

**Town & Country Planning Act 1990**

**Appeal against refusal by Stevenage Borough Council of application 19/00474/FPM for**

**Demolition of existing office building (Use Class B1) and structures, and construction of seven apartment buildings comprising 576 dwellings (Use Class C3) together with internal roads, parking, public open space, landscaping, drainage and associated infrastructure works**

**at**

**Land West of Lytton Way, Stevenage, SG1 1AG**

**Appellant**

**Hill Residential Ltd**

**SUPPLEMENTARY NOTE ON 5 YEAR LAND SUPPLY**

**MARCH 2021**

**APPEAL REFERENCE APP/K1935/W/20/3255692**

## Stevenage Borough Housing Land Supply Update

1. This note responds to the Stevenage Borough Council's (SBC) latest Housing Land Supply position, published in September 2020, as set out in Appendix A to SBC's Statement of Case (SoC). It updates the position set out in Hill's SoC, submitted 8<sup>th</sup> July 2020.
2. SBC is already aware of Hill's updated position as this note was initially prepared in order to discuss housing land supply issues with SBC Officers at a meeting on 9<sup>th</sup> February 2021. SBC refer to the original version of this Note in Appendix 1 to its SoC.
3. Annexed to this note (Annex 1) are comparative assessments of the housing land supply position under the Sedgefield and Liverpool Methods, using a 20% buffer with variants based on SBC's view of supply and Hill's view of supply.
4. SBC's HLS breaks sites down in the supply into
  - under construction,
  - with detailed permission,
  - with prior notification,
  - outline/subject to S106,
  - deliverable,
  - developable, and
  - windfalls.
5. We set out our comments against those below, asides from the developable category, which does not form part of the 5 Year Supply (5YS).

### **Under construction**

6. The Council's analysis considers that there are now **331** homes (previously **310**) under construction. We take no issue with that.

### **With detailed permission**

7. The Council's analysis considers that there are now **400** homes with detailed permission (previously **358**). We do not take issue with **400** homes having detailed permission. We note however that Land at *Six Hills House* was expected to deliver 20 homes in 2020/21, but that had not started at September 2020, and completions by March 2021 is considered unrealistic. SBC now accepts that but still considers the site will be delivered in the 5YS. At the time of the publication of the HLS planning conditions were still being discharged and a S96a application was pending. A S73

application was submitted in October 2020 and remains undetermined. The development is an 8 storey block. We consider that completions by March 2022 is unlikely. Whilst the scheme may deliver within the 5YS, the unrealistic assumptions and assessment in the September 2020 HLS around the site's delivery do rather question the soundness of the whole document and the assumptions behind it.

#### **With prior notification**

8. Sites with prior notification are unchanged from that previously accepted - **21** homes. Hertlands House was expected to deliver homes in 2020/21, but that has not yet started, so completions by March 2021 does not appear likely. Again, its inclusion does rather question soundness of document and the assumptions behind it.

#### **Outline/subject to S106**

9. A total of **526** homes are within this category, in a single permission at the *Matalan* site. We consider that this should be reduced to **250** homes.
10. The site obtained outline permission in October 2017, the application having been submitted in 2014. The deadline for submission of Reserved Matters was not met, but owing to the Planning and Recovery Act 2020 the deadline for submission was extended to 1<sup>st</sup> May 2021. Reserved Matters were submitted on 2<sup>nd</sup> November 2020. No applications have been submitted to discharge any of the 14 pre-commencement conditions. The development comprises a number of blocks, ranging from 4 to 20 storeys.
11. The HLS states that an 18 month build period is expected and there to be 300 completions in 2023/24 and 226 in 2024/25. Whilst the site only has an outline permission, the Council has resolved to grant the RM and by the time Hill's appeal is heard we expect it to have done so. However, SBC's assessment is considered unrealistic.
12. SBC's HLS was predicated on a RM submission in September 2020 and Commencement in January 2022. As set out above, RMs were submitted in November 2020 and hence we assume commencement now in March 2022. SBC's SoC (Appendix 1 para 4.24) refers to an 18-month build period for the whole development, achieving completion by August 2024. We consider 18 months to deliver such a scheme wholly unrealistic.
13. We consider the maximum achievable by March 2024 to be c100 homes and a further c150 by March 2025. We therefore consider a maximum of c250 could be delivered in the 5YS, compared to 526 by SBC, a reduction of 276.

