

Hearing Statement

06/18

Huntingdon Local Plan Examination

Matter 3 Hearing Statement on behalf of The Fairfield Partnership (1140352)



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Matter 3: Hearing Statement

Introduction

1. This Hearing Statement has been prepared on behalf of The Fairfield Partnership (**respondent ref: 1140352**) who submitted representations in response to the Council's decision to exclude land to the east and south east of Bearscroft Farm Godmanchester (now known and referred to as Romans' Edge and land East of Romans' Edge) as a residential allocation in the Huntingdonshire Local Plan 2036 Regulation 19 Proposed Submission.
2. The adjoining land (proposed allocation HU19 – Bearscroft Farm, Godmanchester) is currently being developed by David Wilson and Barratt Homes. The land has approval for the construction of some 750 dwellings and since it was acquired by the homebuilders in 2014 some 222 dwellings have been constructed (as of December 2017) including a primary school and neighbourhood centre.
3. Our client's site is being promoted as an allocation in the emerging Huntingdonshire Local Plan for a mixed-use development of around 1,000 dwellings. The proposed access arrangements include the construction of a new A1198 relief road for Godmanchester.
4. Whilst our clients are generally supportive of the Draft Plan and its overall approach, they strongly believe that due to a heavy reliance upon a small number of large strategic sites, anticipated delivery rates are dangerously over ambitious. Consequently, they consider that there is a necessity for the provision of additional sources of housing supply in sustainable locations within the District where there is strong market demand, such as the market towns, which are capable of delivery at a faster rate that will contribute to meeting the housing trajectory of the Draft Local Plan.

Issue

Whether the Development Strategy is justified, effective and consistent with national policy.

Relevant policies – LP2 - LP11

Responses to Inspector's Questions

Question 1 - What is the basis for the overall strategy for development and the broad distribution of growth set out in Policy LP2? What options were considered and why was this chosen? Is it justified?

5. Our clients generally support the aim of concentrating development in sustainable locations which provide, or have the potential to provide, the most comprehensive range of facilities and services. The Plan's approach to directing substantial new development to strategic locations which are of sufficient scale to form successful new communities is fully understood and is acceptable in principle.
6. The Plan however places too much emphasis upon the delivery of development in just two locations, Alconbury and St Neots, which account for 59% of the District's total housing provision over the plan period. In our response to Questions 3, 4 and 5 we set out in more detail our concerns regarding housing delivery assumptions in relation to these locations and question whether they are realistic. Furthermore, our clients have reservations in relation to the location of the strategic allocations relative to Cambridge which drives much of the economic growth in the area and where market pressures are the greatest.
7. Most of Huntingdonshire is in the Cambridge Housing Market Area apart from the north-western part of the District which falls within the Peterborough Housing Market Area. Alconbury and St Neots are however on the edge of the Cambridge Housing Market Area and are located some 23 and 19 miles away respectively from Cambridge City Centre. While significant investment is being directed to the A14 and A428 roads to improve journey reliability, the absence of high-quality public transport services to and from Alconbury, St Neots and Cambridge is a significant constraint. The East Coast railway line which serves Huntingdon and St Neots only provides services to London and the north and there are no direct rail connections to Cambridge.

8. The District Council's initial Issues and Options Paper published in 2012 (PREP/08) tested low, medium, and high growth options which were predicated upon strategic growth at Alconbury and St Neots with varying degrees of growth in the other towns and larger villages. The redevelopment of RAF Wyton featured as part of the medium and high growth options, but this location was later discounted because of significant infrastructure constraints. A more dispersed pattern of growth still featuring the redevelopment of Alconbury Airfield and a strategic allocation at St Neots but with more significant allocations at Brampton, Godmanchester, Fenstanton and St Ives to serve the needs of the Cambridge Housing Market Area was not advanced for consideration.
9. In summary, the overall strategy for development and the broad distribution of growth has inherent short comings that could be addressed by encouraging greater development dispersal involving the use of medium and larger scale allocations such as our clients land at Godmanchester.

Question 2 – Are the Spatial Planning Areas appropriately defined, what is the basis for them?

10. The Spatial Planning Areas appear to be appropriate and in relation to Huntingdon it is noted that the area extends to include Brampton and Godmanchester which form part of the wider built-up area to the town. The Huntingdon Spatial Planning Area therefore reflects the way in which the town functions.

Question 3 - Is the approach to the scale and type of development set out in Policies LP2 and LP7 justified?

Question 4 –What is the scale of development actually planned (including commitments) in and is this in line with the distribution set out in Policy LP2?

Question 5 – Are the strategic expansion locations at Alconbury Weald and St Neots East justified in principle? What alternative strategies for accommodating development were considered and why was this approach preferred? (detailed issues concerning these site allocations are dealt with under Matters 6 and 7)

Scale of Development

11. We note that HDC has stated in paragraph 4.10 of the Draft Plan that since the beginning of the plan period on 1 April 2011 there were 3,675 dwellings completed by 31 March 2017, equivalent to 18% of the objectively assessed need of 20,100 up to 2036. In total, housing completions since 2011, commitments as at 1 April 2017, and allocations in this plan, account for approximately 22,500 new homes, equivalent to 112% of the objectively assessed need. The Plan states that additional provision is anticipated through rural exceptions, small and windfall sites. It is stated that together, these will help to achieve the distribution sought in the policy and support the sustainability of key service centres, local service centres and small settlements by provision of appropriate scale developments.
12. We would point out that whilst HDC may have delivered 18% of its housing requirement as of April 2017, by then almost a quarter of the Plan period had already elapsed. Consequently, as of April 2017 a housing shortfall already existed of 1,149 dwellings. Whilst a theoretical supply of 22,500 dwellings might exist, we explain below why we consider that a significant element of the supply will not be capable of delivery within the plan period up to 2036.
13. Using an analysis of national evidence pertaining to large-scale housing delivery, we have scrutinised Huntingdonshire's identified housing delivery rates in respect of its strategic expansion locations.

National Evidence on Housing Delivery

14. In November 2016, Lichfields (then called NLP) published a research report '*Start to Finish: How quickly do large scale housing sites deliver?*' (See Appendix 1). The report, through the review of more than 150 sites nationally, provides insight to what have become perennial discussions at Local Plan examinations and Section 78 appeals in recent years; covering what are realistic lead-in times for large scale housing developments, and once commenced, what is a realistic annual completion rate.
15. The 150 plus sites analysed within the Lichfield Report investigated the lead-in times and build-out rates on 70 different strategic housing sites ("large sites") delivering 500 or more homes to understand what factors may influence delivery.

For contrast, 83 “small sites” delivering between 50 and 499 homes were analysed. The 70 strategic sites ranged in size between 504 – 15,000 dwellings.

16. Key findings included:

- 3.9 years is the average lead-in time for large sites from the first identification of the site for housing, prior to the submission of the first planning application;
- 6.1 years is the average planning approval period of schemes of 2,000+ dwellings;
- 161 dwellings per annum is the average build rate for a scheme of 2,000+ dwellings;
- 321 dwellings being the highest average build rate of the schemes assessed (but the relevant site had only delivered for 3 years);
- 40% approximate increase in the annual build rate for large sites delivering 30%+ affordable housing compared to those delivering 10% to 19%; and
- 50% more homes per annum are delivered on average on large greenfield sites than large brownfield sites.

17. Lichfields’ research, in respect of lead-in times, concluded that in combination, the planning approval period and subsequent time to first housing delivery reveals lead-in times typically average around 3 years for smaller strategic sites (up-to 100 units), but that this increases to between 5.3 – 6.9 years (beyond a 5-year supply period) for larger sites. With an average of approximately 7 years for larger strategic sites of more than 2,000 units. This reflects the fact that invariably larger sites give rise to complex planning issues related to the detail of implementation, particularly around infrastructure provision. Albeit that there was found to be considerable variations between the minimum and maximum planning approval periods for some large sites, with some coming forward in under two years, but others taking upwards of 15-20 years (p. 8-9). This highlights the difficulties and uncertainties associated with the delivery of large-scale housing allocations.

18. A working example of a large strategic site in the Cambridge HMA is North West Cambridge (3,000 dwellings and 2,000 student bed spaces) in Cambridge and South Cambridgeshire. The site is identified in the Lichfields Report as having gained planning approval in 2.2 years. However, there had already been around 8 years of 'pre-application' planning initially concerning the site's release from the Green Belt, followed by the preparation of an Area Action Plan setting out very specific policy requirements (p.10). It is relevant to note that this is in an area of significantly high housing demand, being an urban extension of Cambridge.
19. Regarding another analysis of a major Cambridgeshire housing development, Table 1 identifies that the average build-out rate for Cambourne has been 239 dwellings per annum. However, it is only 10 miles away from Cambridge City Centre and had no local competition. We believe, therefore, that if HDC wants to apply higher delivery rate assumptions than those that have recently been recorded elsewhere, it needs to be able to provide explicit justification.
20. Whilst assumptions about the annual delivery of a site are usually based on the number of sales outlets expected to operate on a site (the number of different home builders or different products being delivered), Lichfields research demonstrates that there is a positive correlation between the strength of the market (as measured by residential land values) and the average annual build rates achieved. Additionally, the build-out rates of strategic schemes are influenced by the number of houses that the market can absorb; the breadth of choice of products on offer (e.g. affordable housing or build to rent) will impact market absorption because a variety of options will appeal to a greater market.
21. The research concluded that, on average, annual build rates for smaller strategic sites (up-to 100 units) average **c.30** units each year, but these increase to an annual average of **c.160** units for larger strategic sites of more than 2,000 units, reflecting a limited number of sales outlets possible on a site, and overall market absorption rates. It should be noted that a site could be expected to deliver more (or less) than this average, and that build rates on sites fluctuate over their life.

- 22.** With regards to extremely large sites that need to span more than a decade, the development will be delivered in phases. The timing and rate of these phases will be determined by a range of factors including: the physical layout of the site, the ability to sell the homes; trigger points for payment for key social and transport infrastructure obligations; the economic cycle; and local market issues.
- 23.** The report identified that large-scale sites are not a “silver bullet”, and that their scale, complexity and (in some cases) up-front infrastructure costs means that they are not always easy to “kick start”. It states that once up and running, there is a need to be realistic about how quickly they can deliver new homes. It refers to the past decades having seen too many large-scale developments failing to deliver as quickly as expected, and that gaps in housing land supply have opened-up as a result (p.1)
- 24.** The analysis found that market strength matters, and that relatively weaker areas may not be capable of sustaining the high-build out rates that can be delivered in stronger markets with greater demand for housing. Plan-makers are encouraged to recognise that stronger local markets can influence how quickly sites will deliver (p.13). We believe that market absorption is a particularly important matter in respect of the Alconbury sites (6,680 dwellings - 33% of the housing total) given that they adjoin one another.
- 25.** Regarding sites of 2,000+ dwellings, whilst the average planning approval period was found to be 5 years for greenfield sites, the period increases substantially to 8.6 years for brownfield sites (p.18). This is particularly pertinent in the context of the RAF Alconbury site.
- 26.** A further source of useful evidence is RTPi Research Report No. 16 – Delivering Large Scale Housing Schemes (October 2017). It is based on research undertaken by Heriot Watt University and Three Dragons Consultancy for the RTPi South West Region (Relevant extracts are contained in Appendix 2).
- 27.** The case studies in the RTPi Research Briefing varied between 650 to around 8,000 dwellings. On average it was 10 years or more from the time that schemes were first identified until development began, with some schemes taking 15 or 16 years (Table 6.1). It also found that once the schemes are started, they can deliver up to 250 – 350 dwellings per annum, but that this figure is a maximum

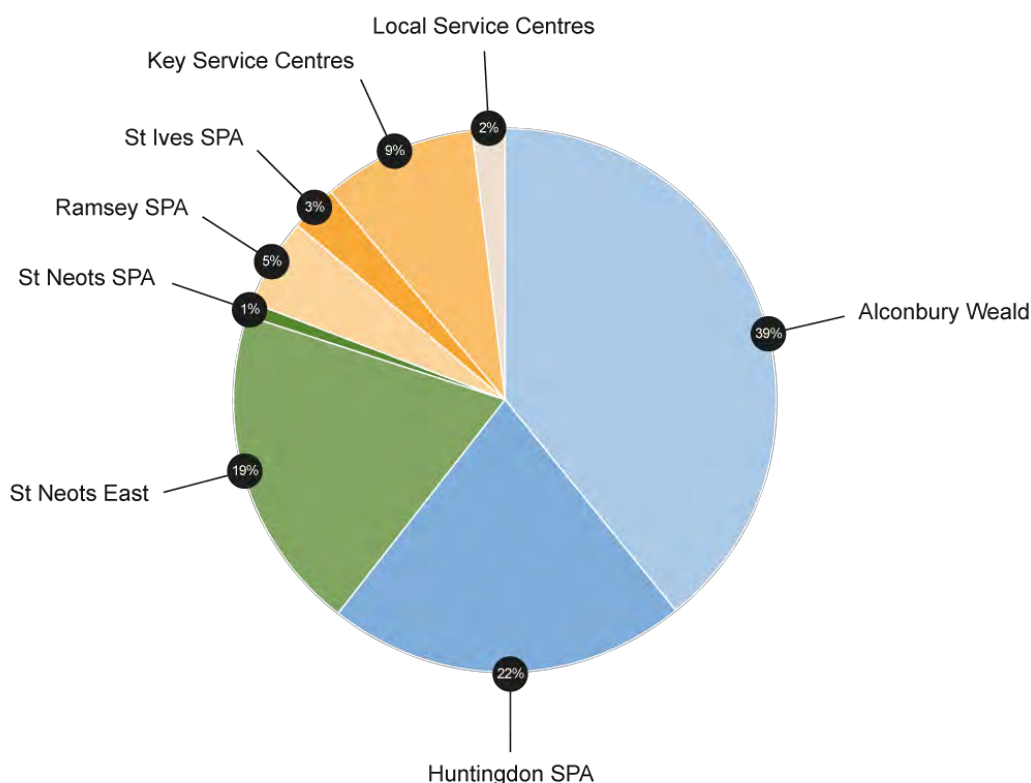
average (6.10). It also found that the flow of completions can be erratic year-on-year. Relevant factors were specified as including the pipeline of full permissions, local market strength and the perceived attractiveness of the scheme to draw in purchasers.

