

**Barratt Northampton**

East Cambridgeshire Local Plan Examination – Stage 2

September 2018



**HEARING STATEMENT  
FOR MATTER 17:  
DELIVERING A WIDE  
CHOICE OF HIGH  
QUALITY HOMES  
ON BEHALF OF  
BARRATT  
NORTHAMPTON**

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## 1.0 Introduction

- 1.1 These representations are prepared by Bidwells LLP and on behalf of Barratt Northampton who have land interests at Land west of Woodfen Road, Littleport.
- 1.2 Land west of Woodfen Road, Littleport is subject to a proposed site allocation in the emerging East Cambridgeshire Local Plan, under Policy Littleport5 LIT.M1.

## 2.0 Matter 17: Delivering a wide choice of high quality homes

### **Issue 1: Whether the approach towards the supply and delivery of housing land is justified, effective and consistent with national policy?**

**63. What is the estimated total supply of new housing in the plan period 2016-2036? How does this compare with an annual requirement of 598 dwellings (11,960)? Would it be appropriate for the timescale of the Plan to be reduced from 2016- 2034 (as per Council's letter of 3 August 2018) and would such an approach be justified, effective and consistent with national policy?**

- 2.1 The table on Page 73 of the Proposed Submission Local Plan (PSLP, November 2017, CD05A) sets out the total housing supply of 11,672 dwellings for the period 2016-2036, comprising:
  - Main settlements: 7,520 dwellings
  - Large villages: 1,965 dwellings
  - Medium villages: 942 dwellings
  - Small villages: 185 dwellings
  - Community Land Trusts (CLT): 210 dwellings
  - Windfall: 850 dwellings
- 2.2 The latest 5-Year Housing Land Supply assessment (5YHLS, October 2017, MO3) indicates that in 2016/17 there were 232 completions (Table 9, page 63) and a future supply of 10,380 dwellings for 2017/18-2035/36 (Table 8, page 23). This totals 10,612 dwellings but does not include CLT or windfall, which would bring the total to 11,672 dwellings.
- 2.3 Table 8 of the 5YHLS assessment also concludes that ECDC anticipated 424 dwellings being completed, which is consistent with the housing trajectory set out on page 74 of the PSLP. However, ECDC's Briefing Note: Housing Completions 2017/18 (July 2018, ED027) finds that only 289 dwellings were completed (68.2%).

- 2.4 The total supply of 11,672 dwellings is 288 dwellings (2.4%) less than the housing requirement of 11,960 dwellings. This is concerning as it does not allow for any flexibility to adapt to rapid change as required by paragraph 14 of the previous NPPF, and reiterated in paragraph 153, and paragraph 11 of the revised NPPF.
- 2.5 ECDC state that by reducing the period by two years, the housing requirement would be reduced by 1,196 dwellings to 10,764 (ECDC's response to the Inspector's initial findings, August 2018, ED032). The 5YHLS assessment confirms that for the period 2034/35-2035/36, 441 dwellings are expected to be completed from the identified supply. In addition to this will be 85 dwellings for windfall and 15 dwellings for CLT. This totals 541 dwellings, resulting in a supply of 11,131 dwellings for the period of 2016-2034, which would equate to an oversupply of 367 dwellings (3.4%).
- 2.6 This would appear to resolve the overall supply issue and result in a small buffer to introduce an element of flexibility, although we contend that the buffer should be closer to 10% of the housing requirement to be effective. However, this does not allow for any slippage in the housing trajectory, which ECDC accepts has already occurred in 2017/18 with actual completions being 31.8% less than predicted in the 5YHLS assessment. We remain concerned therefore that shortening the period is not the entire solution to resolving the disparity between the housing requirement and supply.
- 2.7 We recommend that, should the Inspector be minded to accept the shortened period, that her report should stipulate that as part of the next statutory 5-year review, ECDC are obligated to extend the period beyond 2034. This will ensure that any issue of slippage over the next five years can be re-addressed quickly. We would however prefer for the period to be kept at 2016-2036.
- 2.8 In addition, we believe the ECDC needs to increase their housing land supply to fully reflect the need to flexibility in accordance with paragraph 14 of the NPPF. This would mean:
- In a 2016-2036 scenario: 13,156 dwellings, resulting in a need to find provision for 1,484 dwellings.
  - In a 2016-2034 scenario: 11,840 dwellings, resulting in a need to find provision for 709 dwellings.
- 2.9 We would anticipate that this additional supply can be readily identified by increasing densities on existing allocations (reflecting paragraphs 122-123 of the revised NPPF) and smaller sites (reflecting paragraph 68 of the revised NPPF). While we acknowledge that this PSLP is being tested against the previous NPPF, it is inevitable that its consistency with the revised NPPF will be a material consideration (paragraph 213 of the revised NPPF) in determining applications from the moment it is adopted. Therefore, by resolving the lack of flexibility in the housing supply in this way, consistency with the revised NPPF is improved, thereby improving the overall robustness of the final plan.
- 64. What is the estimated total supply in the plan period from a) completions since 2016; b) existing planning permissions; c) other commitments; for example, sites subject to S106; d) windfalls (including CLT developments); and e) proposed site allocations?**
- 2.10 This is a question for ECDC.

