
Hearing Statement on behalf of Jelson Ltd

Harborough District Local Plan

Examination

Matter 2: The housing requirement and its delivery

September 2018

2.3 Are the assumptions about delivery start dates and rates from the SDAs reasonable?

1. The assumptions about delivery start dates and rates from the SDAs are not reasonable.

Studies

2. There are a number of studies that have been published to assess the delivery of large scale housing sites (Sustainable Urban Extensions, Strategic Development Areas etc).
3. Savills published a report assessing the delivery rates of urban extensions in October 2014. The report considers how long it takes for a sustainable urban extension (SUE) to progress through the planning system and rates of delivery once construction has begun. It concludes that, on average, an SUE starts construction on the first phase of housing more than four years after the submission of an outline planning application. In terms of delivery rates, analysis suggests an anticipated delivery of 60 units in the first year, 100 units per annum in subsequent years and then at a consistent level of around 120 units. The build out rate of each site will, of course, depend on local circumstances. For instance, there are examples in the south of England where delivery rates have exceeded 120 units per annum.
4. Nathaniel Lichfield and Partners (Lichfields) published its findings on how quickly large-scale housing sites deliver in November 2016. The report concludes that the average lead in time for large sites (over 500 units) prior to the submission of the first planning application was 3.9 years, while it took on average 5 years for planning approval to be secured. With respect to sites of up to 1,499 units (arguably both Lutterworth and Scraptoft SDAs fall into this category), the report concluded that average delivery rates barely exceed 100 units per annum. There were no examples within this category which reached a rate of 200 homes per annum.
5. The Government produced an independent review of build out rates (draft analysis) in June 2018. This was prepared by Sir Oliver Letwin MP. He found that the median build-out time period for these sites was 15 years, with a median of 6.5% of the site built out each year. As a comparison, the Council has projected the build-out time period to cover 8 years and 10 years for the SDAs at Scraptoft and Lutterworth respectively.
6. All of the above studies are noteworthy. However, they are not without their shortcomings. Principally, the averages are taken from sites around the country where different economic circumstances can influence results. For instance, SUEs in the south-east are more likely to have greater build out rates due to the local market than a site in the north-east, for example.
7. GVA has undertaken its own assessment of the lead in times on major development sites. This study has focused on SUEs within Leicestershire. We have recently completed an analysis of all major housing developments promoted through the Local Plan process in Leicestershire since the

mid 1990's (that is all 500+ unit schemes). The results of this study are perhaps more pertinent to the proposed SDAs in Harborough.

8. The GVA study examined a total of 17 developments. The results are shown on the table attached at Matter 2, Appendix I. The data indicates that it takes on average:

- 5.6 years to get from first contemplation to the submission of an application for planning permission;
- 21 months, from validation of an application for planning permission to secure a resolution to grant permission;
- 23 months to negotiate and complete a S106 Agreement;
- 31 months to get from the submission of the first Reserved Matters or from the submission of the first application to discharge conditions, to having in place all the planning approvals the developer needs to make a start on site (this does not include 'technical approvals' required from, say, the highways and drainage authorities); and
- (based on actual 'opening up' data, or predictions given by developers) 19 months to get from making a start on site to constructing the first dwelling.

9. In the light of the above, we have produced a set of timescales for lead in times which we consider fair and reasonable, and perhaps generous. Certainly the Lichfields Study, and the research that GVA has recently completed on Leicestershire (Matter 2, Appendix I), indicate that longer timescales would be more reflective of what is happening on the ground.

| | |
|------------------------------------------------------------------|---------------------------------------|
| Period to secure resolution to grant outline planning permission | 12 months |
| Period to negotiate Section 106 Agreement | 6 months |
| Period to negotiate sale of land to housebuilder (as relevant) | 9 months |
| Period to prepare and secure approval for Reserved Matters | 12 months |
| Period to discharge conditions / secure technical approvals | 9 months |
| Period for site preparation works | 10 months |
| Total | 58 months (4 years, 10 months) |

10. We have assessed the anticipated delivery start dates of the Lutterworth and Scraftoft SDAs, set out in the Council's HSG14 housing trajectory, in the context of the above.

