



Matter 2 – Housing

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**NORTH SOMERSET
SITE ALLOCATIONS PLAN
EXAMINATION**

North Somerset Site Allocations Plan

Matter 2 – Housing

Introduction

1. These additional comments on housing in response to the Inspector's questions on Matter 2 are all based on the Council's position at April 2016. However, as we know the Council will be updating its position to an April 2017 base date, and we will provide further comments on the updated position as necessary. As part of this we will (with others) discuss the updated position with the Council with a view to agreeing housing land supply figures on both the Council's and the industry's position in order to identify where the figures differ and assist the examination.
2. We have recently completed an appeal at Farleigh Fields, Backwell between the 14th and 23rd March 2017 where both sides presented full housing land supply evidence (appeal APP/D0121/W/16/3153935, LPA Reference 15/P/0315/O). We have therefore included as Appendix 1, a document based on the proof of evidence prepared by Neil Tiley of Pegasus Group for the Section 78 appeal. This has been updated to include changes subsequently agreed at the appeal, a more recent appeal decision at Oldmixon Road, Weston-super-Mare (appeal ref Appeal ref APP/D0121/W/31396633, LPA ref 15/P/0583/O) and the Council's evidence provided in appendix 1a to the letter to Inspector Burden of the 21st March 2017. However this is still based on the April 2016 base dates. It is our intention to fully revise this to the April 2017 base date when we have seen the Council's new figures. Therefore the comments below are largely in summary form and refer directly to the appropriate sections in the updated Farleigh Fields, Backwell proof included as Appendix 1.

2.1 Would the scale of housing be delivered on allocated housing sites in the SAP provide for new housing in accordance with the requirements of the CS in relation to:

i) The scale of development identified in Policy CS13.

Firstly we summarise below the points raised in our original comments in relation to this issue;

1. Policy CS13 is not based on a full objective assessment of need as recognised by Inspector Punshon in his examination of the policy.
2. The emerging Joint Spatial Plan updates the objective assessment of housing need but currently only provides plan-wide rather than a disaggregated figure.
3. Following the CS13 examination the position in North Somerset has continued to be on the basis of making do with a non-policy compliant position regarding the OAN and following Inspector Punshon's lead numerous section 78 appeal Inspectors have adopted a pragmatic, but nevertheless non policy compliant approach of accepting the non NPPF compliant housing figure. We consider this is a material consideration which should be taken into account in considering the housing policies and allocations in the SAP.
4. In order to meet the CS13 requirement all sites allocated in the SAP will need to be built out by 2026, with document CD1c paragraph 9 indicating a contingency allowance of only 175 or 0.8%.
5. The CS13 requirement is a minimum figure, but the approach in the SAP effectively deals with it as a maximum. The policy requirement in CS13 also requires a supply of deliverable and developable land and we present comments below in relation to CS14 on individual sites. All this needs to be seen in the context of NPPF guidance where paragraph 47 requires a significant boost to delivery of housing and paragraph 159 requires demand to be met. NPPF159 also requires strategic housing market assessment to be prepared in consultation with the development industry but we note that the North Somerset HELA is prepared internally by the Council.
6. There is a history of persistent under delivery in North Somerset – see specifically Table 5.2 in the context of a wider discussion of delivery in paragraphs 5.18-5.30 of Neil Tiley's proof in Appendix 1.
7. The Council's figures on 5 year housing land supply and housing delivery have been consistently found to be unreliable as demonstrated by a number of section 78 appeals including land at Scot Elm Drive, Weston-super-Mare (Appeal ref APP/DO121/A/14/2223975, LPA ref 13/P/2409/O) when a statement of common ground found that the land supply could be as low as 1.2 years, through to more recent decisions at Sandford (Appeal ref APP/D0121/W/31396633, LPA ref 15/P/0583/O), Banwell (Appeal Ref APP/D0121/W/15/3138816, LPA ref 15/P/0248/O) and Oldmixon (Appeal ref APP/D0121/W/31396633, LPA ref 15/P/0583/O). This is also demonstrated by the Council's

change in its windfall figures as noted in our original comments from those in the Consultation Draft of March 2016 to those in the Publication Draft in October 2016, when in just over six months the windfall allowance based on past rates has gone down from 1,200 to 897.

