Strategic Planning & Research Unit

For and on behalf of
Drew Smith (50807)

Submissions to
Winchester Local Plan Part 2
Matter 2

on behalf of
Drew Smith

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Matter 2
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1.0 DOES THE PLAN DEMONSTRATE THAT THERE WILL BE A DELIVERABLE SUPPLY OF DEVELOPABLE NEW HOUSING AND EMPLOYMENT LAND IN APPROPRIATE LOCATIONS OVER THE PLAN PERIOD, WITH SUITABLE INFRASTRUCTURE PROVISION, IN ACCORDANCE WITH THE NPPF/PPG AND LP PART 1?

Evidence of over estimation of completion rates from proposed allocations

1.1 The council have a track record of over estimating the level of completions from commitments. Reference to the recorded level of completions for the period 2011 to 2015 in 2015 AMR (OD14) is 246 dwellings (16%) lower than that projected by the council at the examination of LPP1 (OD7 Appendix F trajectory). This shows only 1,253 completions in the first 4 years instead of the 1,499 dwellings originally predicted by the council.

1.2 The council's predictions of completions from identified sites has been substantially lower than that predicted by the council in LPP1 appendix F. Only 25% of the completions predicted to came forward on identified sites were actually delivered (SPRU matter 1 Appendix 1).

Table 1 Comparison of council's predictions of completions from identified sites

Year	Projected completions on committed sites (LPP1 App F)	Actual completions (AMR 2015)	Windfall Completions	Completions on identified sites	% of predicted completions
2012/13	539	204	111	103	19%
2013/14	917	470	215	255	28%
Total	1,456	674	326	358	25%

1.3 Evidence of the council's ability to accurately forecast completions is an important consideration. The council's suggestion that these lower rates of completion relate to poor market conditions are disputed (SPRU Matter 1 Appendix 1).

Policy DS1 delivery of housing

1.4 Not only has the council considerably over estimated the rates of completions on identified sites but the delivery of housing has reduced in comparison to the situation nationally.

1.5 Our analysis of delivery of the allocations in LPP2 (table below) demonstrate that there are insufficient allocations to secure the delivery of housing in accordance with the Framework and LPP1:

Table 2 Summary of planned provision

Source	Dwellings WCC	WCC Ref	Dwellings SPRU	Difference	SPRU Ref
Completions (net)	1,253	table 16 AMR 2015	1,253		
Exclusion of exception sites	0		-98		
Commitments large (excluding UE)	1,328	SHLAA 2015 table 23	1,328		
Commitments small	384	SHLAA 2015 table 24	384		
Waterlooville	2,082	Table 5 – LPP2 Site Allocations Delivery Update (March 2016)	1,443	-639	Matter 1 appendix 1
North Whiteley	3,500	Table 6 – LPP2 Site Allocations Delivery Update (March 2016)	1,430	-2,070	Matter 1 appendix 1
Winchester City North	2,000	Table 7 – LPP2 Site Allocations Delivery Update (March 2016)	1,540	-460	Matter 1 appendix 1
LLP2 Allocations	2,375	Appendix 3 – LPP2 Site Allocations Delivery Update (March 2016)	2,375	0	
SHLAA Winchester	310	Para 6.53 – LPP2 Site Allocations Delivery Update (March 2016)	0	-310	Matter 1 appendix 1
SHLAA other	261	Table 4 - SHLAA 2015 (571 - 310)	0	-261	Matter 1 appendix 1
Windfall Winchester	910	Para 6.62 – LPP2 Site Allocations Delivery Update (March 2016)	910	0	
Windfall Kings Worthy	70	Para 6.62 – LPP2 Site Allocations Delivery Update (March 2016)	0	-70	Matter 11
Total	**14,473**		**10,565**	**-3,908**	

Evidence of delivery on large scale sites

1.6 The most recent research on delivery rates on large sites has been undertaken by the Home Builders Federation (HBF) in response to the Governments criticism that large sites are only delivering some 48 dwellings a year. This industry led survey of 300 large sites (defined as 350 plus dwellings) was undertaken in February and March 2016.