Delivery Start Dates

Scraptoft SDA

11. The Council anticipates that the Scraptoft SDA will begin delivering homes in 2021/22. This is unreasonable.
12. For the SDA to have a reasonable chance of delivering in 2021/22, we would expect that, at this point in time (September 2018), an outline planning application to have been granted and the land owners to have made good progress with negotiations to dispose of the site to a party capable of developing the site.
13. In reality, an outline planning application has not yet been submitted. The only progress that has been made so far is in respect to a request for a Screening and Scoping Opinion which was submitted to the LPA in May 2017. The LPA confirmed the scope of the EIA in December 2017 (ref. 17/00796/SCP).
14. Given the timescale assumptions in the table above, we do not anticipate that this site will deliver housing until July 2023 (58 months), at the very earliest. This is under the generous assumption that an outline planning application is submitted to the Council this month (September 2018) (of which there is no indication). Additionally, the SDA is unlikely to contribute the 202 homes in the Council's 5YHLS. This would also lead to a reduction of 218 homes in the overall number of dwellings that this site will deliver in the plan period.
15. To complicate matters further, it should be noted that the site is not in the control of, or being promoted by, a housebuilder.

Lutterworth SDA

16. The Council anticipates that the Lutterworth SDA will begin delivering homes in 2023/24. This is unreasonable.
17. In order for the SDA to have a reasonable chance of delivering housing by April 2023, the developer would need to have made an application for outline planning permission by June 2018. This has not happened.
18. Leicestershire County Council submitted a request for a scoping opinion in June 2018. However, the Authority has yet to issue a response (ref. 18/01157/SCP).
19. Assuming that the Authority responds to the Screening and Scoping Opinion request by the end of this year (6 months as it did for the Opinion on the Scraptoft SDA), and that it will take the developer at least 12 months to prepare and submit the planning application, the earliest that this site will begin delivering housing is from December 2024 onwards (58 months).

20. This would delay the anticipated delivery of the site. The Council considers that it will begin delivering housing in 2023/24. This being the case, 237 homes would need to be removed from the Council's overall supply.
21. Moreover, we are not certain about the number of landowners and agricultural tenants there are. There is a Landowner Consortium, but there does not appear to be a list of land owners available. However, we have noted that the Clients that were listed on the Regulation 19 representations were Leicestershire County Council and Lord Cromwell. What is clear from the EIA Scoping Report, submitted to the LPA in support of application ref. 18/01157/SCP, is that the site is in multiple ownerships. Again, the land is not in control of a housebuilder. This adds further potential for delays (while negotiations take place about the disposal of the site).

Annual Delivery / Build Rates

22. Both the Savills study (October 2014) and the Lichfields study (November 2016) assess delivery rates of schemes that are broadly similar in scale and size to both the Scraftoft and Lutterworth SDAs.
23. Savills concludes that *"annual delivery can be anticipated to be around 60 units in first year of construction, picking up to more than 100 units per annum in subsequent years and increasing to around 120 units"*. The Lichfields study reached a more pragmatic conclusion, stating 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"*.
24. We have disregarded the figures quoted in the Letwin Report as the comparisons are inappropriate. There is a clear relationship between the strength of the market in a local authority area and the average build rates achieved on sites. All of the sites appraised in the Letwin Report, save one, are in high value areas in the south east. This is a completely different market to Leicestershire and, more specifically, the northern edge of Leicester. The findings of the Letwin Report have limited relevance to the delivery of the SDAs in Harborough.
25. In the light of the above, and in our experience, the delivery rates set out in the Council's Housing Trajectory are entirely unreasonable.
26. Scraftoft SDA is expected to deliver more than 120 units over 3 successive years (between 2026/27 and 2028/29). Even more alarming is the Council's anticipated delivery rates for the Lutterworth SDA. It expects the SDA to deliver well over 120 units per annum during the last 5 years of the plan period. Figures rise to 235 and 237 units between 2029/30 and 2030/31. Some of these rates are wholly inappropriate and in our view unachievable. The Lichfields study states that *"there were no examples in this category [up to 1,499 units] that reached a rate of 200 per annum"*, let alone the figures the Council anticipates.

27. At Matter 2 Appendix II, we have taken into consideration our conclusions above and amended the Council's Housing Trajectory in its HSG14 Document. We have allowed for these SDAs to deliver 120 units per annum in accordance with the higher figure in the Savills report, which we consider to be a much more realistic and appropriate estimate in the circumstances.
28. Reducing the delivery rates of these SDAs, together with the delays to the delivery start dates (as outlined above), has dramatically reduced the Council's housing land supply for the plan period. It now stands above its housing requirement (11,140 dwellings), but well below its target with the 15% contingency set out in Policy H1 (12,800 dwellings).
29. We also note that the Council anticipates that the Market Harborough SDA (committed site) will deliver 170 homes per annum between 2023/24 and 2026/27. We have amended the figures in Matter 2 Appendix II accordingly.