Huntingdonshire's Approach to Housing Delivery

- 28.** Draft Policy LP 2 (Strategy for Development) states that approximately 75% of the District's total housing growth will be concentrated around the four spatial planning areas of Huntingdon, St Neots, St Ives, and Ramsey.
- 29.** It also says that the growth planned for the four spatial planning areas shall include two strategic expansion locations at Alconbury Airfield and St Neots East. When the content of this Draft Local Plan is considered further, the key/major sites identified to deliver much of the planned growth within the four Spatial Planning Areas are as follows:
- Alconbury Airfield and Grange Farm is to deliver 5,000 homes including significant areas of employment, retail, and community floor space.
 - RAF Alconbury (immediately abutting Alconbury Airfield and to be regarded as an integrated extension to Alconbury Airfield) is identified to deliver approximately 1,680 dwellings.
 - Ermine Street Huntingdon (including land previously known as Northbridge,) is identified for 1,440 homes
 - St Neots East – 3,820 homes, a significant urban extension to the town
- 30.** Our client's representations have sought to highlight that the Draft Local Plan is overly reliant upon the delivery of a relatively small number of large sites. The four sites identified above (three of which neighbour each other), within just two locations, are expected to deliver 11,940 dwellings up to 2036 (59% of the total overall amount of housing development of 20,100 dwellings).

31. The Fairfield Partnership considers that the Spatial Strategy places far too much emphasis upon the delivery of two Significant Strategic Expansion sites at the expense of greater development dispersal and improved delivery. Using the Plan's Key Diagram, and the data it contains, the following chart illustrates this point.

Strategic Housing Distribution

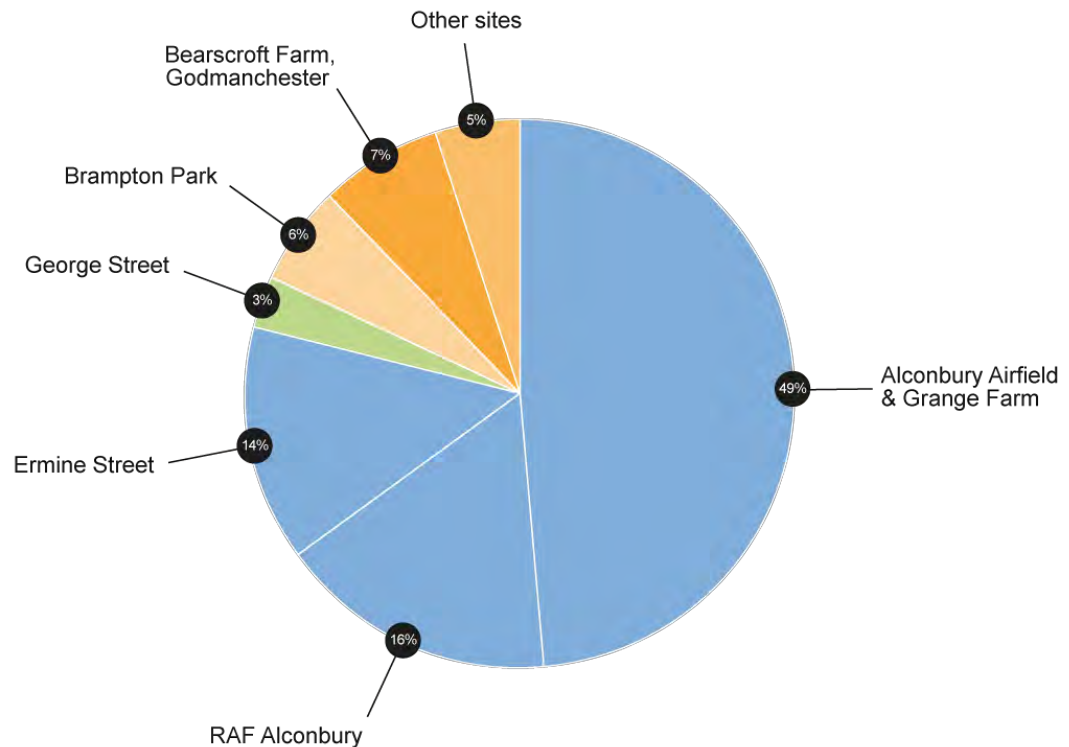


32. In our representations we have highlighted the fact that the Annual Monitoring Report (AMR) 2017 shows that delivery assumptions regarding Alconbury Airfield are showing slippage in terms of completion numbers and timescales. The 2017 Annual Monitoring Report shows delivery of just 102 dwellings in 2017/18. This being half the 200 dwellings identified for this monitoring year within the 2016 AMR.
33. Furthermore, the AMR also refers to a recent two-year delay to the MoD's vacation of RAF Alconbury is now assumed to only be available for development for housing from "the mid 2020's", with estimated delivery within the Plan period being reduced to 1,320 dwellings (based on officer knowledge of likely timeframe for the site to be vacated). This would mean that at least 360 dwellings are

anticipated to be delivered post 2036. However, there would appear to be real uncertainty over the availability of this site. Accordingly, it is not at all apparent that the site can be firmly shown to be 'available' for development and, therefore, its inclusion in the Plan is not sound, and reference to it in the housing trajectory should be removed.

- 34.** Notwithstanding the above, if RAF Alconbury is to remain in the housing trajectory, HDC has itself confirmed that RAF Alconbury should be regarded as an integrated extension to Alconbury Airfield. Given the two sites adjoin one another, the cumulative trajectory for these two sites must therefore be considered and tested. HDC is assuming that 6,272 dwellings will be delivered by these two sites between 2017 and 2036 (19 years).
- 35.** This cumulative trajectory indicates that between 2029/30 and 2035/36, annual housing completions from these two adjoining sites will be between 460 – 485 dwellings per annum. Even without the RAF Alconbury site, Alconbury Airfield alone is scheduled to deliver 300 dwellings per annum
- 36.** In the context of the research findings set out in Appendices 1 and 2, these rates of delivery are not considered to be realistic, particularly given the housing delivery research findings set out in the Lichfields Report to which we have referred. We have seen no evidence to demonstrate that annual deliverability above the average 239 dwelling completions per annum achieved at Cambourne, is either appropriate or achievable in the context of Alconbury. HDC's delivery assumptions need to be both realistic and robust.
- 37.** In view of the uncertainty surrounding the RAF Alconbury site, and the contribution it makes to the delivery of housing in the Huntingdon Spatial Planning Area, as illustrated by the following chart, our clients consider that a substitute site (or sites), such as the land east of Romans Edge, Godmanchester (in addition to the Bearscroft Farm, Godmanchester allocation) should be included in its place. The chart also serves to demonstrate that 79% in the Huntingdon Spatial Planning Area is expected to come from just three sites.

Huntingdon SPA Housing Distribution



St Neots

- 38.** The Fairfield Partnership also has concerns regarding HDC’s delivery assumptions regarding St Neots. Loves Farm has historically delivered approximately 100 dwellings per annum, yet HDC assumes that this site will continue to deliver housing through to 2028 at an increased rate of up to 185 dwellings per annum. HDC’s delivery assumptions therefore appear to be unrealistic and are not based on firm evidence.
- 39.** For St Neots East, HDC assumes completion rates of up to 250 dwellings per annum for Loves Farm East. These delivery rates vastly exceed those achieved over recent years and are unjustified and overly ambitious. When the cumulative delivery assumptions for Loves Farm East and Wintringham Park are considered (the delivery of the two sites is assumed to overlap for 9 years), the Council is assuming that up to 435 dwellings will be delivered annually despite the two parts of the allocation being a single location as far as house buyers are concerned. Again, these delivery assumptions are not considered to be realistic, credible, or

sound and point to the need to reconsider the realism of the proposed housing trajectory and the need to identify further sites that can demonstrate deliverability.

40. HDC is planning for the highest possible delivery rates for its Strategic Expansion Sites. This is not supported by evidence. To be found sound, the assumptions needed to be founded upon hard evidence. At present all the evidence points towards much lower annual delivery rates being achieved at the large strategic sites. The delivery assumptions being applied by the Council should therefore be reduced. If more realistic delivery assumptions are applied and the strategic sites ultimately end up over delivering this would be an entirely appropriate outcome in plan-making terms. It would also be consistent with the NPPF's aspiration to significantly boost the supply of housing and remain in accordance with the Council's spatial strategy. In contrast, planning for the highest possible delivery rates and ending up with a significant housing shortfall falls to pass the tests of soundness.

Housing Delivery Shortfall

41. The Fairfield Partnership has highlighted that should the combined delivery rates for the Alconbury sites and the St Neots site be reduced to 300 dpa (an assumption that would still need to be tested and justified based upon our evidence regarding realistic housing delivery rates), this would have a significant impact on the delivery of housing across the District. There would be 610 fewer dwellings delivered by the St Neots site and 1,285 fewer dwellings delivered from the Alconbury sites, with a cumulative reduction of 1,895 dwellings, which is the equivalent of 2.35 years' worth of supply.
42. We strongly believe that there will be a significant housing land supply shortfall because the small number of large-scale sites that are identified to deliver housing are in relatively small geographical areas (at Alconbury and on the edge of St Neots) will not be able to deliver at the rates being assumed. Additional sites are therefore required to provide a more balanced housing strategy that can deliver the identified housing need for the District including medium-sized urban extensions.



43. The Fairfield Partnership consider that land to the east of Romans' Edge Godmanchester should be identified to deliver a sustainable urban extension to the town of approximately 1,000 dwellings.
44. The adjacent Bearscroft Farm, Godmanchester development demonstrates strong market demand with an accomplished record of delivery. The site for 750 dwellings was sold in 2014 with the benefit of an outline planning permission. Reserved matters were subsequently approved, and pre-commencement planning conditions discharged.
45. The developers, David Wilson / Barratt Homes have been making significant progress in delivery of new housing and a new primary school and local neighbourhood centre has also been constructed. Development on the site averaged of 2.9 completions per week between December 2016 and December 2017. Furthermore, at a time when affordable housing need has been rising, but delivery falling, the Bearscroft Farm development has been able to deliver policy compliant affordable housing. Whereas Strategic Expansion Locations such as Alconbury, are unlikely to be able to adhere to the 40% affordable housing provision target due to their significant associated infrastructure costs. In relation to the first phase of Alconbury site 10% provision was accepted.
46. Further evidence to support this concern is demonstrated by HDC's recent decision to approve a resolution to grant planning permission for a hybrid planning application for up to 2,800 dwellings at Wintringham Park, St Neots East, with a reduced affordable housing provision of 25%.
47. It is important that the Plan has regard to ensuring that housing provision is made in locations where sufficient demand exists to ensure that allocated housing numbers can be delivered. It is also necessary that the Plan ensures that there is a sufficient choice of locations across the District, and that delivery is not overly concentrated within tightly defined areas diluting market demand. HDC's approach focuses too heavily on a few large sites which adversely impacts upon ensuring that it will be able to maintain its 5-year Housing Land Supply and adhere to the delivery timescales set out within its Housing Trajectory. This is a significant risk that could, and should, be avoided. The fact that the Alconbury and St Neots sites involve the same promoter could also adversely affect housing



delivery rates, as housing releases will inevitably be controlled to respond to market conditions and the aspirations of the developer / promoter.

48. Land to the east of Romans' Edge should be identified as a strategic location for growth within the Huntingdon Spatial Planning Area and the Local Plan should be revised accordingly.
49. Our clients have no comments to make in relation to Questions 6 – 19 or 21 – 24 inclusive.

Question 20 – What are the implications/requirements for transport infrastructure and how have these been taken into account? How will improvements be delivered and funded?

50. The Infrastructure Delivery Plan (INF/01) refers to the need for a new access junction for Alconbury Weald on the A141 to the west of the bridge over the East Coast Line. Highway improvements to the A141 southern access are required, as is a new railway station (p.40). The costs of the improvements are stated as unknown.
51. We also note that the St Neots East development relies upon access to the single carriageway A428.
52. In comparison, our clients land is highly accessible, as indicated in the report produced by WSP to accompany the Regulation 19 representations.



Appendix 1

TRIP

Targeted Research
& Intelligence Programme



Nathaniel Lichfield
& Partners

Planning. Design. Economics.

Start to Finish

How Quickly do Large-Scale Housing Sites Deliver?

November 2016

Executive Summary

There is a growing recognition that large-scale housing development can and should play a large role in meeting housing need. Garden towns and villages – planned correctly – can deliver sustainable new communities and take development pressure off less sustainable locations or forms of development.

However, what looks good on paper needs to deliver in practice. Plans putting forward large sites to meet need must have a justification for the assumptions they make about how quickly sites can start providing new homes, and be reasonable about the rate of development. That way, a local authority can decide how far it needs to complement its large-scale release with other sites – large or small – elsewhere in its district.

This research looks at the evidence on speed and rate of delivery of large-scale housing based on a large number of sites across England and Wales (outside London). We draw five conclusions:

1. If more homes are to be built, more land needs to be released and more planning permissions granted. There is no evidence to support the notion of systemic 'land banking' outside London: the commercial drivers of both house builders and land promoters incentivises rapid build out of permissions to secure returns on capital.
2. Planned housing trajectories should be realistic, accounting and responding to lapse rates, lead-in times and sensible build rates. This is likely to mean allocating more sites rather than less, with a good mix of types and sizes, and then being realistic about how fast they will deliver so that supply is maintained throughout the plan period. Because no one site is the same – and with significant variations from the average in terms of lead-in time and build rates – a sensible approach to evidence and justification is required.
3. Spatial strategies should reflect that building homes is a complex and risky business. Stronger local markets have higher annual delivery rates, and where there are variations within districts, this should be factored into spatial strategy choices. Further, although large sites can deliver more homes per year over a longer time period, they also have longer lead-in times.
4. Plans should reflect that – where viable – affordable housing supports higher rates of delivery. This principle is also likely to apply to other sectors that complement market housing for sale, such as build to rent and self-build (where there is demand for those products). This might mean some areas will want to consider spatial strategies that favour sites with greater prospects of affordable or other types of housing delivery.
5. For large-scale sites, it matters whether a site is brownfield or greenfield. The latter come forward more quickly.

In our conclusions we identify a check list of questions for consideration in exploring the justification for assumed timing and rates of delivery of large-scale sites.