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### Deliverable

14. The HLS includes **1,660** homes in this category. We consider that this figure should be reduced to **623** homes.
  
15. The contributions of sites HO1/4, HO1/10 and HO1/15 are not disputed. Together they deliver **46** homes in the HLS. However, we disagree with the Council's approach to the four sites set out below.
  
16. HO3 – north of Stevenage, delivers 450 homes in years 2022/23, 23/24, 24/25 of the HLS. Application 17/00862 was submitted in December 2017. That is an outline application, with all matters reserved except for access. Amended plans were submitted 30<sup>th</sup> October 2020, 16<sup>th</sup> and 27<sup>th</sup> November 2020. The access plans show direct access from the highway network into the site, but do not contain details of strategic infrastructure within the site. The HLS confirms that the application needed to be re-considered at committee. The HLS is based on committee reconsideration in September 2020, a decision being issued “End 2020” and RMs and conditions all discharged by end of 2021. That timetable has not been achieved. The SoCG does not state when a start is expected. It is clear that the timetable is already at least 4 months behind that in the HLS.
  
17. As matters stand, we consider that a start might reasonably be achieved in April 2022, but that requires completion of a S106 agreement, discharge of conditions, reserved matters approval for strategic infrastructure and for the first phase of residential development, a S278 agreement with HCC Highways, serving of notices and securing any CIL reliefs, and purchase of the site from the landowner. Assuming a year before the first completions, would give completions from April 2023. As a minimum the trajectory needs to be pushed back a year.
  
18. We consider that delivering 150 homes in year 1 of a greenfield development of this nature in is unrealistic. Completions are achievable by the start of Year 2 of a development. We assume 50 in Year 2. In Year 3 we allow for some affordable housing completions as well as market and hence allow for 130 completions. We therefore consider a maximum of **180** could be delivered in the 5 Year period, compared to 450 by SBC, a reduction of **270**.
  
19. HO2 – west of Stevenage phase 1, delivers 362 homes in years 2022/23, 23/24, 24/25 in the HLS. The HLS assumes a hybrid application submitted in November 2020. That has not been achieved. 5 months later the application is still not submitted. The HLS is based on a decision being issued “End June 2021”. Given that is to be a hybrid application for 1,300 homes that is, in our opinion, wholly unrealistic. Given the outline application for 800 homes at HO3 North Stevenage (reference

17/00862, see para. 16) has been running for 3 years, we consider it would be highly optimistic to assume anything less than a year for determination and issuing a S106.

20. If an application were submitted April 2021, the earliest achievable timetable for a decision and S106 is April 2022. The HLS assumes a year from approval to start on site and hence a start in April 2023, with first completions in April 2024. The HLS assumes 2 house builders operating on site. That may well be difficult to achieve within a year, but even assuming it is achievable we allow for 3 completions per outlet per month, plus affordable housing. We allow therefore 94 completions per year. Hill considers a maximum of **94** could be delivered in the 5YS, compared to 362 by SBC, a reduction of 268.
21. SG1 town centre redevelopment phase 1 – delivers 740 homes in the HLS, with 300 homes in 22/23 and 460 homes in 23/24. We consider that is unrealistic. The Council has resolved to grant permission for the first phase. The viability assessment submitted with the planning application for SG1 (ref 19/00743/FPM) sets out that construction of phase 1 would commence in August 2020 with first sales in August 2022. Given the site does not have planning permission at March 2021, sales in August 2022 are obviously not achievable. The viability assessment assumes that sales will be “off plan”, so those early sales will be ahead of any actual completions.
22. There remain a number of outstanding issues and some complex S106 issues to be agreed. One of the landowners within the SG1 application sites, Rank, has written to the Council strongly objecting to the development and stating that “there is no certainty the development can be delivered in respect of Plot C” (Annex 2). Whilst none of the early phase housing is in Plot C, it must be highly unlikely that Rank will enter into the S106 with such strong objections and lack of certainty over its future.
23. Notwithstanding that, assuming a decision is issued, say, April 2021, with nine months to discharge pre-commencement conditions, serve CIL notices and secure CIL reliefs, agree S278 with HCC Highways and complete any necessary site acquisition, development might commence by end of 2021 at the earliest. A more realistic assessment of delivery at SG1 would see completions by end of 2023. Accordingly, we allow 100 in year 23/24 and 200 in 24/25. We stress that we consider that to be optimistic. Hill considers a maximum of **300** could be delivered in the 5YS, compared to 740 by SBC, a reduction of 440.
24. Site HO1/6 Pin Green School is listed in the HLS as delivering 42 homes in the 5YS. Hill considers that the site does not accord with the definition of deliverable in the NPPF. Appendix D of the HLS includes an email from HCC Property, the owners of the site, saying that HCC *intends* to bring it forward but no detailed work has started. We do not consider that a landowner simply saying they

intend to bring forward a site is clear evidence that completions will be achieved on site. Indeed, SBC asked for evidence that work had started and HCC confirmed in the email that no work has been undertaken. We therefore conclude that this site should be removed entirely from the 5YS, a reduction of **42**.

