

HUNTINGDONSHIRE LOCAL PLAN EXAMINATION IN PUBLIC

HEARING STATEMENT

MATTER 12 THE SUPPLY AND DELIVERY OF HOUSING LAND

ON BEHALF OF LINDEN HOMES STRATEGIC LAND

**TOWN & COUNTRY PLANNING ACT 1990 (AS AMENDED)
PLANNING AND COMPULSORY PURCHASE ACT 2004**

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CONTENTS:

Page No:

1.	Introduction	1
2.	Q1: What is the estimated total supply of new housing in the plan period 2011-2036 and how does this compare with the planned level of provision of 20,100?	1
3.	Q3: What are the assumptions about the scale and timing of supply and annual rates of delivery from these various sources? Are they realistic?	
	Q4: Specifically, are the timescales and rates of delivery on large strategic sites realistic?	1
4.	Q5: How has flexibility been provided in terms of the supply of housing? Are there other potential sources of supply not specifically identified? Can this be quantified?	5
5.	Q6: Has there been persistent under delivery of housing? In terms of a buffer for a five year supply of housing sites, should this be 5% or 20% in relation to paragraph 47 of the NPPF?	5
6.	Q7: How should the shortfall in delivery since 2011 be dealt with?	6
7.	Q8: What would the requirement be for a five year supply including a buffer and accommodating any shortfall since 2011?	7
8.	Q9: Would the local plan realistically provide for a five year supply on adoption? Will a five year supply be maintained?	7
9.	Q10: Is there a case for a staggered or phased housing requirement with a lower figure in the early years of the plan period to take account of the large strategic sites? If so, what would be an appropriate phasing.	9
10.	Q11: In overall terms would the local plan realistically deliver the number of houses required over the plan period?	9

APPENDIX: ANALYSIS OF HUNTINGDONSHIRE HOUSING TRAJECTORY

1. Introduction

1.1 This Hearing Statement is prepared by Pegasus Group on behalf of Linden Homes Strategic Land, which is promoting land at Lodge Farm, Huntingdon, for development. The site is capable of coming forward in full, or with an early first phase.

1.2 Linden Homes Strategic Land considers the Local Plan relies on optimistic delivery assumptions on the largest sites, and offers little flexibility should actual delivery fail to keep pace with the Housing Trajectory. The Local Plan is therefore not considered to be 'positively prepared' or 'effective' in this respect. Additional allocations should be made to ensure the Plan has 'sufficient flexibility to adapt to rapid change' as required by paragraph 14 of the Framework.

2. **Q1: What is the estimated total supply of new housing in the Plan period 2011-2036 and how does this compare with the planned level of provision of 20,100?**

2.1 The most recent Housing Trajectory, contained within the Annual Monitoring Report 2016/17 (**MON/01**) reveals that the total supply of units to come from the identified sites in the Plan period, plus past completions, stands at 22,088 units. However, as set out in our responses to Q3, 4, 9 and 11 (see also **Appendix** and our Matter 6 and 7 Statements), the delivery rates within that Trajectory are overly optimistic. It therefore would seem that the headroom in the planned supply against the requirement arises only through these optimistic assumptions, and therefore, cannot be relied upon. If more realistic assumptions are applied, the total supply of new housing will not actually meet the total requirement, falling short by *at least* 332 units – but likely significantly more in the event of any delays to delivery.

3. **Q3: What are the assumptions about the scale and timing of supply and annual rates of delivery from these various sources? Are they realistic?**

Q4: Specifically, are the timescales and rates of delivery on large strategic sites realistic?

3.1 Linden Homes Strategic Land has serious concerns that the rates of delivery at Alconbury Weald / RAF Alconbury and St Neots East Strategic Expansion Locations (SELs) are unduly optimistic, having regard to the recent body of

research in respect of delivery rates at large sites. Linden Homes Strategic Land notes that these concerns are shared by other representors to the Plan (raised chiefly in statements to Matter 3).

- 3.2 As set out more fully in our Regulation 19 representations, local comparable examples include Cambourne, South Cambridgeshire, which achieved an average delivery rate of 206 dwellings per annum; The Hamptons, Peterborough, which achieved an average of 228 dwellings per annum; and Loves Farm at St Neots in Huntingdonshire itself, which achieved an average of 143 dwellings per annum.
- 3.3 We also note that in neighbouring South Cambridgeshire District, the Council has proposed modifications to limit delivery rates at its largest sites, namely Northstowe and Waterbeach, to no more than 250 dwellings per annum each, and at Bourn Airfield to no more than 150 dwellings per annum. It is noted that prevailing market conditions in the Greater Cambridge area (including South Cambridgeshire) are particularly strong and where housing delivery has historically failed to keep pace with that strong market demand.