The Research in Figures

70 number of large sites assessed

3.9 years the average lead in time for large sites prior to the submission of the first planning application

6.1 years the average planning approval period of schemes of 2,000+ dwellings. The average for all large sites is circa 5 years

161 the average annual build rate for a scheme of 2,000+ dwellings

321 the highest average annual build rate of the schemes assessed, but the site has only delivered for three years

40% approximate increase in the annual build rate for large sites delivering 30%+ affordable housing compared to those delivering 10%-19%

50% more homes per annum are delivered on average on large greenfield sites than large brownfield sites



Introduction

When it comes to housing, Government wants planning to think big. With its Garden Towns and Villages agenda and consultation on proposed changes to the National Planning Policy Framework (NPPF) to encourage new settlements, planning authorities and developers are being encouraged to bring forward large-scale housing development projects, many of them freestanding. And there is no doubt that such projects will be necessary if England is to boost supply and then consistently deliver the 300,000 new homes required each year¹.

Large-scale sites can be an attractive proposition for plan-makers. With just one allocation of several thousand homes, a district can – at least on paper – meet a significant proportion of its housing requirement over a sustained period. Their scale means delivery of the infrastructure and local employment opportunities needed to sustain mixed communities.

But large-scale sites are not a silver bullet. Their scale, complexity and (in some cases) up-front infrastructure costs means they are not always easy to kick start. And once up and running, there is a need to be realistic about how quickly they can deliver new homes. Past decades have seen too many large-scale developments failing to deliver as quickly as expected, and gaps in housing land supply have opened up as a result.

So, if Local Plans and five year land supply assessments are to place greater reliance on large-scale developments – including Garden Towns and Villages – to meet housing needs, the assumptions they use about when and how quickly such sites will deliver new homes will need to be properly justified.

“Local planning authorities should take a proactive approach to planning for new settlements where they can meet the sustainable development objectives of national policy, including taking account of the need to provide an adequate supply of new homes. In doing so local planning authorities should work proactively with developers coming forward with proposals for new settlements in their area.”

DCLG consultation on proposed changes to national planning policy (December 2015)

The Planning Practice Guidance (PPG) offers little guidance other than identifying that timescales and rates of development in land availability assessments should be based on information that “*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*”². It also requires housing land availability assessments to include: “a reasonable estimate of build out rates, setting out how any barriers to delivery could be overcome.”³

This research provides insights to this topic – which has become a perennial discussion at Local Plan examinations and Section 78 appeals in recent years – by focusing on two key questions:

1. what are realistic lead-in times for large-scale housing developments?; and
2. once the scheme starts delivering, what is a realistic annual build rate?

NLP has carried out a desk-based investigation of the lead-in times and build-out rates on 70 different strategic housing sites (“large sites”) delivering 500 or more homes to understand what factors might influence delivery. For contrast 83 “small sites” delivering between 50 and 499 homes have been researched to provide further analysis of trends in lead in times and build rates at varying scales.

As well as identifying some of the common factors at play during the promotion and delivery of these sites it also highlights that every scheme has its own unique factors influencing its progress: there can be significant variations between otherwise comparable developments, and there is no one ‘typical scheme’. This emphasises the importance of good quality evidence to support the position adopted on individual projects.

¹ House of Lords Select Committee on Economic Affairs (2016) Building more homes: 1st Report of Session 2016-17 - HL Paper 20

² PPG ID: 3-023-20140306

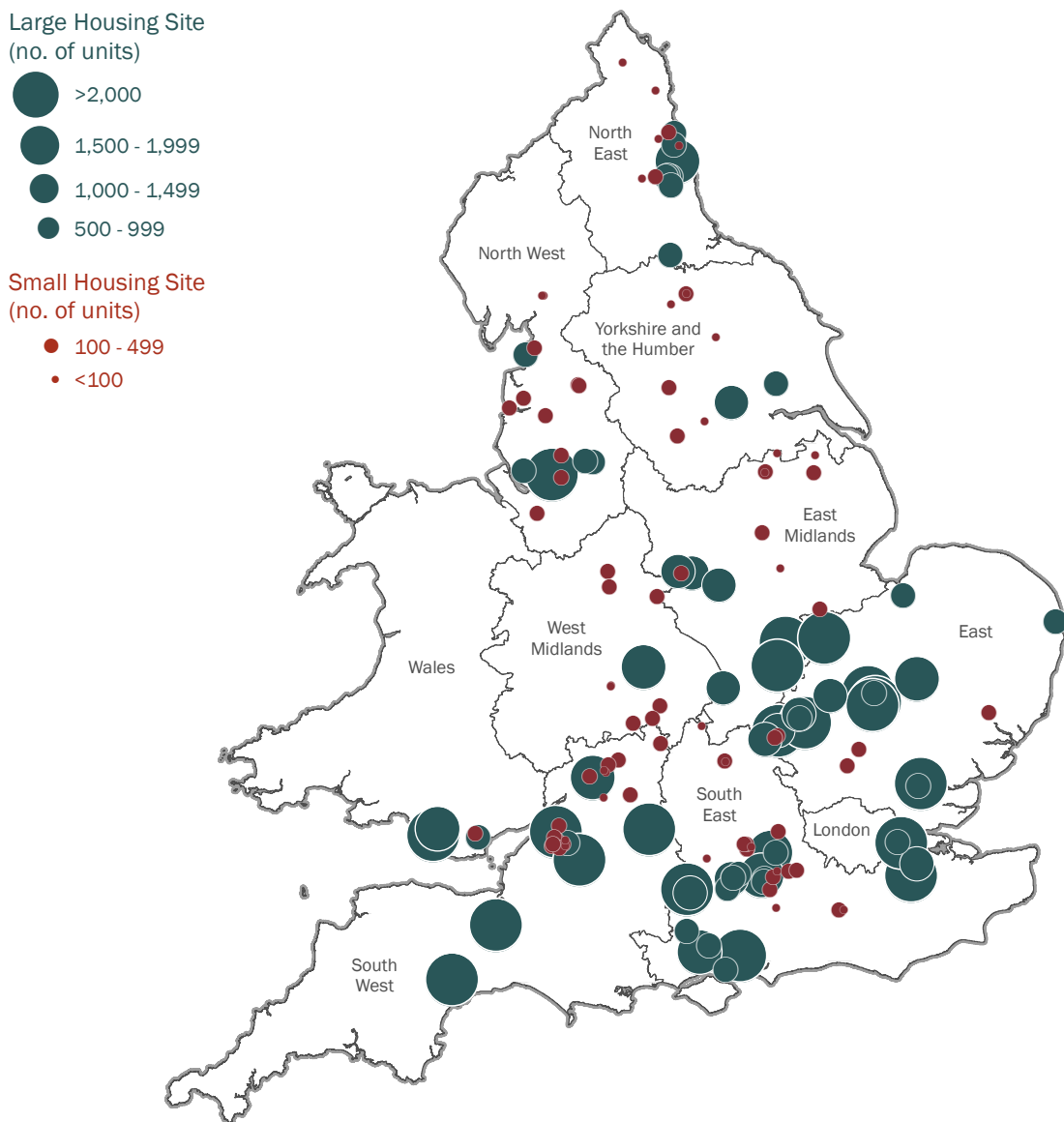
³ PPG ID: 3-028-20140306

Data Sources and Methodology

In total NLP reviewed 70 strategic sites (“large sites”) which have delivered, or will deliver, in excess of 500 dwellings. The sites range in size from 504 to 15,000 dwellings. The geographic distribution of the 70 large sites and comparator small sites is set out below in Figure 1. A full list of the large sites can be found in Appendix 1 and the small sites in Appendix 2. NLP focused on sites outside London, due to the distinctive market and delivery factors applicable in the capital.

Efforts were made to secure a range of locations and site sizes in the sample, but it may not be representative of the housing market in England and Wales as a whole and thus conclusions may not be applicable in all areas or on all sites.

Figure 1: Geographic Distribution of the 70 Large Sites and 83 Small Sites Assessed



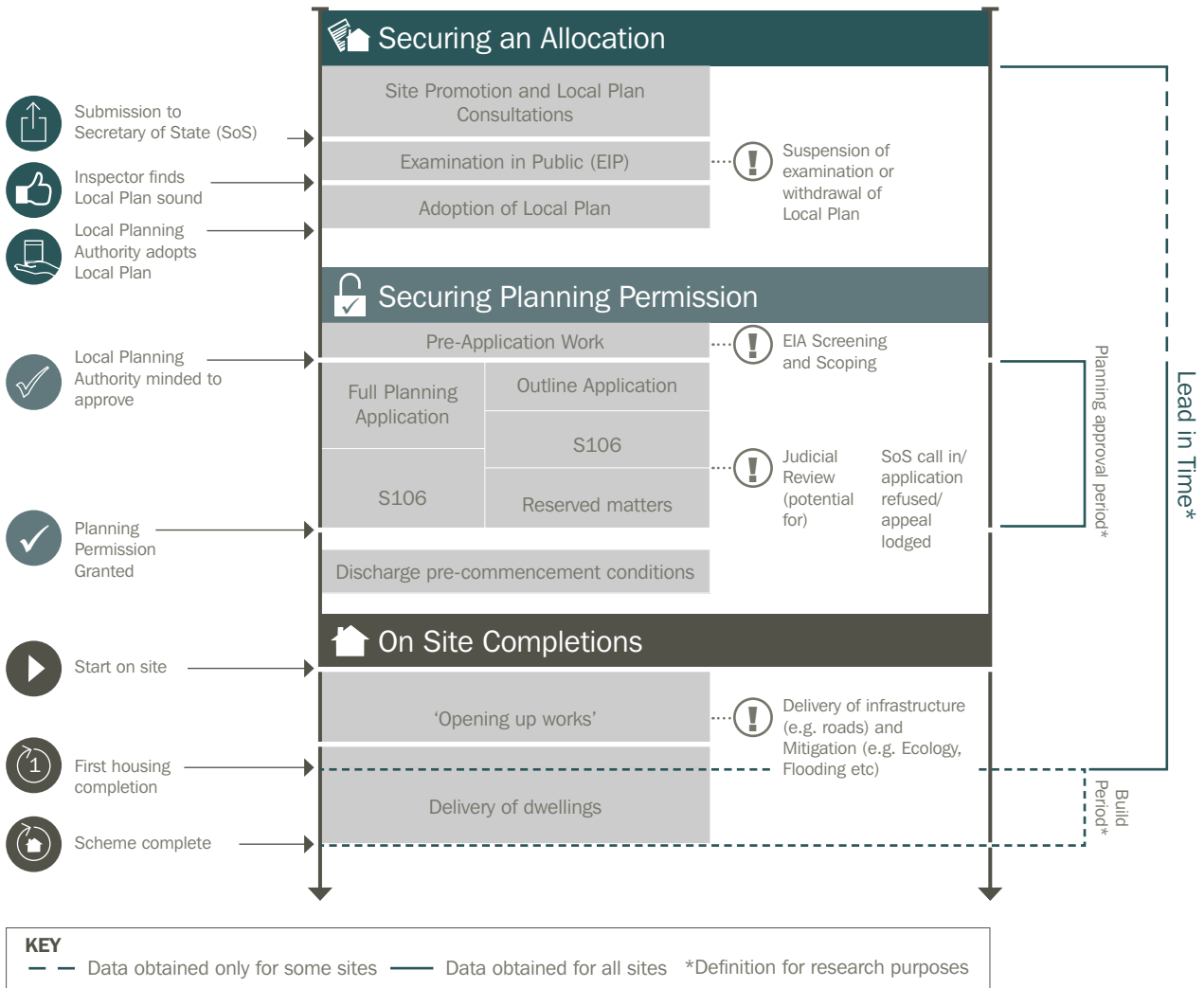
Source: NLP analysis

Methodology

The research aims to cover the full extent of the planning and delivery period. So, wherever the information was available, the data collected on each of the 70 sites covers the stages associated with the total lead-in time of the development (including the process of securing a development plan allocation), the total planning approval period, starting works on site, delivery of the first dwelling and the annualised build rates recorded for the development up until the latest year where data is available (2014/15). To structure the research and provide a basis for standardised measurement and comparison, these various stages (some of them overlapping) have been codified.

Figure 2 sets out the stages and the milestones used to measure them. These are assumed to fall under what are defined as 'lead-in times', 'planning approval periods' and 'build periods', with 'first housing completion' denoting the end of the lead-in time and start of the build period. Not every site assessed will necessarily have gone through each component of the identified stages sequentially, or indeed at all (for example, some sites secure planning permission without first being allocated).

Figure 2: Timeline for the Delivery of a Strategic Housing Site



Source: NLP

Start to Finish

The approach to defining these stages for the purposes of this research is set out below:

- The **'lead-in time'** – this measures the period up to the first housing completion on site from either a) the date of the first formal identification of the site as a potential housing allocation (e.g. in a LPA policy document) or where not applicable, available or readily discernible – b) the validation date of the first planning application made for the scheme.
- The **'planning approval period'** is measured from the validation date of the first application for the proposed development (be that an outline, full or hybrid application). The end date is the decision date of the first detailed application which permits the development of dwellings on site (this may be a full or hybrid application or the first reserved matters approval which includes details for housing). The discharge of any pre-commencement and other conditions obviously follows this, but from a research perspective, a measurement based on a detailed 'consent' was considered reasonable and proportionate milestone for 'planning' in the context of this research.
- The date of the **'first housing completion'** on site (the month and year) is used where the data is available. However, in most instances the monitoring year of the first completion is all that is available and in these cases a mid-point of the monitoring period (1st October, falling halfway between 1st April and the following 31st March) is used.
- The **'annual build rate'** falls within the overall 'build period'. The annual build rate of each site is taken or inferred from the relevant Local Planning Authority's Annual Monitoring Reports (AMR) or other evidence based documents where available. In some instances this was confirmed – or additional data provided – by the Local Planning Authority or County Council.

Due to the varying ages of the assessed sites, the implementation of some schemes was more advanced than others and, as a function of the desk-based nature of the research and the vintage of some of the sites assessed, there have been some data limitations, which means there is not a complete data set for every assessed site. For example, lead-in time information prior to submission of planning applications is not available for all sites. And because not all of the sites assessed have commenced housing delivery, annual build rate information is not universal. The results are presented accordingly.



Getting Started: What are Realistic Lead-in Times?

How long does it take for large-scale sites to get up and running? This can be hard to estimate. Understandably, those promoting sites are positive about how quickly they can deliver, and local authorities choosing to allocate large-scale sites in their plans are similarly keen for these sites to begin making a contribution to housing supply. This leads some local housing trajectories to assume that sites can be allocated in Local Plans and all detailed planning approvals secured in double-quick time. However, the reality can prove different.

Our main focus here is on the average 'planning approval period' and the subsequent period from receiving a detailed planning approval to delivery of the first house on site. However, another important metric is how long it takes from the site being first identified by the local authority for housing delivery to getting started on site. Unfortunately, getting accurate data for this on some of the historic sites is difficult, so this analysis is focused on a just 18 of the sample sites where information was available.