1.7 This found that in 2015 the average sales on all sites (including start-ups, on-going, tail-ends) was 70 dwellings a year. In order to omit the lead in and tail out elements of a site build out the research also considered sales rates on sites which had over 10, 20 or 35 dwellings a year. This naturally gives higher averages for 2015 as follows:

a. 10 plus sales: 85

b. 20 plus sales: 88

c. 35 plus sales: 95

1.8 These findings reinforce earlier research on this issue, Hourigan Connolly finding average completions of 108 dwellings a year on strategic sites (35 per developer) and

Savills (2014) considered the average build rate for urban extensions to be just over 100 dwellings a year, although this has risen to 120 per year in 2013.

1.9 We would suggest that significant departures from these average sales rates (see SPRU Matter 1 appendix 1) would need to be clearly justified by reference to evidence of local delivery and market factors.

Evidence of the local market

1.10 Prior to the recession residential sales in Winchester District were about 2,500 a year this has fallen to about 1,700 a year after the recession. The level of new dwellings sales has also fallen since the recession.

1.11 Since 2012 gross additions to housing stock has increased by 33% for England and residential transactions have also increased by 43% between 2009 and 2015 with mortgage approvals have increased between 2008 and 2015 by 56%. This increase in the number of completions has occurred at the same time as an increase in the number of units with planning permission (HBF 2016).

1.12 This rise in completions experienced nationally is not being experienced in Winchester. This is despite Winchester being a highly desirable residential market.

1.13 The overall level of residential sales is important as it has an impact on the level of new residential sales. While new residential sales tend to make up 10% of total sales nationally it is considered that in local markets new sales can be between 20% and 25%.

1.14 If the sales in Winchester raises back to the long term average (1,741 sales a year) then to meet the councils predicated levels of completion early in the plan period, the rates of sale of new stock is predicted to run at over 38% for the period from 2017/18 (See SPRU matter 1 appendix 1). The realism of achieving this from just two new strategic sites coming on stream must be seriously questioned.

Evidence of delivery at Whiteley

1.15 Whiteley was identified in the 1970s, as part of the South Hampshire Structure Plan.

1.16 The Whiteley Local Plan, was adopted by Hampshire County Council (HCC) in 1986 which was based on the expectation that 2,600 houses would to be completed by 1996.

1.17 The actual rates of completion as recoded by HCC are set out in appendix 1. This shows that:

a. By 1996 565 dwellings had been completed compared to the expectation of 2,600 dwellings

b. The target of 2,600 dwellings was not reached until 10 years after the expected date in 2006.

c. The average build rate over the complete period was 112 dwellings a year

1.18 This strategic site does not have planning permission. At the planning committee 12 October 2015 there was a decision to grant subject to a section 106 which to date has not been completed.

1.19 Originally the promoters (Terrance O'Rourke 30 July 2012 (Our ref: 157111F/AB)) suggested that the highest level of completions would be 300 dwellings per year at the peak of development but acknowledged that if the site fails to deliver then additional sites might need to be brought forward in the LPP2.

1.20 The agents have now changed their opinion with regard to delivery rates and I have contacted the agent who described these higher rates as being aspirational and explained that the build rates will need additional agreements to be put in place as Taylor Wimpey and Crest have options for about 500/600 dwellings each while Bovis control about 1,500 units with the remainder of the land being controlled by the developer Lakeside.

1.21 The phasing plan in the updated Environmental Statement shows there to be 4 different locations for the first phase, the southern two have a substantial length of road to be provided prior to the construction of any dwellings. Rather than having a number of different outlets trading from each access it appears that each company will be trading off its own unique access.

1.22 The Planning Statement (paragraph 3.78) suggests 100 a year in the first year rising to a maximum of 350 a year by year 4 (assuming multiple outlets). The agent is now suggesting that these already high rates could be almost doubled.

1.23 The agent was not able to identify any sites that had delivered at the levels now being proposed.

1.24 In paragraph 6.11 of the planning statement assumes planning permission would be gained early in 2015 and development would commence in 2016 with completion of the whole site as early as 2028.