2.4 Is it sound to rely on the headroom provided by the currently calculated supply of 12,948 dwellings (IC3) to cater for both unmet need from Leicester and any contingency allowance for slower than anticipated delivery from allocated and committed sites?

1. It is not sound to rely on the above mentioned headroom to cater for (i) unmet need from Leicester and (ii) any contingency allowance for slower than anticipated delivery rates.
2. The Council has set its housing requirement at 11,140 dwellings between 2011 and 2031. In draft Policy H1, it advises that an additional 15% contingency has been added to the supply of housing land. The Plan therefore makes provision for 12,800 dwellings from 2011 to 2031. In its IC3 Document, the Council considers that it can demonstrate a housing land supply greater than its OAN requirement and its 15% contingency (12,948 dwellings).
3. First, we will deal with the matter of the unmet housing need.
4. The OAN housing requirement (11,140 dwellings) makes no allowance for Leicester City Council's (LCC) undeclared needs. Whilst the scale of that need has not yet been fully quantified, the City Council has indicated previously that it could be as much as 7,610 in the period to 2031, rising to 15,470 in the period to 2036.
5. Moreover, the HMA authorities haven't agreed how and where LCC's unmet need will be accommodated. Therefore, we have reservations whether the principle of making an upward adjustment is sufficient.
6. In addition, on the basis of our analysis of the delivery start dates and rates from the SDAs, it is possible that those sites will deliver almost 700 homes fewer than the Council anticipates over the plan period. Therefore the allowances that the Council has made for the headroom are unlikely to be sufficient.
7. Oadby & Wigston will almost certainly be unable to accommodate any of this unmet need. Accordingly, it will have to be met by the remaining six authorities within the HMA.
8. The currently calculated supply of 12,948 dwellings would provide an additional supply of 1,808 homes over and above the OAN housing requirement of 11,140 homes.
9. If the HMA authorities decided to distribute Leicester City's unmet need evenly across the County, Harborough would be required to accommodate 1,268 homes to the period 2031 and 2,583 homes to the period 2036.

10. The unmet need, to be accommodated within Harborough District, for the period to 2036 would wipe out all of the supply created by the contingency (1,808) and even require additional land for housing supply.
11. The unmet need to be accommodated within Harborough District for the period 2031 would almost take up the entire contingency supply, leaving little supply which could deal with, say, slower than anticipated delivery rates, amongst other issues.
12. The above is based on a presumption that there would be an equal distribution of the unmet need between the authorities. It does not take into account spatial circumstances. Parts of Harborough District are within the Leicester PUA, while other Authorities such as Melton Borough, North West Leicestershire and Hinckley & Bosworth have no physical relationship with the City of Leicester.
13. Given the proximity of the District to Leicester, it may be expected that Harborough would take a greater number than some of its Leicestershire neighbours.
14. We now turn to the SDAs at Scraftoft and Lutterworth.
15. As we have pointed out within our comments on Matter 2.3, we expect that the SDAs will not begin delivering homes at the point at which the Council's housing trajectory (HSG14) anticipates and, in addition to this, the delivery rates could be considered optimistic.
16. To better explain our calculations, we have produced an amended version of Document HSG14 (Matter 2, Appendix II) which takes into account the expected delays to the start dates and the annual delivery rates for each SDA.
17. It is clear that even a modest delay to the Scraftoft SDA and a minor decrease in expected annual delivery rates can quite dramatically reduce the Council's housing land supply position. We should note here that this does not include expected delays to the Market Harborough SDA (committed site) and the generous delivery rates of up to 170 homes per year, nor does it take into consideration potential slower than anticipated delivery rates at other large scale developments such as Overstone Park and East of Blackberry Grange (both housing allocations within Market Harborough).

Summary

18. Given the above, our Client has significant concerns that the composite sites within the Council's housing land supply are unlikely to deliver housing to the levels and dates that the Council anticipates. Accordingly, there is a pressing need to add flexibility in the Plan to be able to deliver housing in a range of locations which meet the needs of both Harborough and Leicester City.