Lead-in Times

The lead-in time prior to the submission of a planning application is an important factor, because many planning issues are flushed out in advance of planning applications being submitted, not least in terms of local plan allocations establishing the principle of an allocation. In a plan-led system, many large-scale sites will rely on the certainty provided by Local plans, and in this regard, the slow pace of plan-making in the period since the NPPF⁴ is a cause for concern.

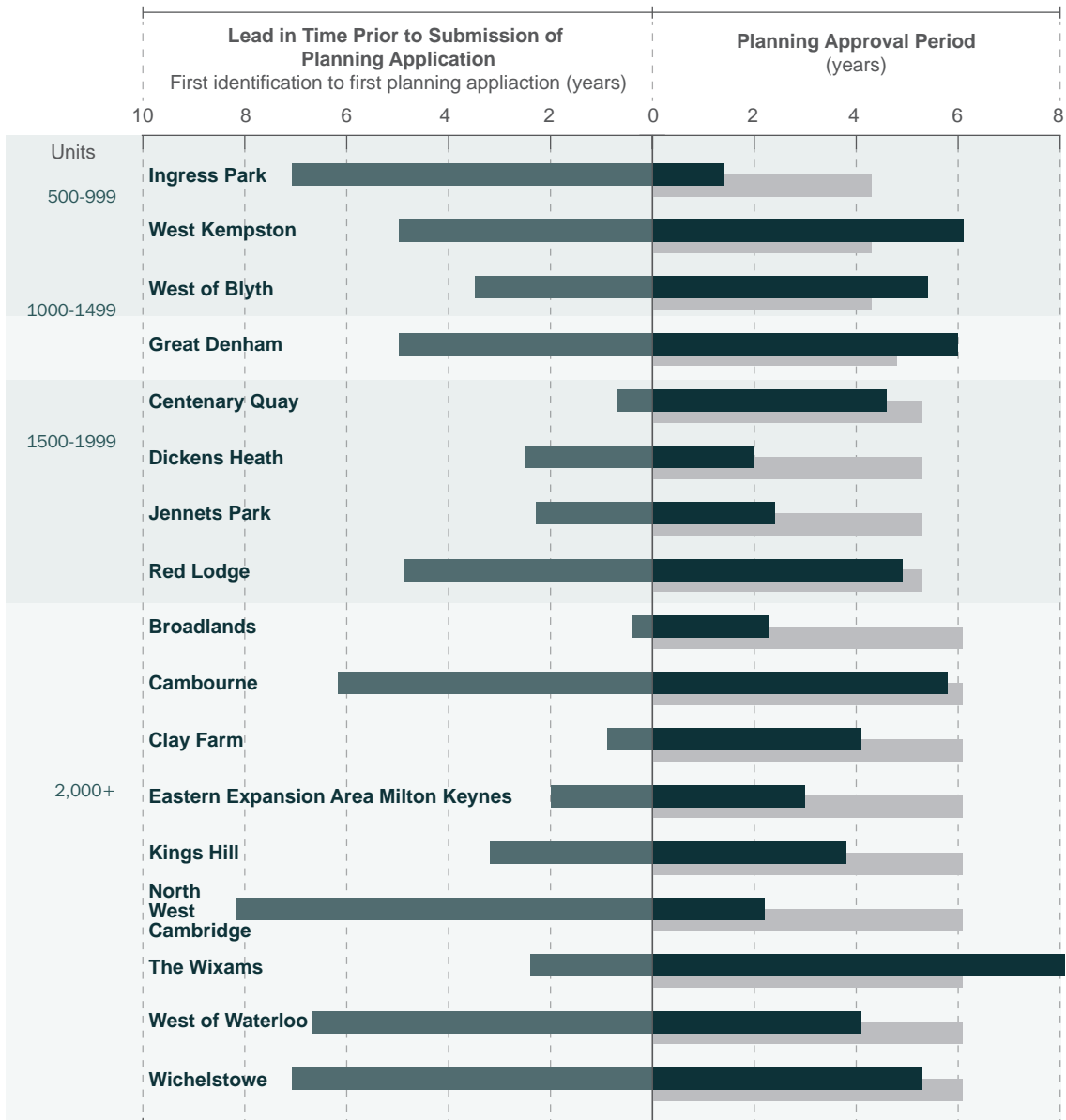
If the lead-in time prior to submission of an application is able to focus on addressing key planning issues, it can theoretically help ensure that an application – once submitted – is determined more quickly. Our sample of sites that has lead-in time information available is too small to make conclusions on this theory. However, there is significant variation within these sites highlighting the complexity of delivering homes on sites of different sizes. Of this sample of sites: on average it was 3.9 years from first identification of the site for housing to the submission of the initial planning application.

Moreover, a substantial lead-in time does not guarantee a prompt permission: 4 of the 18 sites that took longer to gain planning permission than the average for sites of comparable size and also had lead-in times prior to submission of a planning application of several years⁵.

⁴ As at September 2016, just 34% of Local Authorities outside London have an up-to-date post-NPPF strategic-level Local Plan. Source: PINS / NLP analysis.

⁵ The sites in question were The Wixams, West Kempton, West of Blyth, and Great Denham.

Figure 3: Average lead-in time of sites prior to submission of the first planning application



KEY
 ■ Lead in time prior to submission of planning application
 ■ Planning approval period
 ■ Average planning application period for site of that size

Source: NLP analysis

The Planning Approval Period: Size Matters

The term ‘planning approval period’ in this report measures the period from the validation date of the first planning application for the scheme to the decision date of the first application which permits development of dwellings on site (this could be a full, hybrid or reserved matters application). Clearly, in many cases, this approval will also need to be followed by discharge of pre-commencement conditions (a focus of the Government’s Neighbourhood Planning Bill) but these were not reviewed in this research as a detailed approval was considered an appropriate milestone in this context.

The analysis considers the length of planning approval period for different sizes of site, including comparing large-scale sites with small sites. Figure 4 shows that the greater the number of homes on a site, the longer the planning approval period becomes. There is a big step-up in time for sites of in-excess of 500 units.

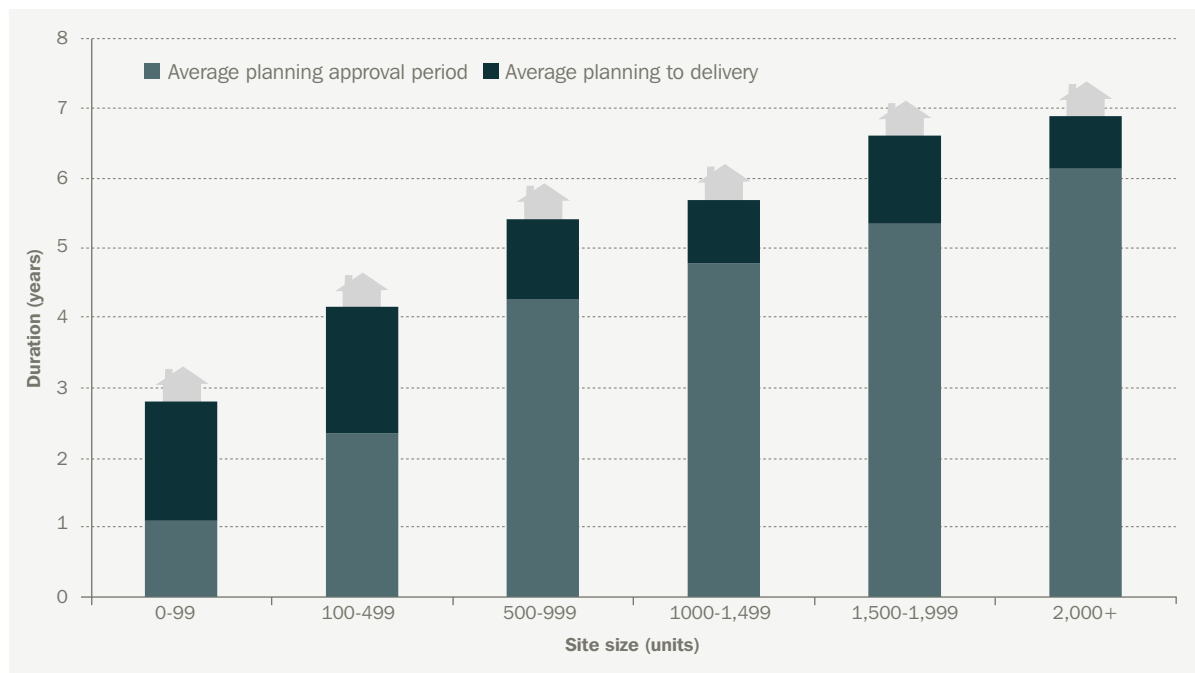
Time Taken for First Housing Completion after Planning Approval

Figure 4 also shows the time between the approval of the first application to permit development of dwellings on site and the delivery of the first dwelling (during which time any pre-commencement conditions would also be discharged), in this analysis this is the latter part of the lead in time period. This reveals that the timescale to open up a site following the detailed approval is relatively similar for large sites.

Interestingly, our analysis points to smaller sites taking longer to deliver the first home after planning approval. This period of development takes just over 18 months for small sites of under 500 units, but is significantly quicker on the assessed large-scale sites; in particular, on the largest 2,000+ dwelling sites the period from receiving planning approval to first housing completion was 0.8 years.

In combination, the planning approval period and subsequent time to first housing delivery reveals the total period increases with larger sites, with the total period being in the order of 5.3 – 6.9 years. Large sites are typically not quick to deliver; in the absence of a live planning application, they are, on average, unlikely to be contributing to five year housing land supply calculations.

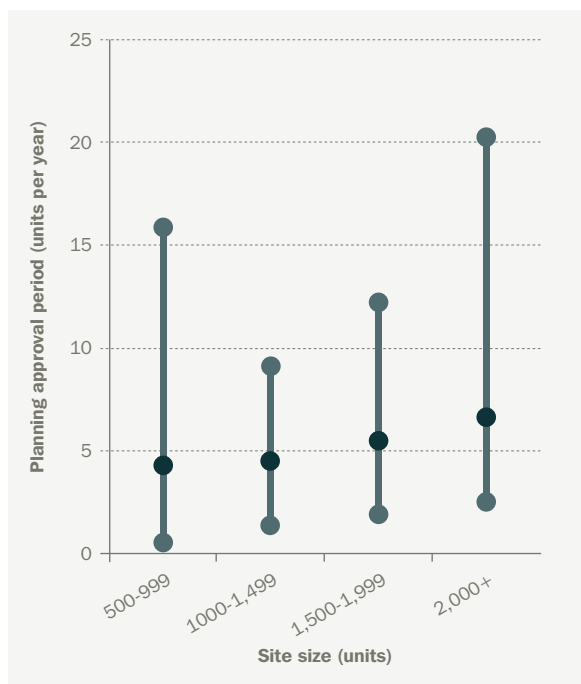
Figure 4: Average planning approval period and delivery of first dwelling analysis by site size



Source: NLP analysis

Of course, these are average figures, and there are significant variations from the mean. Figure 5 below shows the minimum and maximum planning approval periods for sites in each of the large size categories. This shows even some of the largest sites coming forward in under two years, but also some examples taking upwards of 15-20 years. Clearly, circumstances will vary markedly from site to site.

Figure 5: Site size and duration of planning



Source: NLP analysis

Case Studies

If some sites are coming forward more quickly than the average for sites of that size, what is it that is driving their rapid progress? We explored this with some case studies. These suggest that when schemes are granted planning permission significantly faster than the above averages, it is typically due to specific factors in the lead-in time prior to the submission of a planning application.

Gateshead – St James Village (518 dwellings): Planning approval period 0.3 years⁶

This site was allocated as a brownfield site in the Gateshead UDP (2000) prior to the submission of a planning application for the regeneration scheme. A Regeneration Strategy for East Gateshead covered this site and as at 1999 had already delivered high profile flagship schemes on the water front. Llewelyn Davis were commissioned by the Council and English Partnerships to prepare a masterplan and implementation strategy for the site which was published in June 1999. Persimmon Homes then acquired the site and it was agreed in autumn 1999 that they should continue the preparation of the masterplan. East Gateshead Partnership considered the masterplan on the 08th March 2000 and recommended approval. Subsequently, the outline application (587/00) with full details for phase 1 was validated on the 6th September 2000 and a decision issued on the 9th January 2001.

It is clear that although it only took 0.3 years for the planning application to be submitted and granted for a scheme of more than 500 units, the lead in time to the submission of the application was significant, including an UDP allocation and a published masterplan 18 months ahead of permission being granted. By the time the planning application was submitted most of the site specific issues had been resolved.

⁶ St James Village is excluded from the lead-in time analysis because it is unclear on what date the site was first identified within the regeneration area

Dartford – Ingress Park (950 dwellings): Planning approval period 1.4 years

This site was initially identified in a draft Local Plan in 1991 and finally allocated when this was adopted in April 1995. The Ingress Park and Empire Mill Planning Brief was completed in three years later (November 1998).

The submission of the first planning application for this scheme predated the completion of the Planning Brief by a few months, but the Council had already established that they supported the site. By the time the first application for this scheme was submitted, the site had been identified for development for circa seven years.

The outline application (98/00664/OUT) was validated on the 10th August 1998 and permission granted on the 21st Nov 2000, a determination period of 1 year and 3 months). A full application for the First Phase for 52 dwellings (99/00756/FUL) was validated and approved in just two months, prior to approval of the outline. Clearly, large-scale outline permissions have to wrap up a wide range of other issues, but having first phase full applications running in parallel can enable swifter delivery, in situations where a 'bite sized' first phase can be implemented without triggering complex issues associated with the wider site.

Cambridge and South Cambridgeshire – North West Cambridge (3,000 dwellings and 2,000 student bed spaces): Planning approval period 2.2 years

Cambridge University identified this area as its only option to address its long-term development needs, and the Cambridgeshire and Peterborough Structure Plan 2003 identified the location for release from the Green Belt. The site was allocated in the 2006 Cambridge Local Plan, and the North West Cambridge Area Action Plan was adopted in October 2009. The Area Action Plan established an overall vision and set out policies and proposals to guide the development as a whole.

As such, by the time the first application for this scheme was submitted, there had already been circa eight years of 'pre-application' planning initially concerning the site's release from the Green Belt, but then producing the Area Action Plan which set out very specific requirements.. This 'front-loaded' consideration of issues that might otherwise have been left to a planning application.