8. In view of the above factors we consider that at the very least a flexibility allowance needs to be introduced. We note that a DCLG presentation to the HBF Planning Conference in September 2015 illustrates a 10-20% non-implementation gap together with a 15-20% lapse rate from recent data (see DCLG slide copied at Appendix 2). The conclusion is that there is a '*need to plan for permissions on more units than housing starts/completions ambition.*' We also note that the Local Plans Expert Group Report March 2016 recommended the provision of a mechanism for the release of developable reserve sites equivalent to 20% of the housing requirement. On this basis a 20% addition to the overall housing requirement of 20,985 would result in the need for additional 4,197 units. A 20% addition to outstanding requirements would be 2,657 (based on the updated figures in document CD1c the calculation would be 21,281 minus 7,995 completions which equals 13,286 of which 20% is 2,657). Therefore this presents the justification for an increase in the housing requirement either through increased figures or through reserve sites as suggested by the DCLG presentation in a range of 2,657-4,197.

ii) The distribution of development in accordance with Policy CS14

1. The allocations in the SAP almost exactly match the distribution set out in Policy CS14. However, our concern is whether or not this is deliverable as it is dependent on the provision of a total of 9,291 dwellings at Weston-super-Mare between 2015 and 2026, including 5,933 at Weston Villages. The Weston Villages Joint Review Board was provided with a draft of the Weston Villages development trajectory at April 2017 for comment and we await the final version. The draft requires completions to rise from 207 in 2015/16 to 785 in 2018/19. Whilst we accept that new sites at Locking Parklands will open during this period this is a substantial increase and will require up to 15 outlets across Weston Villages. We are currently building at about 185 dwellings per annum at Haywood Village part of Weston Villages. However the only competition to that at Locking Parklands is the St Modwen's site which is delivering a different produce to Haywood. When other parts of Locking Parklands start the product is likely to be a direct competitor with Haywood Villages, which is likely to impact on sales there. Also in respect of Haywood Village an increase in completions is dependent on the Section 106 on outline application 12/P/1510/OT being signed. Taking an optimistic outlook we expect that to be in September 2017 with first Reserved Matters approvals by March 2018. However from then it will take a further year to get three outlets which will be necessary to deliver 225 units per annum.
2. We also refer to paragraphs 7.66-7.99 of Neil Tiley's proof in Appendix 1 which sets out a detailed assessment of delivery at Weston Villages.

3. Although significant numbers will be delivered at Weston Villages we think that there is a genuine concern that there will be equally a substantial deficit in the total numbers capable of being delivered.

2.2 In terms of the delivery of the housing sites allocated in the SAP and by the Council in proposed further amendments of February 2017 (SD20), taking each of the following settlements in turn:

- i) Are there any sites which should be excluded in the list of sites identified in schedule 1 to the SAP and by the Council in proposed further amendments of February 2017 (SD20) in order for the SAP to be sound?**
- ii) Having regard to additional information supplied with examination document CD1 and appendices, how likely is it that the sites allocated in schedule 1 and the proposed amendments will deliver the housing requirement of the CS within the period 2006-2026?**

Appendix 1 deals with various sites which should be excluded as follows:

- Large sites with consent (7.38-7.65 plus table 7.5)
- Local Plan allocations (7.100-7.110 plus table 7.9)
- Emerging allocations (7.111-7.149 plus table 7.11).

These references provide notes on each of the sites. At this stage we have not identified specific sites that should be excluded as circumstances on individual sites can change. However a number of these sites will also not come forward, for example the 17 sites in CD1a subject to an FRA and the 36 sites without consent of which many are not yet subject to any planning application. Therefore we think this further justifies the application of a non implementation allowance as set out above.