Alconbury / RAF Alconbury

- 3.4 The Trajectory envisages very high delivery rates across the two Alconbury sites taking effect from 2019/20 onwards, with Alconbury Weald due to deliver 250 units per annum from them. However, delivery rates at the site so far have been some way from this level of growth (with 48 completions in 2016/17 and 102 projected completions in 2017/18) and a real step-change in delivery is needed at the site. Given the rates of delivery observed so far, and the fact that there are no additional housebuilders or new reserved matters approvals since 2017/18, it is now questionable whether housebuilding will gain sufficient momentum to achieve the high rates envisaged in such a short space of time. As such, it would be reasonable to expect circa 150 annual completions over the next two monitoring years 2018/19 and 2019/20, whilst the current permissioned parcels are built out and until other parcels come forward.
- 3.5 Looking ahead at the longer term, for Alconbury Weald, the plan projects up to 300 completions per annum from 2029/30, and for RAF Alconbury the plan projects up to 185 dwellings per annum from 2029/30. Across both Alconbury sites, the plan projects up to 485 completions per annum; furthermore these delivery rates are sustained right to the end of the Plan period.

- 3.6 It is clear that the sustained delivery of 300 units per annum at Alconbury Weald – or 480-485 if neighbouring RAF Alconbury is included – are simply unrealistic. The only local comparator site which achieved delivery rates over 300 dwellings per annum over any sustained period is the Hamptons at Peterborough; we note that the Hamptons is the second largest development of its type in the UK and much of its growth took place during a period of sustained economic growth during the late 1990s and early 2000s. Taking a longer view, delivery rates averaged at only 228 units per annum. It is difficult to see how the two Alconbury sites, in combination or individually, could realistically exceed these rates of delivery. The experience of Cambourne and Loves Farm, and indeed the wider national picture, also clearly tend towards lower rates of delivery.
- 3.7 Furthermore the Trajectory currently does not recognise that the site will effectively form a single site, across which delivery rates of up to 485 dwellings per annum are unrealistic. The recent Letwin Review (paragraph 4.18) indicates that market absorption rates can be expected to be better when development occurs over different sites in different locations. Conversely, rates may be slower across a single larger site.
- 3.8 In this context, it would be unlikely that Alconbury Weald and RAF Alconbury, which will essentially form one contiguous site, would be able to achieve such high rates across its two constituent allocations. We suggest that an annual average of 200 dwellings per annum at Alconbury Weald, rising over time to a combined maximum of **250 dwellings** across both allocations might be deliverable *albeit still optimistic*, again having regard to the potential for market saturation and the observed delivery rates at larger local schemes such as Cambourne, Hampton, Northstowe and Waterbeach.

St Neots East

- 3.9 St Neots East, according to the Trajectory, is due to deliver 25 units during monitoring year 2018/19. At the time the Trajectory was prepared in December 2017, planning permission had not yet been granted for that site. This remains the case seven months on – albeit the site now benefits from a committee resolution. With just nine months remaining of the current monitoring year, it is practically impossible that 25 units will be completed in 2018/19. The promoters, Urban and Civic, have themselves advised that this is unlikely¹ and expect the

¹ U&C Matter 6 Statement

first 65 units to be completed in 2019/20. This reflects the findings of the Buckden appeal Inspector who considered first completions could be expected in 2019/20².

3.10 Given the passage of time since then, it is uncertain as to whether even this extended timescale could be achieved. It is necessary to conclude the S106 agreement, undertake any necessary land transactions (such as sale to a housebuilder), discharge all necessary pre-commencement conditions, secure Reserved Matters approval, start on site and complete the first units. This is a significant programme of work, each stage of which is susceptible to delay. At best one might expect a start on site in 2019/20; Urban and Civic suggest that 65 dwellings could come forward that year – but even they recognise this requires prompt and favourable planning outcomes. Given the complexity of this site it would equally be prudent to assume no dwellings come forward to allow for delays which might reasonably be expected.

3.11 In terms of delivery rates, we previously suggested that 200 dwellings per annum would be a reasonable maximum to allow for, taking into account the size of the site and the rates experienced at Loves Farm nearby. We now note that Urban and Civic have reviewed their expected delivery rates and they consider that 200 dwellings per annum is an appropriate figure to use. As such, the Council's continuing reliance on 250 dwellings per annum coming forward is not justified given that *even the promoter is allowing for a more conservative rate of delivery*.