The outline application (11/1114/OUT – Cambridge City Council reference) for delivery of up to 3,000 dwellings, up to 2,000 student bed spaces and 100,000 sqm of employment floorspace was validated on the 21st September 2011 and approved on the 22nd of February 2013. The first reserved matters application for housing (13/1400/REM) was validated on the 20th September 2013 and approved on the 19th December 2013. Some ten years from the concept being established in the Structure Plan.

Summary on Lead-in Times

1. On average, larger sites take longer to complete the planning application and lead-in processes than do smaller sites. This is because they inevitably give rise to complex planning issues related to both the principle of development and the detail of implementation.
2. Consideration of whether and how to implement development schemes is necessary for any scheme, and the evidence suggests that where planning applications are determined more quickly than average, this is because such matters were substantially addressed prior to the application being submitted, through plan-making, development briefs and/or master planning. There is rarely a way to short-circuit planning.
3. Commencement on large sites can be accelerated if it is possible to 'carve-out' a coherent first phase and fast track its implementation through a focused first phase planning application, in parallel with consideration of the wider scheme through a Local Plan or wider outline application.
4. After receiving permission, on average smaller sites take longer to deliver their first dwelling than do the largest sites (1.7-1.8 years compared to 0.8 years for sites on 2,000+ units).

Lapse Rates: What Happens to Permissions?

Not every planning permission granted will translate into the development of homes. This could mean an entire site does not come forward, or delivery on a site can be slower than originally envisaged. It is thus not realistic to assume 100% of planning permission granted in any given location will deliver homes. Planning permissions can lapse for a number of reasons:

1. The landowner cannot get the price for the site that they want;
2. A developer cannot secure finance or meet the terms of an option;
3. The development approved is not considered to be financially worthwhile;
4. Pre-commencement conditions take longer than anticipated to discharge;
5. There are supply chain constraints hindering a start; or
6. An alternative permission is sought for the scheme after approval, perhaps when a housebuilder seeks to implement a scheme where the first permission was secured by a land promoter.

These factors reflect that land promotion and housebuilding is not without its risks.

At the national level, the Department for Communities and Local Government has identified a 30-40% gap between planning permissions granted for housing and housing starts on site⁷. DCLG analysis suggested that 10-20% of permissions do not materialise into a start on site at all and in addition, an estimated 15-20% of permissions are re-engineered through a fresh application, which would have the effect of pushing back delivery and/or changing the number of dwellings delivered.

This issue often gives rise to claims of 'land banking' but the evidence for this is circumstantial at best, particularly outside London. The business models of house builders are generally driven by Return on Capital Employed (ROCE) which incentivises a quick return on capital after a site is acquired. This means building and selling homes as quickly as possible, at sales values consistent with the price paid for the land. Land promoters (who often partner with landowners using promotion agreements) are similarly incentivised to dispose of their site to a house builder to unlock their promotion fee. Outside London, the scale of residential land prices has not been showing any significant growth in recent years⁸ and indeed for UK greenfield and urban land, is still below levels last seen at least 2003⁹. There is thus little to incentivise hoarding land with permission.

The LGA has identified circa 400-500,000 units of 'unimplemented' permissions¹⁰, but even if this figure was accurate, this is equivalent to just two years of pipeline supply. More significantly, the data has been interpreted by LGA to significantly overstate the number of unimplemented permissions because 'unimplemented' refers to units on sites where either the entire site has not been fully developed or the planning permission has lapsed¹¹. It therefore represents a stock-flow analysis in which the outflow (homes built) has been ignored.

Insofar as 'landbanking' may exist, the issue appears principally to be a London – rather than a national – malaise, perhaps reflecting that land values in the capital – particularly in 'prime' markets – have increased by a third since the previous peak of 2007. The London Mayor's 'Barriers to Housing Delivery – Update' of July 2014 looked at sites of 20 dwellings or more and reported that only about half of the total number of dwellings granted planning permission every year are built (Table 3); a lapse rate of circa 50% across London.

Clearly, the perceived problem of landbanking is seeing policy attention from Government, but caution is needed that any changes do not result in unintended consequences or act as a disincentive to secure planning permissions.

A more practical issue is that Plans and housing land trajectories must adopt sensible assumptions, based on national benchmarks, or – where the data exists – local circumstances, to understand the scale of natural non-implementation.

⁷ DCLG Presentations to the HBF Planning Conference (September 2015)

⁸ Knight Frank Residential Development Land Index Q1 2016 <http://content.knightfrank.com/research/161/documents/en/q1-2016-3844.pdf>

⁹ Savills Development Land Index <http://www.savills.co.uk/research/uk/residential-research/land-indices/development-land-index.aspx>

¹⁰ Glenigan data as referenced by Local Government Association in its January 2016 media release (a full report is not published) http://www.local.gov.uk/web/guest/media-releases/-/journal_content/56/10180/7632945/NEWS

¹¹ This would mean that a site which has built 99% of homes will still show up as 100% of units being 'unimplemented'

Size Matters

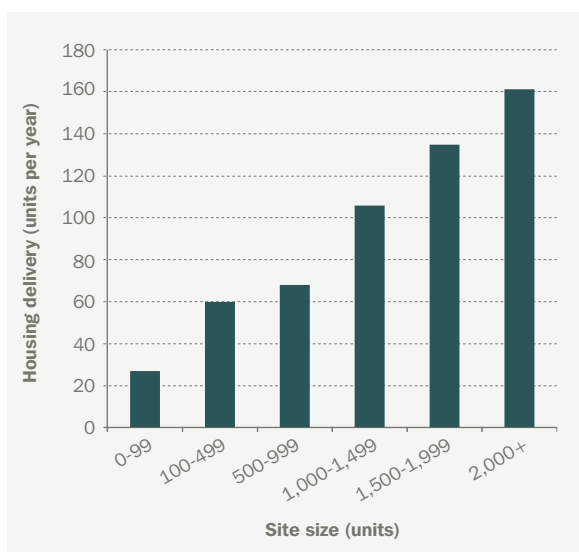
A key metric for build rates on sites is the number of sales outlets. Different housebuilders will differentiate through types or size of accommodation and their brands and pricing, appealing to different customer types. In this regard, it is widely recognised that a site may increase its absorption rate through an increased number of outlets.

Unfortunately, data limitations mean that the number of outlets is not readily available for the large sites surveyed within this research, and certainly not on any longitudinal basis which is relevant because the number of outlets on a site may vary across phases.

However, it is reasonable to assume that larger sites are likely to feature more sales outlets and thus have greater scope to increase build rates. This may relate to the site being more geographically extensive: with more access points or development ‘fronts’ from which sales outlets can be driven. A large urban extension might be designed and phased to extend out from a number of different local neighbourhoods within an existing town or city, with greater diversity and demand from multiple local markets.

Our analysis supports this concept: larger sites deliver more homes each year, but even the biggest schemes (those with capacity for 2,000 units) will, on average, deliver fewer than 200 dwellings per annum, albeit their average rate – 161 units per annum – is six times that of sites of less than 100 units (27 units per annum).

Figure 7: Average annual build rate by site size



Start to Finish

14 Source: NLP analysis

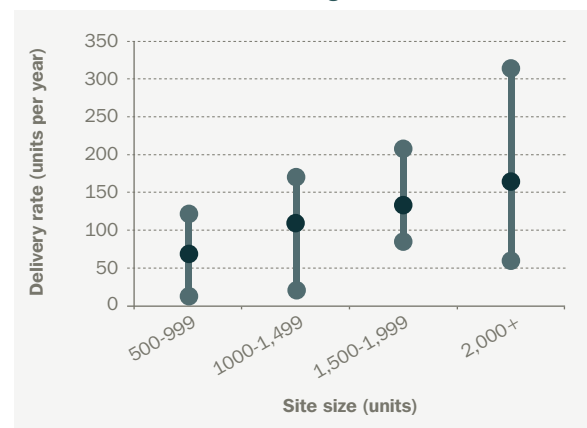
Of course, these are average figures. Some sites will see build rates exceeding this average in particular years, and there were variations from the mean across all categories (see Figure 8), suggesting that higher or lower rates than this average may well be possible, if circumstances support it.

Nevertheless, it is striking that annual average delivery on sites of up to 1,499 units barely exceeds 100 units per annum, and there were no examples in this category that reached a rate of 200 per annum. The highest rate – of 321 units per annum – is for the Cranbrook site, but this is a short term average. A rate of 268 per annum was achieved over a longer period at the Eastern Expansion Area (Broughton Gate & Brooklands) site in Milton Keynes. The specific circumstance surrounding the build rates in both these examples are explored as case studies opposite. It is quite possible that these examples might not represent the highest rate of delivery possible on large-scale sites in future, as other factors on future sites might support even faster rates.

Our analysis also identifies that, on average, a site of 2,000 or more dwellings does not deliver four times more dwellings than a site delivering between 100 and 499 homes, despite being at least four times the size. In fact it only delivers an average of 2.5 times more houses. This is likely to reflect that:

- it will not always be possible to increase the number of outlets in direct proportion to the size of site – for example due to physical obstacles (such as site access arrangements) to doing so; and
- overall market absorption rates means the number of outlets is unlikely to be a fixed multiplier in terms of number of homes delivered.

Figure 8: Average annual build-out rate by site size, including the minimum and maximum averages within each site size



Source: NLP analysis

Cranbrook: East Devon

The highest average annual build out rates recorded in this analysis comes from the Cranbrook site in East Devon where an average of 321 dwellings per annum were delivered between 2012/13 and 2014/15. Delivery of housing only started on this site in 2012/13, with peak delivery in 2013/14 of 419 dwellings.

Cranbrook is the first new standalone settlement in Devon for centuries and reportedly – according to East Devon Council – the result of over 40 years of planning (this claim has not been substantiated in this research). It is the circumstances surrounding its high annual delivery rate which is of most interest, however.

Phase 1 of the development was supported by a £12 million repayable grant from a revolving infrastructure fund managed by the Homes and Communities Agency. The government also intervened again in the delivery of this site by investing £20 million for schools and infrastructure to ensure continuity of the scheme, securing the delivery of phase 2. The government set out that the investment would give local partners the confidence and resources to drive forward its completion.

The Consortium partnership for Cranbrook (including Hallam Land, Persimmon Homes (and Charles Church) and Taylor Wimpey) stated the following subsequent to the receipt of the government funding¹⁵.

“Without this phase 2 Cranbrook would have been delayed at the end of phase 1, instead, we have certainty in the delivery of phase 2, we can move ahead now and commit with confidence to the next key stages of the project and delivering further community infrastructure and bringing forward much needed private and affordable homes”.

Clearly, the public sector played a significant role in supporting delivery. The precise relationship between this and the build rate is unclear, but funding helped continuity across phases one and two of the scheme. More particularly, the rate of delivery so far achieved relates just to the first three years, and there is no certainty that this high build-out rate will be maintained across the remainder of the scheme.

Eastern Expansion Area (Broughton Gate & Brooklands): Milton Keynes

The second highest average build out rates recorded in this analysis comes from the Eastern Expansion Area (Broughton Gate & Brooklands) site in Milton Keynes where an average of 268 dwellings per annum were delivered between 2008/09 and 2013/14. As is widely recognised, the planning and delivery of housing in Milton Keynes is distinct from almost all the sites considered in this research.

Serviced parcels with the roads already provided were delivered as part of the Milton Keynes model and house builders are able to proceed straight onto the site and commence delivery. This limited the upfront site works required and boosted annual build rates. Furthermore, there were multiple outlets building-out on different serviced parcels, with monitoring data from Milton Keynes Council suggesting an average of c.12 parcels were active across the build period. This helped to optimise the build rate.

¹⁵ <https://www.gov.uk/government/news/government-funding-to-unlock-delivery-of-12-000-new-homes>

Peak Years of Housing Delivery

Of course, rates of development on sites will ebb and flow. The top five peak annual build-out rates achieved across every site assessed are set out in Table 1 below. Four of the top five sites with the highest annual peak delivery rates are also the sites with the highest annual average build out rates (with the exception of Broughton & Atterbury). Peak build rates might occur in years when there is an overlap of multiple outlets on phases, or where a particular phase might include a large number of affordable or apartment completions. It is important not to overstress these individual years in gauging build rates over the whole life of a site.

Table 1: Peak annual build-out rates compared against average annual delivery rates on those sites

Scheme	Peak Annual Build-Out Rate	Annual Average Build-Out Rate
Cambourne	620	239
Hamptons	548	224
Eastern Expansion Area	473	268
Cranbrook	419	321
Broughton	409	171

Source: NLP analysis and various AMRs

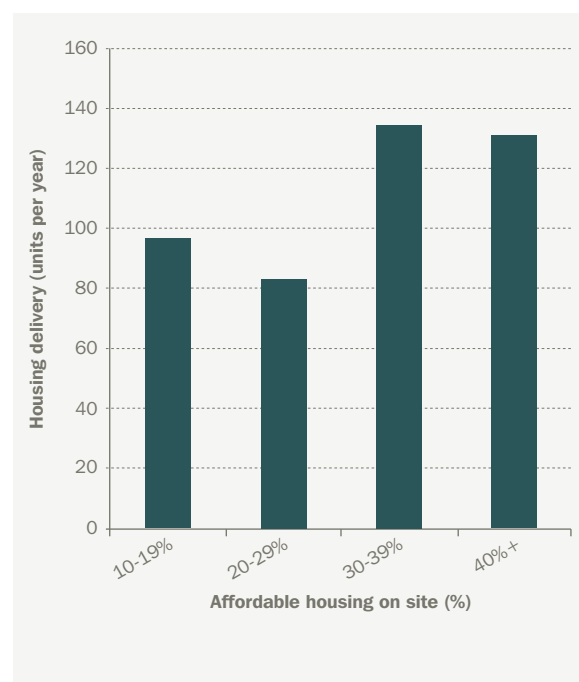
Affordable Housing Provision

Housing sites with a larger proportion of affordable homes (meeting the definition in the NPPF) deliver more quickly, where viable. The relationship appears to be slightly stronger on large-scale sites (500 units or more) than on smaller sites (less than 500 units), but there is a clear positive correlation (Figure 9). For both large and small-scale sites, developments with 40% or more affordable housing have a build rate that is around 40% higher compared to developments with 10-19% affordable housing obligation.

The relationship between housing delivery and affordable (subsidised) housing is multi-dimensional, resting on the viability, the grant or subsidy available and the confidence of a housing association or registered provider to build or purchase the property for management. While worth less per unit than a full-market property, affordable housing clearly taps into a different segment of demand (not displacing market demand), and having an immediate purchaser of multiple properties can support cash flow and risk sharing in joint ventures. However, there is potential that starter homes provided in lieu of other forms of affordable housing may not deliver the same kind of benefits to speed of delivery, albeit they may support viability overall.