2.3 Providing for a 5 year housing land supply

- i) **What is the most up to date calculation of delivery in the period since the start of the Plan period in 2006?**
- ii) **What is the level of shortfall in provision against the CS requirement for the first part of the Plan period?**

Detailed evidence is presented in Neil Tiley's proof appendix 1 relating to these issues as follows

2.1-2.22 sets out background to the 5 year housing land supply calculation

6.1-6.2 sets out the Core Strategy requirement

A summary of deliverable supply is set out in 7.183-7.184 and table 7.15 which is based on detailed evidence on the following issues also set out in the proof:

- comments on the realism of the Council's trajectories 7.3-7.10
- evidence on timescales for delivering planning permissions in North Somerset 7.12-7.18
- small sites with consent and lapse rates 7.19-7.37
- large sites with consent 7.38-7.65
- strategic sites 7.66-7.99
- Local Plan allocations 7.100-7.110
- emerging allocations 7.111-7.149
- small site windfalls 7.150
- change of use of rural buildings 7.151-7.169
- empty homes 7.170-7.182.

- iii) **Does the Sedgefield approach to the calculation of HLS with a 5% buffer as identified by the Inspector in his report on other Core Strategy remain the most appropriate methodology for delivery?**

- iv) **Having regard to the evidence on the delivery of allocated sites under question 2.2, how likely is it that the SAP would deliver a 5 year supply of housing at the time of adoption in accordance with either:**

- **The Sedgefield approach with 5% a buffer**
- **The Sedgefield approach with a 20% buffer.**

Our position regarding the Sedgefield approach and appropriate buffers is dealt with in Neil Tiley's proof in paragraphs 5.1-5.39 and 8.1-8.5). From that evidence it will be seen that we do not consider the Sedgefield approach with a 5% buffer is appropriate and therefore consider that the appropriate supply should be assessed against the Sedgefield approach with a 20% buffer.

2.4 What provision could be made if the evidence suggests that the submitted SAP would not be able to deliver a 5 year supply at the time of adoption?

Our view is that the HELA and the list of other sites being promoted indicates that there is strong evidence that sufficient provision could be made if required. In addition, or alternatively, the 20% discount suggested by DCLG and the LPEG set out above provides an additional approach.

2.5 Having regard to the distribution of new housing in CS Policy CS14 with its concentration in the Weston Urban Area and Weston Villages, how appropriate would it be to consider a stepped trajectory for the delivery of new housing over the plan period?

The emphasis in national guidance is on delivery and a significant boost to housing and this contrasts with the consistent approach to housing delivery resulting in substantial under delivery in North Somerset. Therefore we do not support a stepped trajectory which could be used to further delay housing land supply.

Appendix 2

There are two sources for the HLS contingency of at least 20% :-

1. The DCLG presentation slide from the HBF Planning Conference in September 2015 illustrates a 10 – 20% non-implementation gap together with a 15 – 20% lapse rate (see below). This slide suggests “*the need to plan for permissions on more units than the housing start / completions ambition*”.



In recent years there has been a 30-40% gap between permissions and housing starts

- **Gap of around 30-40%** between the number of permissions given for housing and starts on site within a year. Estimate that for a year's permissions for housing around:
 - **10-20%** do not materialise into a start; the permission 'drops out': this could be because -
 - the landowner cannot get the price for the site that they want
 - a developer cannot secure finance or meet the terms of an option
 - the development is later not considered to be financially worthwhile
 - there are supply chain constraints hindering a start.

There may be scope to reduce this through policy.
 - **15-20%** are not abandoned but a **re-permission** is sought, for example to make a major change to plans or to extend the development period.
-
- | Category | Percentage |
|---|------------|
| New build starts | 60-70% |
| Conversions to residential | 5-10% |
| Re-permissions | 15-20% |
| Units that do not materialise into a start - drop out | 10-20% |
- Recent data and realities of private market suggests need to **plan for permissions on more units than housing start/completion ambition**.

Extract from slide presentation “DCLG Planning Update” by Ruth Stanier Director of Planning - HBF Planning Conference Sept 2015

2. The Local Plans Expert Group (LPEG) Report March 2016 recommendation “*the NPPF makes clear that local plans should be required not only to demonstrate a five year land supply but also focus on ensuring a more effective supply of developable land for the medium to long term (over the whole plan period), plus make provision for, and provide a mechanism for the release of, developable Reserve Sites equivalent to 20% of their housing requirement, as far as is consistent with the policies set out in the NPPF*” (para 11.4 of the LPEG Report).