Potential for delay

3.12 The delivery rates we have identified above are in themselves, optimistic; they represent our view on the best rates of delivery that might realistically be achieved, assuming prompt planning outcomes and consistently strong rates of delivery over numerous outlets. The reality could prove somewhat different and various issues could conceivably arise - such as a slowdown in market conditions, the controlled release of the site by the promoter (noting that both Alconbury Weald and St Neots are promoted by the same company), delays to necessary infrastructure, or delays to the planning process. If delivery rates fell by 10% on each site (225 dwellings per annum at Alconbury, 180 at St Neots East), this would result in a five year supply not being maintained beyond 2028/29, and a shortfall of 627 units by the end of the Plan period. Even these rates would still

² Appeal decision APP/H0520/W/17/3172571, 11 December 2017

be higher than those observed at Cambourne and Loves Farm, and would exceed the national average identified by Lichfields. It is noted the figures proposed are consistent with those proposed by other representors to this Plan.

4. Q5: How has flexibility been provided in terms of the supply of housing? Are there other potential sources of supply not specifically identified? Can this be quantified?

4.1 In short, there simply is not enough flexibility in the supply of housing given the optimism of the forecast delivery rates at the SELs. Additional site allocations are essential to provide flexibility should delivery rates fall short of those in the Trajectory. In any case, our view is that the Trajectory does not meet the housing requirement in full and additional allocations are therefore required to make up the balance. Lodge Farm is an appropriate site for allocation, being in the control of a housebuilder which is well placed to make swift progress on delivery of new homes.

5. Q6: Has there been persistent under delivery of housing? In terms of a buffer for a five year supply of housing sites, should this be 5% or 20% in relation to paragraph 47 of the NPPF?

5.1 There has been persistent under-delivery of housing in Huntingdonshire; a point accepted by HDC in its Housing Trajectory (**MON/01**, p59). This means that, in line with paragraph 47 of the Framework, a 20% buffer is appropriate.

5.2 As the PPG explains, there is no single 'test' for establishing whether there is persistent under-delivery³. In the case of Huntingdonshire, we consider it appropriate to assess the Local Plan period as this extends back over six monitoring years, sufficient to understand any emerging trends in delivery, against a backdrop of wider economic growth. We do not consider it necessary to go further beyond, since housing requirements were derived from the Regional Spatial Strategy and therefore inconsistent with the Framework's requirement for Local Plans to address objectively assessed needs.

5.3 Past delivery is set out in the below table⁴:

³ Reference ID: 3-035-20140306

⁴ Completions data for 2011/12 to 2016/17 from table 7.5 of Huntingdonshire AMR 2017

Monitoring year	Delivery	Requirement	Requirement met?	% delivery against requirement
2011/12	847	804	Yes	105%
2012/13	412	804	No	51%
2013/14	686	804	No	85%
2014/15	514	804	No	64%
2015/16	534	804	No	66%
2016/17	682	804	No	85%
Total 2011-17	3675	4824	No	76%

5.4 This data shows that, since the start of the Local Plan period in 2011, the housing requirement has been met only once, with it being missed in the following five years, in each case by a sizeable margin (by 49% in one year), resulting in a cumulative shortfall of 1,149 units. Furthermore, the delivery trend does not suggest delivery rates have improved over time. This is also the case when considering the Plan period on a cumulative basis. In our view this represents 'persistent' under delivery.

5.5 It is anticipated that from November 2018, the Housing Delivery Test will take effect. Whereby delivery will be assessed against requirements over a three year period and where delivery falls below 85% of planned requirements, a 20% buffer is applicable. In the case of Huntingdonshire, delivery over 2014-17 totalled 1,730 units which represents 71% of the planned requirement of 2,412 units and a 20% buffer is therefore appropriate.

6. Q7: How should the shortfall in delivery since 2011 be dealt with?

6.1 In its Annual Monitoring Report (**MON/01**, p59), HDC accepts that the Sedgefield method (i.e. addressing shortfall in the first five years) is appropriate and consistent with the need to boost significantly the supply of housing, as set out at paragraph 47 of the Framework. It is also consistent with the advice set out in the PPG⁵.

6.2 Using an alternative approach such as the Liverpool method (i.e. addressing shortfall over the remainder of the Plan period) would simply mean the unmet

⁵ Reference ID: 3-035-20140306

need would remain unaddressed for longer. Given the obvious scope and opportunity in Huntingdonshire to allocate additional sites, there is no reason why the Liverpool method would be necessary.

7. Q8: What would the requirement be for a five year supply including a buffer and accommodating any shortfall since 2011?

7.1 As at the start of monitoring year 2017/18 (the previous monitoring year 2016/17 being the last for which completions data is available), we calculate this to be:

- Annual requirement $804 \times 5 = 4,020$
- Shortfall 2011-17 (addressed in full in the first five years) = 1,149
- Five year requirement + Shortfall + 20% Buffer = **6,341**.

7.2 This calculation assumes the annual requirement of 804 dwellings per annum is appropriate. Linden Homes Strategic Land notes that this figure is subject to objection from other representors (including the Home Builders Federation of which Linden Homes is a member). Depending upon the Inspector's findings in respect of the Plan requirement, it may be necessary to revisit this calculation.