This principle – of a product targeting a different segment of demand helping boost rates of development – may similarly apply to the emergent sectors such as ‘build-to-rent’ or ‘self build’ in locations where there is a clear market for those products. Conversely, the potential for starter homes to be provided in lieu of other forms of affordable housing may overlap with demand for market housing on some sites, and will not deliver the kind of cash flow / risk sharing benefits that comes from disposal of properties to a Registered Provider.

Figure 9: Affordable housing provision and housing output



Source: NLP analysis

The Timeline of the Build-out Period

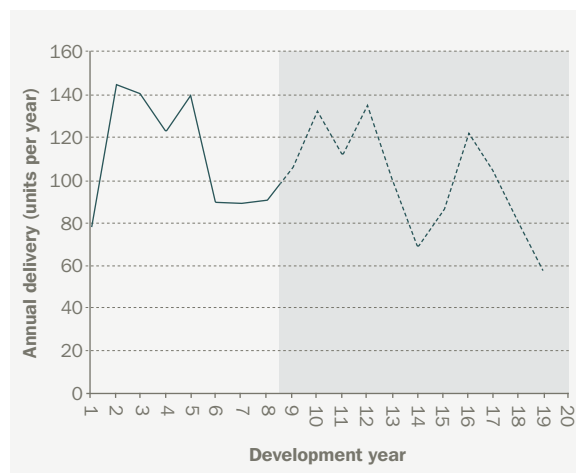
Many planners’ housing trajectories show large sites gradually increasing their output and then remaining steady, before tailing off at the end. In fact, delivery rates are not steady. Looking at the first eight years of development – where the sample size of large sites is sufficiently high – NLP’s research showed that annual completions tended to be higher early in the build-out period before dipping (Figure 10).

For sites with even longer build out periods, this pattern of peaks and troughs is potentially repeated again (subject to data confidence issues set out below). This surge in early completions could reflect the drive for

rapid returns on capital in the initial phase, and/or early delivery of affordable housing, with the average build rate year by year reducing thereafter to reflect the optimum price points for the prevailing market demand. Additionally, the longer the site is being developed, the higher the probability of coinciding with an economic downturn – obviously a key factor for sites coming forward over the past decade – which will lead to a reduction in output for a period.

Our sample of sites where the development lasted for more than eight years is too small to draw concrete findings, but it does flag a few other points. On extremely large sites that need to span more than a decade, the development will most likely happen in phases. The timing and rate of these phases will be determined by a range of factors including: the physical layout of the site, the ability to sell the homes; trigger points for payment for key social and transport infrastructure obligations; the economic cycle; and local market issues. Predicting how these factors combine over a plan period is self-evidently difficult, but plan makers should recognise the uncertainty and build in flexibility to their housing trajectories to ensure they can maintain housing supply wherever possible.

Figure 10: Average annual build-out rate per year of the build period



Source: NLP analysis

Summary

1. There is a positive correlation between the strength of the market (as measured by residential land values) and the average annual build rates achieved.
2. The annual average build-rate for the largest sites (of 2,000 or more units) is circa 161 dwellings per annum
3. The rate of delivery increases for larger schemes, reflecting the increased number of sales outlets possible on large sites. However, this is not a straight line relationship: on average, a site of 2,000 units will not, deliver four times as fast as a site of 500. This reflects the limits to number of sales outlets possible on a site, and overall market absorption rates.
4. There is significant variation from the average, which means some sites can be expected to deliver more (or less) than this average. However, the highest average build-out rate of all the assessed sites is 321 dwellings per annum in Cranbrook. But this relates to just three years of data, and the scheme benefitted from significant government funding to help secure progress and infrastructure. Such factors are not present in all schemes, and indeed, the data suggests sites tend to build at a higher rate in initial years, before slowing down in later phases.
5. Build rates on sites fluctuate over their life. The highest build rate recorded in a single year is 620 units at Camborne, but for the duration of the development period the average annual build rate is 239 dwellings.
6. There is a positive correlation between the percentage of affordable homes built on site and the average annual delivery of homes with sites delivering 30% or more affordable housing having greater annual average build rates than sites with lower affordable housing provision. The introduction of different tenures taps into different market segments, so a build to rent product may similarly boost rates of delivery – where there is a market for it – but starter homes may have the opposite effect if they are provided in lieu of other forms of affordable homes, and displace demand for cheaper market homes.

A Brownfield Land Solution?

The NPPF encourages the effective use of previously-developed land, and recent Government announcements suggest increased prioritisation of development for brownfield sites. Efforts to streamline the planning process for brownfield sites may also speed up their delivery. But, is there a difference in how quickly brownfield sites can come forward compared to greenfield sites?

Research produced by CPRE and Glenigan in March 2016¹⁶ suggested that the time between planning permission being granted and construction work starting is generally the same for brownfield and greenfield sites, but suggested that work on brownfield sites is completed more than six months quicker. However, it was not clear if this finding was because the greenfield sites were larger than the equivalent brownfield sites surveyed in that study. We therefore looked at how lead in times and build rates compared for large-scale sites of 500+ dwellings on greenfield and brownfield sites.

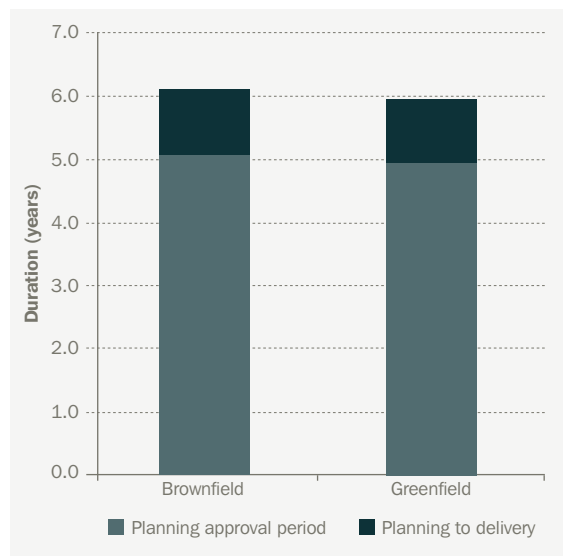
The Planning Approval Period

Whether land is brownfield or greenfield does not impact on the planning approval period. On average, for all sites, the planning approval period for the sites delivering 500 dwellings or more is almost identical at 5.1 years for brownfield and 5.0 years for greenfield – see Figure 11, although this is skewed by the very largest sites of 2,000+ units (see Table 2), with brownfield sites in the smaller-size bands being on average slightly quicker than their greenfield counterparts (albeit caution is required given the small sample size for some size bandings).

What the analysis tends to show is that it is the scale of development – rather than the type of land – which has the greatest impact on the length of planning process, and that despite government prioritisation on brownfield land in the NPPF, this is unlikely to result in significant further improvements in timescales for delivery.

The time period between gaining a planning approval and the first delivery of a dwelling is also similar overall.

Figure 11: Previous land use and duration of planning



Source: NLP analysis

Table 2: Previous land use and duration of planning approval period

	Site Size (dwellings)	Number of sites in this group	Average Planning Approval Period
Greenfield Sites	500-999	14	4.5
	1,000-1,499	9	5.3
	1,500-1,999	7	5.5
	2,000+	13	5.0
	Total/Average	43	5.0
Brownfield Sites	500-999	16	4.1
	1,000-1,499	3	3.3
	1,500-1,999	1	4.6
	2,000+	7	8.6
	Total/Average	27	5.1

Source: NLP analysis

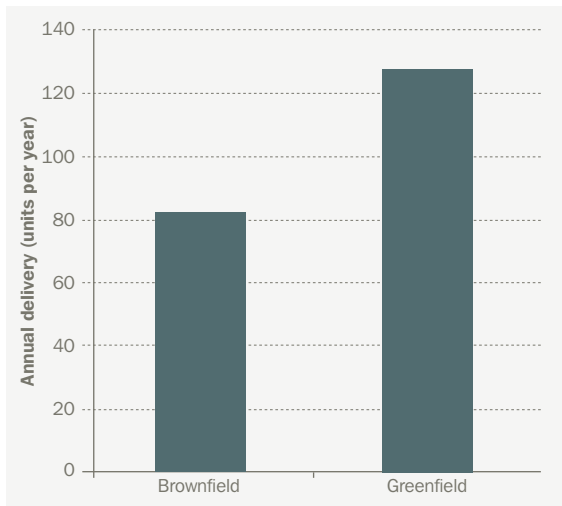
¹⁶ Brownfield comes first: why brownfield development works CPRE, March 2016

Build-out Rates

There is a more discernible difference between brownfield and greenfield sites when it comes to the annual build out rates they achieve, with the analysis in Figure 12 suggesting that brownfield sites on average deliver at lower rates than their greenfield counterparts, both overall and across the different size bandings (see Table 3) albeit recognising the small sample size for some sizes of site. On average, the annual build-out rate of a greenfield site is 128 dwellings per annum, around 50% higher than the 83 per annum average for brownfield sites.

This may reflect that brownfield sites carry extra costs (e.g. for remediation) which reduces the scale of contribution they make to infrastructure and affordable housing provision (which as shown can boost rates of delivery).

Figure 12: Previous land use and housing delivery



Source: NLP analysis

Table 3: Previous land use by size and average annual build out rate

	Site Size (dwellings)	Number of sites in this group	Average Annual Build-out Rate
Greenfield Sites	500-999	14	86
	1,000-1,499	9	122
	1,500-1,999	7	142
	2,000+	13	171
	Total/Average	43	128
Brownfield Sites	500-999	16	52
	1,000-1,499	3	73
	1,500-1,999	1	84
	2,000+	7	148
	Total/Average	27	83

Source: NLP analysis

Summary

1. Brownfield and greenfield sites come forward at broadly similar rates, although at the smaller end of the scale, there does appear to be some 'bonus' in speed of decisions for previously-developed land. For the largest sites (of 2,000+ units) the sample of brownfield sites suggests an extended time period (3.6 years longer) compared to their equivalent greenfield sites;
2. Once started, large-scale greenfield sites do deliver homes at a more rapid rate than their brownfield equivalents, on average 50% quicker.

Conclusion

There is a growing recognition that large-scale housing development can and should play a large role in meeting housing need. Garden towns and villages – planned correctly – can deliver sustainable new communities and take development pressure off less sustainable locations or forms of development.

However, if planners are serious about wanting to see more homes built each year and achieve the government’s target of one million by 2020 (or indeed, deliver the 300,000 per annum that are needed), simply allocating a site or granting a permission is not enough. The Government recognises this: the Minister for Planning has been quoted as saying that “*you cannot live in a planning permission*”.

Part of the debate has focused on perceptions of ‘land banking’ – the concept that developers are hoarding land or slowing down development. Equally, suggestions have been made that proposals for large-scale development should be ‘protected’ from competition from smaller sites or from challenge under five year land supply grounds. The evidence supporting these propositions appears limited.

In our view the real concern – outside London, at any rate – is ensuring planning decisions (including in plan-making) are driven by realistic and flexible housing trajectories in the first place, based on evidence and the specific characteristics of individual sites and local markets.

Based on the research in this document, we draw five conclusions on what is required:

1. If more homes are to be built, more land needs to be released and more planning permissions granted. Confidence in the planning system relies on this being achieved through local plans that must be sufficiently ambitious and robust to meet housing needs across their housing market areas. But where plans are not coming forward as they should, there needs to be a fall-back mechanism that can release land for development when it is required.
2. Planned housing trajectories should be realistic, accounting and responding to lapse rates, lead-in times and sensible build rates. This is likely to mean allocating more sites rather than less, with a good mix of types and sizes, and then being realistic about how fast they will deliver so that supply is maintained throughout the plan period. Because no one site is the same – and with significant variations from the average in terms of lead-in time and build rates – a sensible approach to evidence and justification is required.
3. Spatial strategies should reflect that building homes is a complex and risky business. Stronger local markets have higher annual delivery rates, and where there are variations within districts, this should be factored into spatial strategy choices. Further, although large sites can deliver more homes per year over a longer time period, they also have longer lead-in times. To secure short-term immediate boosts in supply – as is required in many areas – a good mix of smaller sites will be necessary.
4. Plans should reflect that – where viable – affordable housing supports higher rates of delivery. This principle is also likely to apply to other sectors that complement market housing for sale, such as build to rent and self-build (where there is demand for those products). Trajectories will thus need to differentiate expected rates of delivery to respond to affordable housing levels or inclusion of other market products. This might mean some areas will want to consider spatial strategies that favour sites with greater prospects of affordable or other types of housing delivery. This plays into the wider debate about support for direct housing delivery for rent by local government and housing associations and ensuring a sufficient product mix on sites.
5. Finally, in considering the pace of delivery, large-scale brownfield sites deliver at a slower rate than do equivalent greenfield sites. The very largest brownfield sites have also seen very long planning approval periods. Self-evidently, many brownfield sites also face barriers to implementation that mean they do not get promoted in the first place. In most locations outside our biggest cities, a good mix of types of site will be required.

A Checklist for Understanding Large-scale Site Delivery

In setting or assessing reasonable housing trajectories for local plans or five year housing land supply, the lead-in times and average rates of housing delivery identified in this research can represent helpful benchmarks or rules of thumb, particularly in situations where there is limited local evidence.

However, these rules of thumb are not definitive. It is clear from our analysis that some sites start and deliver more quickly than this average, whilst others have delivered much more slowly. Every site is different.