19. We therefore conclude that the Plan is unsound as the Council has not identified a housing land supply position that is sufficiently resilient to potential future circumstances.

2.5 Given that the housing requirement would be the basis for the calculation of the 5 year housing land supply, should it be increased beyond 11,140 dwellings or 557 dpa now in order to allow for a proportion of unmet need for Leicester, or should there be a trigger in the plan which increases the requirement once the amount of unmet need has been quantified?

1. The unmet need from Leicester City Council has not yet been established. Moreover, the authorities within the Housing Market Area (HMA) are still to prepare a Memorandum of Understanding (MoU) which will identify how the unmet housing needs will be accommodated.
2. Given that the above is unknown, it would be irresponsible for the Council, or any other party, to speculate on the number of additional homes that Harborough will be required to accommodate.
3. Notwithstanding the contingency of 15% which the Council has incorporated within its Plan (which we have dealt with in Matter 2.4), the Plan includes a monitoring and review policy (Policy IMR1) which would act as a trigger to review the Plan once the unmet need from Leicester, and the MoU, is agreed. The matter of unmet need is set out in Part 2, criterion B.
4. Our concern within Policy IMR1 is Part 3. It states that "*should a review be required under b. or c. above, it will be commenced within 12 months of the need for the review being established*".
5. Our Client recommends that the text is amended to state that a review will be commenced "*immediately*".
6. Notwithstanding the above, we are of the view that the Local Plan should be delayed until the unmet need from Leicester City Council is established and the distribution of any unmet housing need has been agreed. In the Council's *Duty to Cooperate* Statement (March 2018), it states that the final stage of the MoU is anticipated in autumn 2018.
7. Surely, it would be appropriate for the Council to delay the Examination of its Local Plan to ensure that it has a robust housing requirement figure on which to base policy, housing allocations and its calculations on 5 year housing land supply.
8. In order for Local Plans to be considered sound, they must be "positively prepared". The NPPF 2012 states that Plans "*should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development*" (our emphasis).
9. This Plan has not dealt with the unmet from Leicester City Council. Instead, it proposes to deal with it after the Plan has been adopted. In this context, the Local Plan is unsound.

Appendix I

GVA Leicestershire Large Housing Sites Study

Appendix R1
GVA Leicestershire Large Housing Sites Study (Summary of Findings)
Timescales for Delivery of Sites

| Site | Lead-in Time | Resolution | S106 | Reserved Matters / Conditions | Site Preparation / Opening Up | 1 st Dwelling Delivered |
|----------------------------------------------------------------|--------------|------------|-----------|-------------------------------|-------------------------------|------------------------------------|
| Blaby | | | | | | |
| Lubbesthorpe (RM for part of site only) | 27 | 20 | 14 | 21 | 14 | February 2017 |
| Charnwood | | | | | | |
| North of Birstall | 120 | 24* | - | - | - | - |
| North East of Leicester | 84 | 11 | 20 | 23* | - | - |
| West of Loughborough | 99 | 12 | 33* | - | - | - |
| Harborough | | | | | | |
| North West of Market Harborough SDA (RM for part of site only) | 18 | 50 | 14 | 24 | 18 | December 2018** |
| Overstone Park | 66 | 31* | - | - | - | - |
| Hinckley and Bosworth | | | | | | |
| Barwell | 70 | 12 | 63* | - | - | December 2018** |
| Earl Shilton | 46 | 17+ | - | - | - | - |
| West of Hinckley | 116 | 16 | 25* | - | - | - |
| Leicester City | | | | | | |
| Ashton Green (RM for part of site only (100 houses)) | 132 | 6 | 3 | 47 | 12 | December 2017 |
| Melton | | | | | | |
| Melton Mowbray North (part of site only (200 houses)) | 65 | 40 | 5* | - | - | December 2020** |
| Melton Mowbray South (part of site only) | 12 | 5 | 60 | 13* | - | December 2020** |
| North West Leicestershire | | | | | | |
| Bardon Grange (RM for part of site only) | 180 | 28 | 1 | 62* | - | December 2020** |
| Money Hill (part of site only) | 47 | 13 | 22 | 27* | - | December 2018** |
| Park Lane, Castle Donnington (RM for part of site only) | 12 | 54 | 22 | 27 | 1* | December 2018** |
| South East Coalville (RM for Part only) | 25 | 13 | 21 | 58* | - | December 2019** |
| Oadby and Wigston | | | | | | |
| Wigston Direction for Growth | 44 | 6 | 22 | 11 | 20 | March 2019** |
| Average | 68 months | 21 months | 23 months | 31 months | 19 months | |