8. Q9: Would the Local Plan realistically provide for a five year supply on adoption? Will a five year supply be maintained?

8.1 it is our view that upon adoption, the Local Plan will provide for a five year supply which is *marginal at best*, taking into account the anticipated delivery timescales and rates for the two SELs.

8.2 We reach this conclusion based upon our revised timescales and delivery rates for the two SELs as discussed in our response to Q3 and Q4. In line with the Council's Trajectory, we consider the use of a 20% buffer and the Sedgefield method to be reasonable. The **Appendix** sets out these calculations and a 'rolling' calculation of the five year supply. It shows that, if one assumes our *most optimistic* assessment of delivery (i.e. up to 250 dwellings per annum at Alconbury Weald / RAF Alconbury, and up to 200 dwellings per annum at St Neots East), the five year supply will stand at circa 5.22 years' on adoption. However, if

a more conservative assessment of delivery rates is applied (e.g. rates 20% lower) then the land supply could fall as low as 5.11 years' worth.

- 8.3 Either way, this means that the Local Plan will not be adopted from a 'position of strength'; it will barely meet the minimum requirement of paragraph 47 and is not consistent with the need to 'boost significantly' the supply of housing. Any unexpected delay to delivery at any of the Local Plan's sites could result in a shortfall arising in the land supply. Such an outcome would do little for public confidence in the Local Plan or the plan-led system moreover, especially at such an early stage of the Plan's lifespan. The Local Plan is therefore not positively prepared or effective in this respect.
- 8.4 The Local Plan must therefore allocate additional sites to provide much needed flexibility in the Plan at these early stages; land at Lodge Farm could come forward with an early first phase to make a meaningful contribution towards the land supply (alongside wider local benefits and in the context of support from the Town Council).
- 8.5 We note the situation at East Cambridgeshire District where its Local Plan was adopted on 21 April 2015, but where a S78 appeal Inspector found that no five year supply existed just two months later on 23 June 2015⁶. This has left that Council facing a 'planning by appeal' scenario ever since; as recently as May 2018, an Inspector found no five year supply exists⁷. The opportunity exists now, through the Plan-making process, to ensure that the Huntingdonshire plan offers enough flexibility to avoid this arising.
- 8.6 Looking further ahead to the latter stages of the Plan period, we also consider that, in light of reduced delivery rates at the SELs, the Plan does not maintain a rolling five year supply. Dependent upon the rates of delivery which are observed, it is possible that a shortfall in the housing land supply could emerge as early as 2027/28 (with a full nine years of the Plan period remaining) thereby requiring corrective action. Again, additional allocations can provide useful flexibility and strong rates of delivery early in the Plan period; furthermore they will reduce the likelihood of a shortfall arising later on. They will also make it easier to respond to any future changes in housing requirement which may occur under the revised Framework upon its publication.

⁶ Appeal reference APP/V0510/A/14/2224671

⁷ Appeal reference APP/V0510/A/17/3186785

9. Q10: Is there a case for a staggered or phased housing requirement with a lower figure in the early years of the plan period to take account of the large strategic sites? If so, what would be an appropriate phasing.

9.1 There is not a case for a staggered housing requirement. Huntingdonshire has already amassed a significant shortfall of 1,149 dwellings against its Plan requirements so far. We are now a full six years into the Plan period and it would be perverse to apply a reduced requirement part-way through the Plan. It will mean that even the district's Objectively Assessed Needs will not be met in full, let alone any shortfall, with delivery deferred to much later in the Plan period. Failure to meet these needs will mean it will take longer to address the need for affordable housing, and place upwards pressure on house prices as supply fails to keep pace with identified needs or to address the existing shortfall. Such an approach would not be positively prepared.

10. Q11: In overall terms would the Local Plan realistically deliver the number of houses required over the Plan period?

No. By our calculations and using our most optimistic scenario, there will be a total shortfall of *at least* 332 units by the end of the Plan period. Clearly any delay or drop in delivery rates will worsen this shortfall; a 10% fall in delivery could create a shortfall of 687 units. Furthermore, the fact that such a significant proportion of planned growth is to take place at just two main locations means that if any of them is delayed significantly for any reason (e.g. through non-delivery of requisite infrastructure) then a more significant 'gap' in the housing land supply could arise, with little flexibility in the Plan to be able to respond. That was the case at South Cambridgeshire where its previous Core Strategy's reliance on development at Northstowe resulted in a shortfall of circa 8,000 units by the end of the Plan period, when that site failed to come forward on time. That may be an extreme example, but nonetheless illustrates the real risks of such a strategy. The Plan is therefore not positively prepared in this respect and requires additional allocations to close this shortfall.

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