In considering the evidence justifying the estimated time and rate of delivery, the questions listed in Table 4 below represent a checklist of questions that are likely to be relevant:

Table 4: Questions to consider on the speed of housing delivery on large-scale sites

Lead-in times to getting started on site	Factors affecting the speed of build out rate
<input checked="" type="checkbox"/> Is the land in existing use?	<input checked="" type="checkbox"/> How large is the site?
<input checked="" type="checkbox"/> Has the land been fully assembled?	<input checked="" type="checkbox"/> Will the scale, configuration and delivery model for the site support more sales outlets?
<input checked="" type="checkbox"/> If in multiple ownership/control, are the interests of all parties aligned?	<input checked="" type="checkbox"/> How strong is the local market?
<input checked="" type="checkbox"/> To what extent is there any challenge to the principle of development?	<input checked="" type="checkbox"/> Does the site tap into local demand from one or more existing neighbourhoods?
<input checked="" type="checkbox"/> Is the site already allocated for development? Does it need to be in order for release?	<input checked="" type="checkbox"/> Is the density and mix of housing to be provided consistent with higher rates of delivery?
<input checked="" type="checkbox"/> Does an SPD, masterplan or development brief help resolve key planning issues?	<input checked="" type="checkbox"/> What proportion of affordable housing is being delivered?
<input checked="" type="checkbox"/> Is the masterplan/development brief consistent with what the developer will deliver?	<input checked="" type="checkbox"/> Are there other forms of housing – such as build to rent – included?
<input checked="" type="checkbox"/> Is there an extant planning application or permission?	<input checked="" type="checkbox"/> When will new infrastructure – such as schools – be provided to support the new community?
<input checked="" type="checkbox"/> Are there significant objections to the proposal from local residents?	<input checked="" type="checkbox"/> Are there trigger points or phasing issues that may affect the build rate achievable in different phases?
<input checked="" type="checkbox"/> Are there material objections to the proposal from statutory bodies?	
<input checked="" type="checkbox"/> Are there infrastructure requirements – such as access – that need to be in place before new homes can be built?	
<input checked="" type="checkbox"/> Are there infrastructure costs or other factors that may make the site unviable?	
<input checked="" type="checkbox"/> Does the proposal rely on access to public resources?	
<input checked="" type="checkbox"/> If planning permission is secured, is reserved matters approval required?	
<input checked="" type="checkbox"/> Does the scheme have pre-commencement conditions?	
<input checked="" type="checkbox"/> Is the scheme being promoted by a developer who will need time to dispose of the site to a house builder?	

Appendix 2: Small Sites Reviewed

Site Name	Local Planning Authority	Site Size
Holme Farm, Carleton Road, Pontefract	Wakefield	50
Part Sr3 Site, Off Elizabeth Close, Scotter	West Lindsey	50
Former Downend Lower School, North View, Staple Hill	South Gloucestershire	52
Fenton Grange, Wooler	Northumberland	54
Land at the Beacon, Tilford Road, Hindhead	Waverley	59
Land To Rear Of 28 - 34 Bedale Road, Aiskew	Hambleton	59
Hanwell Fields Development, Banbury	Cherwell	59
Land at Prudhoe Hospital, Prudhoe	Northumberland	60
Oxfordshire County Council Highways Depot	Cherwell	60
Clewborough House School, St Catherines Road	Cherwell	60
Land south of Pinchington Lane	West Berkshire	64
Land Off Cirencester Rd	Stroud	66
Springfield Road Caunt Road	South Kesteven	67
Land off Crown Lane	Wychavon	68
Former Wensleydale School, Dent Street, Blyth	Northumberland	68
Land at Lintham Drive, Kingswood	South Gloucestershire	68
Hawthorn Croft (Off Hawthorn Avenue Old Slaughterhouse Site), Gainsborough	West Lindsey	69
Land to the North of Walk Mill Drive	Wychavon	71
Watermead, Land At Kennel Lane, Brockworth	Tewkesbury	72
North East Area Professional Centre, Furnace Drive, Furnace Green	Crawley	76
Land at Willoughbys Bank, Clayport Bank, Alnwick	Northumberland	76
The Kylins, Loansdean, Morpeth	Northumberland	88
MR10 Site, Caistor Road, Market Rasen	West Lindsey	89
OS Field 9972 York Road Easingwold	Hambleton	93
Land At Green Road - Reading College	Reading	93
North East Sandylands	South Lakeland	94
Auction Mart	South Lakeland	94
Parcel 4, Gloucester Business Park, Brockworth	Tewkesbury	94
Former York Trailers Yafforth Road Northallerton Scheme 1/2	Hambleton	96
Poppy Meadow	Stratford-on-Avon	106
Weeton Road/Fleetwood Road	Fylde	106
Land South of Station Road	East Hertfordshire	111
Former Bewbush Leisure Centre Site, Breezehurst Drive, Bewbush	Crawley	112
Land West Of Birchwood Road, Latimer Close	Bristol, City of	119
Land Between Godsey Lane And Towngate East	South Kesteven	120
Bibby Scientific Ltd	Stafford	120
Kennet Island Phase 1B - E, F, O & Q, Manor Farm Road	Reading	125
Primrose Mill Site	Ribble Valley	126
Land Rear Of Mount Pleasant	Cheshire West and Chester	127
Land to the east of Efflinch Lane	East Staffordshire	130
North of Douglas Road, Kingswood	South Gloucestershire	131
Land at Farnham Hospital, Hale Road, Farnham	Waverley	134
Bracken Park, Land At Corringham Road, Gainsborough	West Lindsey	141
Doxey Road	Stafford	145
Former York Trailers Yafforth Road Northallerton Scheme 2/2	Hambleton	145

Site Name	Local Planning Authority	Site Size
London Road/ Adj. St Francis Close	East Hertfordshire	149
MR4 Site, Land off Gallamore Lane, Market Rasen	West Lindsey	149
Queen Mary School	Fylde	169
Sellars Farm, Sellars Road	Stroud	176
Land South of Inervet Campus Off Brickhill Street, Walton	Milton Keynes	176
Notcutts Nursery, 150 - 152 London Road	Cherwell	182
Hoval Ltd North Gate	Newark and Sherwood	196
Hewlett Packard (Land Adjacent To Romney House), Romney Avenue	Bristol, City of	242
128-134 Bridge Road And Nos 1 - 4 Oldfield Road	Windsor and Maidenhead	242
GCHQ Oakley - Phase 1	Cheltenham	262
Land off Henthorn Road	Ribble Valley	270
Land Between A419 And A417, Kingshill North, Cirencester	Cotswold	270
Hortham Hospital, Hortham Lane, Almondsbury	South Gloucestershire	270
Land At Canons Marsh, Anchor Road	Bristol, City of	272
M & G Sports Ground, Golden York and Middle Farm, Badgeworth	Tewkesbury	273
Long Marston Storage Depot Phase 1	Stratford-on-Avon	284
Land at Brookwood Farm, Bagshot Road	Woking	297
Land at, Badsey Road	Wychavon	298
Land At Fire Service College, London Road, Moreton in Marsh	Cotswold	299
Land At Dorian Road	Bristol, City of	300
Kennet Island Phase 1 - H, M, T, U1, U2 Manor Farm Road	Reading	303
Chatham Street Car Park Complex	Reading	307
Former NCB Workshops, Ellington Rd, Ashington (aka Portland Park)	Northumberland	357
Former Masons Cerement Works and Adjoining Ministry of Defence Land, Gipping Road, Great Blakenham	Mid Suffolk	365
Woolley Edge Park Site	Wakefield	375
Luneside West	Lancaster	403
Radyr Sidings	Cardiff	421
New World House, Thelwall Lane	Warrington	426
Land at former Battle Hospital, 344 Oxford Road	Reading Borough Council	434
New Central (Land at Guildford Road and Bradfield Close including Network House, Merrion House, Bradford House and Coronation House	Woking Borough Council	445
Kingsmead South	Milton Keynes Council	450
Bleach Green, Winlaton	Gateshead	456
Farington Park, East of Wheelton Lane	South Ribble	468
Bickershaw Colliery, Plank Lane, Leigh	Wigan	471
Farnborough Business Park	Rushmoor	476
Horfield Estate, Filton Avenue, Horfield	Bristol City Council	485
Stenson Fields	South Derbyshire	487
Cookridge Hospital	Leeds	495

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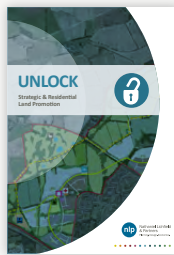
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Appendix 2

The Deliverability and Affordability of Housing in the South West of England

*Professor Glen Bramley,
James Morgan
Heriot Watt University*

*Sarah Ballantyne Way,
Lin Cousins,
Dominic Houston
Three Dragons*

6. STRATEGIC SITES AND DELIVERY

Planning process

- 6.1 Five of the six case study sites were first identified in a formal planning policy, in regional planning guidance in the early 2000s. At this stage, the case studies were not set out in detail but were within a general area for growth. They were taken forward as an allocation in a local plan which typically defined the land allocated for development and the scale of that development (residential and non-residential). In some, but not all the case studies, the site was also included in a structure plan which may have been before or after its identification in regional planning guidance.
- 6.2 Thereafter, there has been an outline application defining the principles for the development followed by a series of reserved matters permissions – setting out the details for the layout of that phase of development along with other matters for example the amount and type of affordable housing to be delivered and other planning obligations to be met. The table below indicates the planning timeline for the case study sites including the slightly different route taken by the sixth and smallest case study – Tolgus.

**Table 6.1: Planning Timeline of Case Study Sites
RPG – Regional Planning Guidance RSS – Regional Spatial Strategy (final draft – never formally adopted)**

	Pre RPG	RPG	RSS	Structure Plan	Local Plan (or equivalent)	First application	First PP granted	Reserved matters – 1 st RM application	Start on Site	Timeline – site inception to start on site
1. Bath Western Riverside	2000 – council identifies site	2001 V General location	2008 V Site identified	2002 Site identified for major mixed use development	2007 – site identified 2014 – site identified	2006	2010	06/2011	2011	2000 – 2011 11 years
2. Cranbrook	1999 structure plan – 1 st mention	V General location	V General location	2004 Site identified – 3,000 dws	2006 – 2,900 dws 2016 – 6,300 dws	2003	2010	01/2011	2011	1999 – 2011 12 years
3. Charlton Hayes		V General location	V Site identified	2002 – General location	2005 – 2,200 dws	2003	2008	04/2009	2009	2001 – 2009 8 years
4. Monkton Heathfield	2000 Structure Plan – general location	V General location	V Area of search	2000	2004 – 50 ha site identified 2012 – site for 4,500 dws	2005	2009	07/2010	2012	2000 – 2012 12 years
5. Sherford	1999 structure plan	V General location	V Site identified	2004 Site for 4,000 dws	2002 – 3,500 dws 2007 (AAP) and 2006 core strategy - 4,000 dws	2006	2013	03/2015	2015	1999 – 2015 16 years
6. Tolgus		V General location	V General location	2004 – area for growth	2009 AAP – preferred location 2016 town framework – site identified	2012	2013	No RM application as yet for the residential element.	2016 (initial highway works)	N/A but c.15 years

- 6.3 From the time that the case study sites first appear in a formal planning document until their start on site is, on average, about 10 years – sometimes longer (up to 16 years) and sometimes a little faster. This will underestimate the true total time it will have taken from scheme inception to start of development as there will have been a period of pre-planning before the regional or structure plans were adopted and quite possibly time taken to bring the site together into a coherent ownership package before the scheme could be promoted.
- 6.4 It is not possible to say from this research whether the timelines for the South West case studies of this scale are more or less than found elsewhere in the country (although our experience suggests not). The length of time for the planning process to start on site does not appear to relate directly to the scale of the development – so we have a scheme of 2,300 dwellings and one of 4,500 dwellings that took almost the same number of years (11 and 12) between their initial inclusion in a development plan and start on site. It is appreciated that smaller schemes (in the tens and hundreds of dwellings) would be expected to start to deliver housing in a significantly shorter time.

Factors behind the planning timeline

- 6.5 The research has not identified a single reason that explains the lengthy process from formal identification of a scheme to the start of its development. To a large extent, the time taken is a reflection of the complexity of bringing together all the elements of large-scale development and taking them through the planning process to achieve effective place-making.
- 6.6 The case studies have highlighted a number of specific issues that can affect the timeline to first development to some extent or another. The key issues identified include:
- Bringing land ownerships together to secure a land-holding of sufficient scale and in the right location suitable for allocating in a development plan. Land ownership issues can subsequently dog development later on and the local authority may have little it can do to intervene between private sector interests (although, as commented on later, there are ways in which local authorities can help to minimise ownership issues).
 - Agreeing a master plan for the scheme and/or design guide and then negotiating a S106 agreement that sets out how the future quality of the development will be achieved. S106 agreements can involve a wide range of organisations (especially in two tier authorities) and a wide range of issues to re-solve. Effective multi agency negotiations require adequate resourcing (for the local authority and developer/landowner team) and an understanding of the requirement and funding of infrastructure needed to support large-scale schemes.
 - The need for external funding (typically but not exclusively from the HCA) can delay development when it is not readily available and a scheme requires infrastructure to proceed for example highway works, flood control measures. On the other hand, a funding deadline can accelerate development decisions. Securing funding to the optimum timetable is not easy to achieve and can involve a range of agencies, authorities and private sector interests.
 - The case studies were all subject to the economic downturn of 2007/2008 and the slow recovery thereafter. This led to delays as values dropped and viability deteriorated and the developer initiated a renegotiation of the final/emerging s106 agreements. This did not happen with all the case studies and where there was some flexibility in the S106 agreement already (and a location in a strong housing market area) the scheme proceeded as already set out.

- Other national policy changes can provide a ‘shock’ to the development process – again, primarily when these affect funding. An example given of this was the impact of the 2015 Budget which pegged back affordable housing rents leading to one housing association withdrawing its offer for affordable housing and an alternative provider had to be sought with a consequent delay.
- It is difficult to quantify but the case studies suggest that working relationships between developer and local planning authority, between different public sector authorities and within landowner/developer consortiums can help to smooth the development process or can slow down progress when they do not work well. We return to this theme in a later chapter.

6.7 The analysis of the planning timelines also highlights the time taken between outline planning permission and agreeing the details of development (through the reserved matters applications). For our case studies, this could take as long 2 years. RM permissions are often for packages of development (for example as little as 100 dwellings even in the largest schemes). The number of dwellings ready for development is controlled by the pattern of RM applications and, with the outline permission in place, this will largely be at the discretion of the developer. The scope and coverage of any design guide and/or masterplan will inform RM applications and where there is a design guide of sufficient detail and supported by the developer and local authority, the process of securing detailed planning permission is likely to be much smoother.

6.8 One option to help maintain the supply of permitted dwellings (where a scheme is too large for a single reserved matters application) may be for the S106 agreement to set out a timetable for RM applications. This option requires further development but could assist in maintaining development pace on large-scale schemes. Later in the report we also highlight the workload for planning authorities in dealing with large-scale developments the number of planning applications they need to deal with. Ensuring sufficient officer capacity to do so is important.

Pace of development

6.9 Housebuilding rates take a couple of years to build up. Our estimates of build rates (based on local evidence for example published monitoring reports) are set out in the table below. Some figures vary slightly from those shown in the previous chapter because of minor differences between data sources.