1.25 This time scale has not been achieved.

1.26 In respect of the performance of these companies I note that they achieve the following average build rates per site:

a. Taylor Wimpey: Trading statement 16 November 2015 - 0.76 sales per outlet per week (up from 0.66 in 2014). This equates to 40 dwellings a year

b. Crest: Annual report page 32 - 44 dwellings a year per outlet

c. Bovis: Annual report page 12 – ambition to deliver 5,000 to 6,000 dwellings across 150 sites which equates to 33 to 40 dwellings a year per outlet

1.27 These developers would need to establish a very different way of delivering their product to reach even the levels being proposed by the council on this site.

1.28 In considering the empirical evidence available it takes on average between 21 and 51 months (Savills and Hourigan Connolly) from the position of gaining a recommendation to grant outline consent subject to the completion of a section 106 agreement to start on site. This site gained such a recommendation in 12 October 2015, this suggests a start on site, at best, might be expected in July 2017 with the first house completed some 6 months after the start on site. This suggests that the first full year of completions is likely to be 2018/19.

1.29 Using an average of 110 dwellings a year for all three large sites, as this moderates the over optimism of developers and the council and allows for the fluctuation on rates that are known to occur on such sites, then the expected level of completions from this site during the plan period will be 110 dwellings over 13 years which is **1,430 dwellings.**

Evidence of delivery at Waterlooville

1.30 Evidence of the build out rate for this strategic site has been supplied by HCC (SPRU Matter 1 Appendix 1) and the site is averaging some **78 completions a year**. At present the site is being developed by Taylor Wimpey, Bloors (phase 1: 194 dwellings in total) and Redrow (phase 2: 246 dwellings).

1.31 In Background Paper 1 (OD15 Paragraph 6.12) council describe this performance as proceeding well with strong market interest.

1.32 The combined rates of development being expected by both Havant and Winchester on this site is that the average rate of delivery will rise form 78 dwellings a year to 329 dwellings a year in 2017/18. An average over this period of 247 dwellings a year which is a 300% increase (SPRU matter 1 appendix 3).

1.33 Redrow and Bloors have lower build rates than Taylor Wimpey because they started delivering after Taylor Wimpey and which dilutes the rate of development.

1.34 The average rates for these companies are as follows:

a. Taylor Wimpey: 40 dwellings a year (see above).

b. Redrow: Half Yearly Report 2016 - sales per outlet per week were 0.65, up 10% on the prior year. This is equivalent 34 dwellings a year.

c. Bloors: no published data

1.35 We have contacted the relevant sales office for each of these developers and Redrow have confirmed that they are selling well at 38 dwellings a year and expect to continue at that level.

1.36 In terms of what may be considered to be a realistic level of future completions for the whole of the strategic site I note that the council's web site for the development states that at the Council does not know when development of all 3,000 houses for the West of Waterlooville MDA will be completed as this will depend on housing market conditions. At current build rates the council web site states it is anticipated that construction will continue beyond 2030.

1.37 If the average rate of completions for the remainder of the plan period of 110 dwellings is used this would be a significant uplift on the average achieved to date. This would result in the site delivering some 1,760 dwellings in total, but taking into account the 317 of these would be in Havant, then the contribution to Winchesters requirement would be **1,443 dwellings** not the 2,082 in OD15 ((110 x 16 – 317))

Evidence of delivery at Barton Farm, Winchester

1.38 This site is under construction and reserved matters applications have been approved for the main access and the first residential phases which total 423 dwellings.

1.39 The indication is that the whole of this site will be delivered by Cala homes with the exception of the small part of the site that has been sold separately to Bargate who expect to finish their 17 dwelling site this year.

1.40 Although a start has been made on the remainder of the site work has been delayed as the landowner and developer had to go to arbitration to set a land price.

1.41 This is a high value location and Cala concentrate on delivering high quality homes in this type of market. Page 2 of the press release in September 2015 which accompanied their annual report highlighted that sales per site per week equated to 0.40 (compared to 0.48 a week in 2014). This reduction was due to the contribution from Banner who build larger homes with a higher prices and therefore lower rates of sale.