+ Refused in December 2011 no further progress since

* as at July 2018 - ongoing

** based upon information provided by the developer / site promoter

Appendix II

GVA Amended Version of HSG14

| HSG14 - Housing Trajectory (as at 31st | | | | | | | | | | | | | | | | | | | | | |
|------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | Total in |
| Years remaining in Plan Period | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | Plan |
| Completions | 240 | 284 | 334 | 496 | 640 | 468 | 580 | | | | | | | | | | | | | | 3042 |
| MH SDA | | | | | | | | 36 | 46 | 74 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 1356 |
| Large Sites with PP | | | | | | | | 465 | 476 | 524 | 442 | 382 | 361 | 236 | 142 | 0 | 0 | 0 | 0 | 0 | 3028 |
| Neighbourhood Plan Allocations | | | | | | | | 189 | 145 | 106 | 123 | 92 | 44 | 36 | 22 | 11 | 0 | 0 | 0 | 0 | 768 |
| Larges sites awaiting S106 | | | | | | | | 12 | 49 | 64 | 10 | 22 | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 167 |
| Small sites with PP | | | | | | | | 65 | 65 | 65 | 66 | 66 | | | | | | | | | 327 |
| Windfall allowance | | | | | | | | | | | | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 225 |
| Total Completions, Commitments and | | | | | | | | | | | | | | | | | | | | | |
| Windfalls | 240 | 284 | 334 | 496 | 640 | 468 | 580 | 767 | 781 | 833 | 761 | 707 | 560 | 417 | 309 | 156 | 145 | 145 | 145 | 145 | 8,913 |
| Lutterworth East SDA | | | | | | | | | | | | | | 38 | 99 | 120 | 120 | 120 | 120 | 120 | 737 |
| Scraftoft North SDA | | | | | | | | | | | | | 40 | 100 | 120 | 120 | 120 | 120 | 120 | 120 | 860 |
| Overstone Park, Market Harborough | | | | | | | | | | 0 | 0 | 50 | 50 | 100 | 100 | 100 | 100 | 50 | 50 | | 600 |
| East of Blackberry Grange, Northampton Rd., MH | | | | | | | | | | | | | | | 14 | 67 | 67 | 67 | 67 | 67 | 349 |
| Burnmill Farm, Market Harborough | | | | | | | | | | 30 | 30 | 30 | | | | | | | | | 90 |
| South of Arnesby Rd., Fleckney | | | | | | | | | | | | 15 | 35 | 35 | 35 | 10 | | | | | 130 |
| Total Allocations | | | | | | | | | | 30 | 30 | 95 | 125 | 273 | 368 | 417 | 407 | 357 | 357 | 307 | 2,766 |
| Total Provision in Rural Centres and | | | | | | | | | | | | | | | | | | | | | |
| Selected Rural Villages | | | | | | | | | | 10 | 0 | 23 | 82 | 102 | 80 | 9 | 0 | 0 | 0 | 0 | 306 |
| Projected Annual Total | 240 | 284 | 334 | 496 | 640 | 468 | 580 | 767 | 781 | 873 | 791 | 825 | 767 | 792 | 757 | 582 | 552 | 502 | 502 | 452 | 11,985 |
| Annual Planned Provision | 640 | 640 | 640 | 640 | 640 | 640 | 640 | 640 | 640 | 640 | 640 | 640 | 640 | 640 | 640 | 640 | 640 | 640 | 640 | 640 | 12,800 |
| Annual shortfall / surplus | -400 | -356 | -306 | -144 | 0 | -172 | -60 | 127 | 141 | 233 | 270 | 318 | 295 | 283 | 176 | 59 | -22 | -54 | -81 | -161 | |
| Annual Requirement Provision | 557 | 557 | 557 | 557 | 557 | 557 | 557 | 557 | 557 | 557 | 557 | 557 | 557 | 557 | 557 | 557 | 557 | 557 | 557 | 557 | 11,140 |
| Annual shortfall / surplus | -317 | -273 | -223 | -61 | 83 | -89 | 23 | 210 | 224 | 316 | 353 | 401 | 378 | 366 | 259 | 142 | 61 | 29 | 2 | -78 | |