25. In conclusion, our assessment of the deliverable element of supply is **623** homes, a reduction of 1,037 from SBC's 1,660.

### Windfalls

26. Windfalls are allowed for by SBC at 20 per year, for 4 years. The HLS was published in September 2020. Given the lead in times for development, any site which would deliver homes by March 2022 would need to have been consented by September 2020. We consider that windfalls, if they are to be included, should only be allowed from 2022/23 onwards. Accordingly we reduce the HLS by **20** homes from 80 to **60**.

27. Table 1 below sets out a comparison of SBC's and Hill's position on supply

**Table 1: Comparison of sources of supply**

	SBC	Hill	Difference	Cumulative Difference
Under construction	331	331	0	0
With detailed permission	400	400	0	0
With prior notification	21	21	0	0
Outline/subject S106	526	250	-276	-276
Deliverable	1,660	620	-1040	-1,316
Windfalls	80	60	-20	-1,336
Total	3,018	1,682	-1,336	-1,336

### Realism of the supply

28. Hill has undertaken an assessment of actual completions against predicted completions in the preceding year's annual monitoring report. As can be seen, in 6 of the last 7 years the level of completions has been seriously overestimated. In 2017/18 completions achieved were just 26% of that forecast in the previous year. Asides from 2016/17, in no year have completions achieved more than 73% of that predicted. Over the period just 73% of the total predicted completions over the 7 years have been achieved. If that rate were to continue over the next five years, actually delivery supply would be 2,264 dwellings, equating to 3.78 years.

**Table 2: Comparison of predicted supply and completions 2012 to 2019**

Year	Reported completions for year	Predicted completions in previous year's AMR	Difference	% achieved
2012/13	85	173	88	49%
2013/14	172	245	73	70%
2014/15	146	237	91	62%
2015/16	153	321	168	48%
2016/17	690	505	-185	137%
2017/18	71	277	206	26%
2018/19	285	436	151	65%
Total	1,602	2,194	592	73%

Source: SBC Annual Monitoring Reports (Extracts at Annex 3)

### Calculation of 5YS

29. The Council's stated position is that with a 20% buffer, and using the *Liverpool* methodology, it can demonstrate a supply of 3,018 homes equating to a supply of 5.04 years.
30. Hill's position is that that using a 20% buffer and the *Liverpool* methodology the supply is 1,682 homes, equating to a supply of just 2.81 years.
31. Importantly, however, Hill considers that the *Sedgefield* methodology should be used to calculate supply as the local plan includes no policies which establish that *Liverpool* can be used.
32. Policy SP7 of the SBLP sets out a requirement to deliver *at least* 7,600 new homes in Stevenage between 2011 and 2031. The policy sets out no phased requirement, nor does the plan include a phased or stepped trajectory. SP7 d) states that the council will "*Make sure there is always enough land to build homes for the next five years*". Indeed, paragraph 5.81 of the plan states that:
- "As well as ensuring we meet the overall housing target, national guidance also requires us to maintain a rolling five-year housing land supply. As we are reliant on a number of large schemes, and relatively few small sites, many of our new homes are likely to be delivered towards the end of the plan period. As such, we will not phase development, so that sites can be delivered whenever the market decides. We will actively encourage development to come forward towards the front end of the plan period."*
33. Given the above, it is appropriate that the *Sedgefield* methodology used for calculating housing land supply.

34. Using *Sedgefield*, a 20% buffer and SBC's own assessment of a deliverable supply, the Council can only demonstrate 3.92 years. Using Hill's assessment of deliverable supply, only 2.19 years can be demonstrated.
35. It is therefore Hill's position that SBC is currently not able to demonstrate a 5 year supply of land for housing. Therefore, the "*titled balance*" is engaged and development should be permitted unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in NPPF taken as a whole. Given the parlous state of the housing supply and under delivery in recent years, there is added urgency in granting permission to a house builder that has a track record of delivery within the Borough.