1.42 This equates to a build rate of 21 to 25 units a year compared to the suggested level of completions from both the council and Carla of 200 dwellings a year.

1.43 We are unaware of any strategic site operated by Carla that has consistently delivered this level of dwellings. It is over 8 times the average output per site than that normally achieved by this developer. Even taking into account the delivery of affordable housing this looks unachievable.

1.44 The delays to date mean that Cala have only just started on site and will clearly not deliver a meaningful number of dwellings during the current year. To achieve an average of 110 completions we expect that Cala will not only need to deliver affordable housing but also engage at least one or two other developers on site these will need to submit reserved matters but at present there is no indication of this occurring. We have therefore summed **1,540 dwellings** instead of 2,000 dwellings (start 2017/18 110 x 14)

Conclusion on delivery rate assumptions from Urban Extensions.

1.45 There are 3 large sites within the development plan and the council's assumption is that all 3 will consistently deliver dwellings at much higher rates than that achieved on similar sites within the area in the past.

1.46 Furthermore, according to published research the proposed rates are in excess of those that have been consistently achieved on average from large scale sites and urban extensions.

1.47 We consider a more reasonable assumption supported by the evidence available would be as follows:

a. West of Waterlooville: 1,443 dwellings not the 2,082 in OD15 (taking into account the remaining 317 dwellings in Havant then the expected delivery from this site over the plan period (110 x 16 – 317))

b. North Whiteley: 1,540 instead of 3,500 dwellings (start 2017/18 110 x 14)

c. Barton Farm: 1,540 dwellings instead of 2,000 (start 2017/18 based upon delays to date 110 x 14)

1.48 This reduces the combined contribution from these sites by some 3908 dwellings.

1.49 It is of considerable concern that, by ignoring empirical evidence on delivery rates and endorsing "aspirational rates" councils and over exuberant developers (who benefit from allocations) place the plan making process at risk and potentially extend the housing crisis. It cannot be a reasonable assumption for the plan making process that all strategic sites will suddenly deliver at twice the previous average, manty are going to deliver at or below the average. The assumption that 3 such sites in the same market area are all going to outperform the average rate of delivery is not supported by evidence and is not sound.

1.50 In order for the plan to be found sound, the level of allocations needs to be based upon a proportionate evidence base and the chosen approach should demonstrate the flexibility required by paragraph 14 of the Framework.

1.51 An appropriate test of the flexibility of the plan would simply be to test how the plan would respond to all the strategic sites delivering at an "average" rate of delivery. In this case the average rate used should be the 110 dwellings a year (Savills) which is higher than the more recent HBF figure and also higher than the long term average recorded by Savills. This would mean the following levels of contribution:

a. West of Waterlooville: 1,443 dwellings not the 2,082 in OD15 (taking into account the remaining 317 dwellings in Havant then the expected delivery from this site over the plan period (110 x 16 – 317))

b. North Whiteley: 1,540 instead of 3,500 dwellings (start 2016/17 110 x 14)

c. Barton Farm: 1,650 dwellings instead of 2,000 (start 2016/17 based upon delays to date 110 x 15)

1.52 If, instead of all three sites performing at the enhanced rates being suggested by the council, they instead deliver on average between them at average rates for this type of development then there could be a shortfall of some 3,060 dwellings.

1.53 The paucity of evidence provided to support these extremely high rates of delivery requires that sufficient flexibility is built into the plan at this stage as a fall back on the "early review" does not address the issue of soundness.

1.54 It is suggested that an increase in the number of non-strategic allocations proving a wider choice of locations would still be in accordance with the LPP1 strategy.

Policy CP3 delivery of Affordable Housing

1.55 The requirement for affordable housing in policy CP3 is set at 40% and in introducing this policy the council sates in paragraph 7.19 of the Core Strategy that it is a priority of this Plan to maximise the provision of affordable housing as the need to provide additional affordable housing is one of the greatest challenges facing the District.