**65. What allowance has been made for, and on what basis will communal forms of accommodation contribute to the five year housing supply?**

- 2.11 We have not identified any contribution from communal accommodation to the 5YHLS. It is probable however that, if the market for older persons communal accommodation exists, it will likely come forward as part of the larger allocations. It is unlikely that there is any need for student communal accommodation in East Cambridgeshire and therefore we would not expect any provision to be made.
- 66. What are the assumptions about the scale and timing of supply and annual rates of delivery from these various sources? Are these realistic? For example, has there been any discounting of sites with planning permission?**
- 2.12 The housing land supply is set out in detail in the 5YHLS assessment. We have reviewed the scale and timing of the supply and concur with ECDC's assessment. We note also so that in a recent appeal decision (APP/V0510/17/3186785) that the appellants (Gladman Developments) also agreed with ECDC.
- 2.13 We are however concerned that no consideration has been given to slippage and non-implementation of sites with planning permission. PPG paragraph 3-033 recommends taking into consideration the risks to delivery and taking account of the local delivery record. As a result, the Planning Advisory Service (PAS) recommends that LPAs apply a discount to acknowledge that within any trajectory there will be an element of the supply that is not delivered to programme, particularly in instances where actual delivery has fallen short of expectations. It advises that any 'lapse rate' should be based on historic data which sets out the number of permissions compared with completions on similar sized sites.
- 2.14 The PAS guidance is based on the information from a judgement<sup>1</sup> and an appeal<sup>2</sup>. These cases looked at the applicability of a lapse rate as well as the size of the discount. Ultimately it is concluded that the applicability of a lapse rate comes down to the robustness of the evidence supporting the five-year housing land supply trajectory. This was echoed in another recent judgement, which confirmed that a lapse rate should not be applied indiscriminately but rather only on those parts of the supply where there is a concern over their robustness<sup>3</sup>.
- 2.15 We would recommend that as a minimum a rate of 10% should be applied to all planning permissions that are not dealt with in detail in the assessment.
- 67. Specifically, are the timescales and rates of delivery on large sites over 500 dwellings realistic? Are there any barriers to development?**
- 2.16 As above, we have reviewed the delivery rates and concur with ECDC.
- 68. How have windfalls been defined and what evidence is there to support future estimates?**
- 2.17 Appendix 2 (page 62) of ECDC's 5YHLS considers windfall in detail. Overall, we agree that the level of 50dpa is reasonable, but we do disagree with ECDC's conclusions regarding the potential supply of windfall continuing at a rate of 123dpa (page 65). Since windfall can include any sites

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<sup>1</sup> Bloor Homes East Midlands Ltd v SSCLG & Hinckley & Bosworth BC [2014] EWHC 754 Admin.