Table 6.2: Housebuilding rates

Case Study	Start on site	Dwellings completed	Notional pace ¹⁷ (dw pa)
1. Western Riverside	2011	800	133
2. Cranbrook	2011	1,500	350
3. Charlton Hayes	2009	1,750	250
4. Monkton Heathfield	2012	810	250
5. Sherford	2015	c.25	n/a
6. Tolgus	2016	-	n/a

¹⁷ Estimates of development pace will depend on data sources available – we have taken averages of last three years where data permits.

- 6.10 The table indicates that the large-scale developments can achieve about 250/350 completions each year but that this figure is a 'maximum' average. Where detailed information is available, it does indicate that building rates can fluctuate quite markedly year-to-year.
- 6.11 Case study interviews suggested that annual completions of between 40 and 50 (market) dwellings could be expected for each development 'flag'. The number of 'flags' (and hence overall delivery rates) will be influenced by the strength of the local market, competing supply in the wider area, developer consortium arrangements, as well as the perceived quality of the development. The planning system cannot, of itself, accelerate the pace of delivery and setting long-term rates of delivery without reference to the market, could prove unachievable.

Summary

- Large-scale strategic developments necessarily take time to start to produce housing completions. On average it is 10 years between the time a large-scale strategic development is first identified in a (regional) plan until start on site and about two years between outline planning permission and the first RM permission.
- There is no single reason for the length of the planning timeline and issues around land ownership, funding availability, working relationships and guidance can play a part in this. The market down turn of the late 2000s held back development in most of the case studies.
- There has been a maximum 'average' build rate of 250-350 dwellings per annum which reflects the strength of the local market amongst other factors.

11. HOW LOCAL AUTHORITIES APPROACH THE DEVELOPMENT PROCESS

Diversity of Scheme Contexts

- 11.1 All of the case study developments represent a significant element of local authorities' housing supply. In this sense they were all strategic but their strategic significance often went beyond just housing.
- 11.2 All of the (larger) schemes included non-residential uses but some went further than just mixed use and their objectives included creating successful new towns or regenerating significant city centre locations. These different objectives played a part in how local authorities tackled development. The skills and experience of the authorities also influenced their approaches.

Different Organisational Approaches

- 11.3 As described in detail in section 6, the genesis of the schemes followed a similar pattern – they were first identified in a historic regional plan (often as part of a broad location for major development) before becoming a named development allocation in a local plan. The schemes would then be subjects of outline planning permission applications with a series of RM permissions providing (alongside S106 agreements) the details needed to commence development.
- 11.4 The schemes were therefore progressed under the same system as other applications but their scale and significance meant that they were far more complex and the stakes were higher for the local authority and for the other participants. Success or failure of these schemes would impact on a wide variety of local authority plans and strategies which went beyond planning for housing. Delivery required consideration and input, sometimes in the form of funding, from a number of agencies beyond the planning authority.
- 11.5 The ways in which planning authorities have responded to the task of facilitating large-scale developments varies quite significantly and not just in response to the scale and complexity of the development.
- 11.6 The most basic model adopted by the local authority would be for the scheme to be dealt with by the existing development management (DM) team within a single authority. Because of the scale and complexity, a manager with responsibility for progressing the scheme would be appointed but working with a range of other officers from within their authority and with officers from the county council in two tier authorities to deal with the various policy and funding issues that arise from the planning of large-scale schemes.
- 11.7 Specialist external advisors are also brought into the process when they are needed. This is particularly the case in dealing with issues around the viability of development (particularly in relation to affordable housing) which are, in the main, outsourced to external consultants, often the District Valuer (DV). But the LPA can then somewhat loses control of the process.
- 11.8 An authority may set up a dedicated multidisciplinary teams which brings together the relevant specialists within the authority or authorities if there is to be cross authority working. These teams may include additional urban design skills in an attempt to keep control of vital elements of place-making.

- 11.9 Other models of delivery involve the establishment of a separate ‘grouping’ to oversee the project. These organisations (perhaps labelled as projects or delivery boards) may be set up and have oversight for one scheme or for the growth of a wider area and they may involve just one authority or a group of authorities. Critically, though, they bring together the local authorities and the developers/landowners involved as well as the major potential funders (such as the HCA and the LEP). Again, depending on how the organisation is set up, local politicians can be involved in the decision-making processes but this is not universal.
- 11.10 These arrangements can sit alongside formal agreements between the local authority and developer/landowner which commit the council to provide certain infrastructure and housing funding in return for a commitment from a developer to bring the site forward and start delivering housing.
- 11.11 The research has shown that these different sorts of arrangements can help maintain the momentum of the development process, resolve issues at a very senior level and provide a ‘single voice’ for a scheme, especially when external funding sources are being sought.
- 11.12 In addition, recently available capacity building funding has been useful to many of the LPAs in building up their skills and knowledge for dealing with their larger schemes and in simply adding to the number of officers to deal with all aspects of the planning process for the large-scale schemes. Nevertheless, there was a view that some technical skills, especially in relation to valuation and legal issues still require to be bought in rather than rely on in-house resources.
- 11.13 The importance of leadership was highlighted over several case studies. Strong leadership within the local authority was associated with commitment to the scheme objectives. Where the scheme was viewed as more than simply a large-scale housing development, this was an impetus for senior officer and political support.
- 11.14 The importance of ‘leadership’ is not exclusive to the local authority sector and the way development consortium organise themselves and operate can have a bearing on the effectiveness of working arrangements with local authorities. This is not something the authority can readily influence but does need to be borne in mind.

Funding

- 11.15 Securing appropriate funding for development can be critical to the success of large-scale housing developments and, evidently, the more infrastructure required, the more significant the need for funding.
- 11.16 To achieve this, the authority needs a clear view of what funding is required and when and how this fits with national and regional bodies’ priorities, recognising when these may change and that there is a shift away from grant towards loan funding models.
- 11.17 This was striking where for example local authorities were able to complement funding from HCA for affordable rent and social rent with council funded social rented units. Partnership working with RPs and developers is also necessary to make the case for inclusion in HCA and other funding body programmes. Having a strategic view of when to bring forward schemes was also important with one authority stating that it had missed the deadline for application for NHAP funding. Of course, the lack of control which local authorities have over bringing forward delivery hampers them in this respect.

11.18 Funders such as HCA responded well and were able to fund schemes where the local authority/project board was able to demonstrate need for and benefits from funding and that the scheme was ready to go with other agencies (for example county highway departments, housebuilders and RPs) lined up and planning consent in place. Other authorities, with similar schemes but less preparation and less strongly argued cases were unsuccessful in bidding for funds. The following comment from a local authority officer well illustrates the point:

“Key thing is having a plan - being very clear about when ...infrastructure is needed – so plan when to work up designs for each element and seek funding... Must take advantage of all funding opportunities - the various different programmes that are available...”

11.19 The downside of working to enable readiness for funding opportunities is that there is a view that schemes can be hurried through the planning process to achieve this. If this means rushed approval and lack of attention to detail in areas such as design or affordable housing provision, this can contribute to local authorities lacking engagement and control and limiting their ability to foster place making and sustainable communities. Since funding is necessary for large schemes, whether directly for affordable housing or for infrastructure, readiness is essential and good practice can ensure that this is not at the expense of scheme quality.

11.20 Success in obtaining external funding appears to rest on: i) a clear development strategy shared across all relevant authorities; ii) high level political agreement on what is required and priorities for funding; iii) ‘ready-to-go schemes’ that can pick up short term funding opportunities; iv) a clear ‘single voice’ to funders so it is apparent what is required; and vi) lobbying to ensure the value of the scheme is understood by funding decision takers and local and national politicians.

Sharing Experiences

11.21 The case studies have highlighted the capacity and range of skills required of local authorities in taking forward large-scale schemes. Often officers and politicians are dealing with complex design, funding, scheme viability and other issues that are largely unfamiliar. There is no ‘guide book’ that sets out how to bring forward large sites and each authority will learn from their own experience.

11.22 While developers and housebuilders may bring experience from elsewhere, this is not the case for local authorities. There is some sharing of knowledge on an informal basis with authorities liaising directly with other LAs they know to be dealing with similar situations – but this is a bit ‘hit and miss’. We found no evidence of a regional or national network of knowledge whereby authorities can ‘learn’ from others.

Delivery Models

11.23 We have set out the different ways in which local authorities organise themselves to facilitate large-scale developments. Some interviewees did not consider that the current set of arrangements open to authorities were the best way to deal with large-scale developments and were arguing for more radical solutions.

11.24 These included (re-)introducing the development corporation model for large-scale schemes, although this need not necessarily be public sector-led. This option was seen to have advantages in terms of control of the land and therefore it would be easier to ensure design

and place-making standards were met while the pace of delivery of new housing is maintained. Without being specific on the details of how they might operate, some local authority interviewees suggested alternatives such as Community Land Trusts; Garden Village and Joint Venture Models could be explored further.

Summary

- Although large-scale development follow the same basic planning pathway, local authorities take different approaches to the way they organise themselves to plan for and deliver them. These range from a standard DM approach (with enhanced resources), a within-house team approach through to bespoke organisations that bring together local political leaders along with key agencies and the developers/landowners.
- Securing external funding for infrastructure and/or affordable housing is critical to many of the large-scale developments. This is particularly the case when there is a requirement for up front infrastructure provision and potential cash-flow difficulties. Success in obtaining external funding appears to rest on: i) a clear development strategy shared across all relevant authorities; ii) high level political agreement on what is required and priorities for funding; iii) 'ready-to-go schemes' that can pick up short term funding opportunities; iv) a clear 'single voice' to funders.
- Delivering large-scale development requires a range of skills and approaches that maybe unfamiliar and authorities look to each other, on an informal basis, to share ideas and learn from others' experience.
- Other models of delivery (including development corporations and garden villages) could offer other and better options to ensure delivery of large-scale developments.

CONCLUDING COMMENTS

- 12.1 As the RTPI anticipated, the South West has relatively high house prices and (private) rents with the long-term rate of price appreciation substantially above the growth in incomes or earnings. Prices are highest in Bath, Bristol and Bournemouth – the larger urban areas which are closer to London and the South East but affordability issues are not limited to these areas.
- 12.2 Yet the level of total new housebuilding completions has been in serious decline over quite a long period. The causes of the housing affordability crisis in many parts of the UK are complex and multi-faceted, but a decline in supply coinciding with population growth has undoubtedly contributed to an affordability problem in the region.
- 12.3 The case studies of large-scale development for this research are substantial in scale (up to 8,000 dwellings) but while most of them have a noticeable impact on total new build supply in their locality this is generally still relatively moderate. Neither do they appear to offer cheaper housing solutions with prices somewhat above the median level for their HMA as a whole. However, large-scale schemes do provide opportunities to deliver a steady flow of a relatively large amount of affordable housing (of around 25/30% of the total dwellings). The promotion of larger sites may lead to improvements in general housing market affordability, although this would also be the case if similar numbers of new homes of a similar type could be provided in total across a number of smaller sites.
- 12.4 Large-scale housing developments have to create successful places. This requires a clear strategy from the local authority that fits with the wide range of its objectives. Principally, these developments are about meeting the need for housing but they must also meet economic and sustainability objectives. Their delivery requires co-ordination with infrastructure provision which is dealt with at county, regional and national levels. Transport implications of largescale housing development can be local, regional and national. Transport considerations must be across all modes from pedestrian and cycling networks to links with national motorways and rail systems. Providing for additional school places is often an important consideration. Employment opportunities are necessary if the housing development is to be sustainable. Employment issues may relate to areas beyond the housing development or even the district and should mesh with sub regional, regional and national policy.
- 12.5 All of this points to the need for a long lead in time and a strategic approach to planning and delivery. Developments of the scale we reviewed (600 to 8,000 dwellings) had lead-in times of around 10 years from first being identified in a (regional) plan until start on site and about two years between outline planning permission and the first RM permission.
- 12.6 Once the schemes are started, they then can deliver up to 250-350 dwellings per annum. However, the flow of completions can be erratic year on year and will depend on a number of factors including the pipeline of full permissions and the strength of the local market and the perceived attractiveness of the scheme to draw in purchasers.
- 12.7 Viability issues can affect a scheme across its life and will usually involve compromises between the amount and type of affordable housing secured and other infrastructure. S106 agreements are often reviewed more than once and the availability of public funding will impact on what can be achieved. Viability issues differed subtly between the case studies and different solutions were identified – sometimes but not always involving future reviews of the amount of affordable housing provided.

- 12.8 Obtaining external funding to support the development depends on a number of factors and simply identifying a general need for funding is unlikely to be sufficient. We identified six factors that seem to be important in securing public sector funding: i) a clear development strategy shared across all relevant authorities; ii) high level political agreement on what is required and priorities for funding; iii) 'ready-to-go schemes' that can pick up short-term funding opportunities; iv) a clear 'single voice' to funders so it is apparent what is required; and vi) lobbying to ensure the value of the scheme is understood by funding decision takers and local and national politicians.
- 12.9 There are different ways in which authorities organise themselves to deal with large-scale developments including setting up bespoke and dedicated teams which bring together a range of traditional planning skills alongside development and funding know-how and involve partnership working between the public and private sector and at the most senior level. It is increasingly unusual for an authority to deal with this scale of development through its standard DM route.
- 12.10 Steps within the control of the local authority which could form part of good practice in delivering large-scale developments include:
- Early identification of potential schemes including analysis of key challenges such as land ownership consolidation, infrastructure constraints;
 - Once scheme promoters and developers have emerged or been identified, a partnering relationship with these stakeholders is established as soon as possible – this may be best as a bespoke single purpose group;
 - Consideration of development corporation approaches (either private or public sector-led) as well as joint venture models etc;
 - Leadership within the local authority, including member support, which establishes the importance of the scheme to the authority and how it fits with the authority's objectives and plans;
 - Robust design guides and master plans that can support and potentially streamline the planning process and assist both the local authority in meeting its objectives and developers in providing a level playing field;
 - Local authorities and their partners need to have good intelligence of potential sources of funding and senior figures should be proactive in promoting the scheme in terms of the objectives of funders;
 - Ensuring that there is adequate capacity within the authority(ies) with the right skills – including expertise in viability so can act as an 'intelligent client' (even if external organisations undertake specific assessments);
 - Sharing knowledge and experience with other local authorities working on similar schemes to strengthen good practice.
- 12.11 Central government, local government associations and organisations such as the RTPI itself could play a significant role in providing practical guidance for LAs on good practice in delivery of large-scale development – this could simply be establishing networks to share knowledge between a peer group of LAs with experience of large-scale developments.

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