1.56 The Inspectors Report (EBT2) suggests that the plan should deliver an average of 250 affordable dwellings a year. Against this requirement the council is currently under performing as illustrated by completions rates from the Annual Monitoring Reports summarised below:

Table 3 Summary of Affordable housing delivery

Year	Source	Total	Net/gross	Exception sites
2011/12	AMR 2012 table 23 and 24	70	Gross	48
2012/13	AMR 2013 table 23 and 24	68	Gross	10
2013/14	AMR 2013/14 table 19 and 23	149	Gross	40
2014/15	AMR 2015 table 27 (increased from 82 to reflect one unit moved from Havant into Winchester)	83	Net	
Total		370		98

1.57 To date the council has delivered a total of 370 affordable dwellings an average of 92 dwellings a year against a requirement of the five-year period of 519 dwellings a year or a reduced requirement (extending dealing with the backlog to 2021) of 250 dwellings a year.

1.58 Excluding "exception sites" then affordable completions are running at 68 a year (272 / 68) which is 23% of all completions excluding exception sites ((370 – 98)/(1253 – 98)).

1.59 This shows that even to achieve 30% of completions the council have relied heavily in the past on "exception sites". These are unlikely to make the same percentage contribution over the pan period as completion rates rise.

1.60 The council state that it is a priority to maximise the provision of affordable housing and that it is desirable to tackle housing need as soon as realistically possible (LPP1 paragraph 7.19).

1.61 LPP2 does not provide any evidence on how the selected strategy will deliver an average of 250 affordable houses a year. This is particularly important given the issue of viability on the larger sites.

1.62 The council consider North Whitely (15/00485/OUT) will deliver 3,500 dwellings in the plan period but according to the (committee report page 55) it will only deliver 25% affordable housing of these only 15% i.e. 525 affordable dwellings are to be delivered on site.

1.63 The remaining 350 dwellings are to be provided off site although no sites have been identified to accommodate this significant level of affordable housing provision.

1.64 In summary rather than providing 1,400 affordable houses on site (the expectation in LPP1) this will only provide some 525 dwellings with a further 350 dwellings to be provided on unidentified locations.

1.65 In is noted that in BP1 (OD15 paragraph 4.28) this contribution has now reduced further to 20% due to viability. While it is understood that the council have introduced a requirement for such assessments to be public this one remains unavailable and as such it is not possible to assess how even this lower level of provision will be delivered.

1.66 The reliance on windfall sites will have implications for affordable housing provision as many will not be able to deliver the required rate of affordable housing. In these circumstances consideration should be given to the allocation of moderately sized allocations which do not have the infrastructure costs of the larger sites or the difficulties of previously developed windfall sites and can therefore deliver the full or even an increased level of affordable housing provision.

2.0 IS THERE CLEAR EVIDENCE SUITABLY DEMONSTRATING HOW AND WHY THE ALLOCATED SITES WERE SELECTED, INCLUDING IN TERMS OF APPROPRIATE CONSULTATION WITH THE PUBLIC, REPRESENTATIVE BODIES, NEIGHBOURING AUTHORITIES, SERVICE PROVIDERS AND OTHER INTERESTED PARTIES?

2.1 The process of selection appears to have been dominated by public participants but the response rate has been exceedingly low see submission under matter 1 iv) and matter 11 for example.

4.0 SHOULD THE PLAN ADDRESS CONTINGENCIES/ALTERNATIVES, INCLUDING IN RELATION TO THE SITE ALLOCATIONS, IN THE EVENT THAT DEVELOPMENT DOES NOT COME FORWARD AS EXPECTED?

4.1 Paragraph 14 requires that plans should be sufficiently flexible and paragraph 182 requires that the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence.

4.2 As explained above the assumed rate of delivery of housing on the strategic sites is much higher than that which can be justified by a review of the available evidence. This is clearly a high risk strategy and as such it is entirely appropriate, and we would argue essential, for a sound plan, that this risk is appropriately addressed. The most appropriate way would be the allocation of additional sites.

4.3 The impact of such allocations is that they are available to come forward to meet market demand if market demand is not being meet by the strategic sites due to the speed of their delivery. If these additional sites are not needed within the plan period, they will have the advantage of extending the period before a review of the plan is required.

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