<sup>2</sup> PINS. 3 November 2014. Appeal Ref: APP/J3720/A/14/2215757 Land off Stratford Road, Hampton Lucy CV35 8BH.

<sup>3</sup> Wokingham BC v SSCLG & Cooper Estates [2017] EWHC 1863 Admin.

not specifically identified in the development plan, it is inevitable that the level of windfall will increase where a 5YHLS cannot be demonstrated. It is important to recognise that in these circumstances that, when a 5YHLS can once again be demonstrated, the level of windfall should decline, even in the context of revised NPPF paragraph 68c, which requires LPAs to support windfall sites. Consequently, evidence of previous levels of windfall should not automatically be deemed compelling evidence of future trends.

**69. 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?**

2.18 As stated in our response to Question 63, we are concerned that there is little or no flexibility in the housing land supply depending on the period of the plan. We do not believe that there are other sources of supply and therefore the PSLP requires modification to allow greater flexibility as suggested in our response to Question 63.

**70. Has there been a persistent undersupply of housing? If so, is it appropriate that a buffer of 20% be applied?**

2.19 The recent Gladman appeal referred to in our response to Question 66 confirms that there has been a persistent undersupply of housing and therefore a 20% buffer should be applied.

2.20 It is also important to note that as part of the revised NPPF, the Housing Delivery Test (HDT) will be in force from November 2018. While this may not be directly relevant to this examination, it will directly affect the calculation of 5YHLS from November in any case. For East Cambridgeshire the HDT results as follows against a currently adopted housing requirement of 575dpa:

- 2015/16: 181 dwellings completed (31.5%)
- 2016/17: 234 dwellings completed (40.7%)
- 2017/18: 289 dwellings completed (50.3%)
- Total: 704 dwellings completed (40.8%)

2.21 The threshold for automatically applying the 20% buffer is 85% (footnote 39 of the revised NPPF) and therefore it seems very likely that the 20% buffer will apply for several years to come.

2.22 Due to the rules around implementing the HDT, the threshold against which the presumption in favour of sustainable development automatically applies in November 2018 is 25%. Therefore, ECDC will pass that hurdle. However, from November 2019, the threshold increases to 45%. To pass this hurdle, against the currently adopted housing requirement, ECDC would need to achieve 253 dwellings in 2018/19. While this is achievable, there is some risk that it might not be achieved. In November 2020, the threshold increases to 75%, which will be considerably more difficult to achieve.

2.23 We re-iterate the need therefore to make provision in this PSLP for higher densities and more smaller allocations to enable greater flexibility and ensure that the period over which the presumption in favour of sustainable development automatically occurs is limited as far as possible.

- 71. How should the shortfall in delivery since 2016 be dealt with?**
- 72. What would the requirement be for a five year supply of housing, including a buffer, and accommodating any shortfall since 2016?**
- 73. Would the Local Plan realistically provide for a five year supply on adoption? Will a five year supply be maintained?**
- 75. In overall terms would the Local Plan deliver the wide choice of high quality homes required over the plan period?**

