-15% of planning permissions.**

4.43 **Analysis by Turley[34] suggests that smaller sites are far more likely to lapse than larger sites, which need considerably more investment to achieve planning permission. This is also not surprising fore procedural reasons as smaller sites are more likely to seek full rather than outline planning permission, which allows far greater flexibility. If someone wishes to materially change the detailed design of a scheme, perhaps to reflect changing market conditions, the only option is to seek a new planning permission.**

4.44 **In terms of optimism bias, this is particularly a problem where the local housing market has stalled and average lead-in times or build out rates become unrealistic, where the amount of land available is considerably more than what might be reasonably absorbed**

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31 Wokingham BC v SSCLG & Cooper Estates [2017] EWHC 1863 Admin.
32 DCLG. September 2015. Planning Update to the HBF Planning Conference 2015.
33 NLP. January 2017. Stock and Flow: Planning Permissions and Housing Output.
34 Turley. March 2019. West Suffolk Housing Delivery Study on behalf of Forest Heath District Council and St Edmundsbury Borough Council.

by the local market due to competition, or where a number of sites are controlled by the same housebuilder who will want to protect their investment by coordinating sale volumes.

4.45 The most recent case of this was in Milton Keynes where the Inspector stated that[35]:

"Turning to the optimism bias, the appellants' figures are based on past performance by the Council and in their view results in the annualised supply needing to increase by some 25%. I realise the Council has not achieved the delivery rates expected and has it has not persuaded me that it has in place mechanisms, processes or similar to support the dramatic up-turn in delivery of the magnitude now anticipated. However, on the other hand the emphasis of Central Government, for this Council and for others, is for delivery to increase, and so I therefore consider that the appellants' reliance on the continuation of past rates to be inappropriate. Indeed, delivery has improved recently. The figure for over-optimism should therefore, in my opinion, lie somewhere between that given by the Council and the figure stated by the appellants. I have no particular guidance as to where that would be, but balancing the 2, a point midway seems reasonable."

4.46 While this not in the context of plan-making, it is clearly equally relevant, and LPAs should be cognisant of the accuracy of their previous assessments when considering future housing land supply.

35 PINS. 26 September. Appeal A: APP/Y0435/W/18/3214365: Land off Castlethorpe Road, Hanslope MK19 7HQ; Appeal B: APP/Y0435/W/18/3214564: Malt Mill Farm, Castlethorpe Road, Hanslope MK19 7HQ.

BIDWELLS