- 2.24 We shall deal with these four questions together as there are interconnected issues.
- 2.25 The key issue is how ECDC can be given time to increase the rate of delivery without unnecessary penalties, without ‘putting off’ too much of the current need to sometime in the future. There are generally two ways to temporally distributing the housing requirement:
- A stepped trajectory: this allows the local plan to clearly set out what level of housing is targeted during the period. This has the benefits of providing certainty but risks a lack of flexibility if sites could be provided earlier.
  - The Liverpool 5YHLS method: this is a response in the 5YHLS monitoring whereby the shortfall is distributed across the period rather than the next 5-years. It is more flexible but risks the shortfall gathering towards the end of the period.
- 2.26 The two measures are not used together as it would result in a substantial imbalance in delivery across the period. The one recent exception is in Cambridge City and South Cambridgeshire, but this is a unique situation whereby two trajectories in the two plans are dovetailing with one another.
- 2.27 ECDC in their response to the Inspector recommend that a stepped trajectory is used:
- 2016-2021: 500dpa
  - 2022-2034: 635dpa
- 2.28 The PSLP as currently written proposes a slightly stepped trajectory with the 210 CLT dwellings starting to deliver in 2022, resulting in:
- 2016-2021: 531dpa
  - 2021-2036: 566dpa
- 2.29 The adopted Local Plan has a flat housing requirement of 575dpa. To reduce the trajectory further to 500dpa for the first part of the period, we believe, is concerning and has not been justified by ECDC. Their latest 5YHLS assessment shows that, using reasonable assumptions, many of the large allocations (which have been brought across from the previous adopted local plan) are likely to be delivered in the next few years, enabling a rapid increase in delivery.
- 2.30 We believe that a flat trajectory of 598dpa is achievable within the next few years, especially if supply is increased to reflect our concerns over flexibility. However, we do recognise that the HDT is likely to render the PSLP out-of-date within a few years of adoption without some change in trajectory.
- 2.31 We would therefore recommend that the trajectory should remain at 531dpa for 2016-2021 (2,655 dwellings over 5-years) and then increase to 624dpa for 2022-2034 (8,109 dwellings over

13-years) in the shortened period or 620dpa for 2022-2036 (9,305 dwellings over 15-years). This is the most consistent with the current wording of the PSLP, and the SA/SEA, and should therefore require the least amount of modification.

2.32 With this stepped trajectory and the housing trajectory itself showing that within the next few years it is likely that any shortfall can be addressed, there is no need to apply the Liverpool method to the 5YHLS.

2.33 The recent Gladman appeal suggests that ECDC can only currently demonstrate 3.86 years of supply. However, this is against the adopted housing requirement of 575dpa, which resulted in a 5YHLS requirement of 5,881 dwellings. If this were to be decreased to 531dpa, it would suggest that:

- Base requirement: 5 years x 531dpa = 2,655 dwellings
- Shortfall 2016/17 & 2017/18: (2 years x 531 dwellings) - 523 dwellings = 539 dwellings
- 20% Buffer: (2,655 dwellings + 539 dwellings) x 0.2 = 639 dwellings
- Total requirement: 2,655 dwellings + 539 dwellings + 639 dwellings = 3,833 dwellings

2.34 When this is compared to the agreed 5YHLS supply of 4,544 dwellings, it suggests that ECDC would be able to demonstrate 5.85 years supply on adoption of the plan. The inclusion of a lapse rate for planning permissions would reduce this slightly but is unlikely to result in it being less than 5-years. This further supports our assertion that the Liverpool method is not necessary.

2.35 In subsequent years, the increase in supply should start to reduce the shortfall rather than adding to it. In the meantime, however, it will be important to improve the supply to ensure that there is sufficient flexibility and that the 5YHLS is maintained while the larger allocations start delivering.

2.36 In overall terms therefore, we recommend the following to ensure the plan is sound:

- We do not believe that shortening the period is necessary but if the Inspector agrees to do so, a mechanism should be put in place to ensure that the period is extended at the next statutory review.
- In either scenario there is a need to increase the supply to ensure that there is sufficient flexibility in accordance with paragraph 14 of the NPPF. This can be done through increasing densities and allocating more smaller sites, which would also create better alignment with the revised NPPF.
- We do not see any merit in reducing the housing requirement to 500dpa for the first 5-years of the period. We recommend that this is maintained at 531dpa. The rate of delivery after 2021 will be dependent on the length of the remaining period.
- We believe that a 20% buffer is required to the 5YHLS.
- There is no requirement for the Liverpool method. At 531dpa, it is probable that a 5YHLS could be demonstrated from adoption of the local plan with the Sedgefield method. However, there is concern that the HDT could render the plan out-of-date thereby supporting the need for an increase in the short-term supply.