

The following statement has been produced by Persimmon Homes Teesside in response to selected questions set out within Matter 7 of the Inspector's Matters, Issues and Questions (ref: EX/INS/15). Whilst we have not attempted to provide a response to every question, we have, where applicable, included the Inspector's Issues and Questions in **Bold** above our response for ease of reference.

Issue 1 – How does the Plan meet the full OAN for market and affordable housing in the housing market area, including identifying a supply of specific, deliverable sites sufficient to provide 5 years' worth of housing and a supply of specific, developable sites for housing for years 6-10 and where possible years 11-15 ? (NPPF, paragraph 47)

Q2. Does the Plan, as submitted, set out a realistic range of land allocations for housing that would provide for:

- (a) A supply of specific deliverable sites to meet the housing requirement for the five years from point of plan adoption?**
- (b) A supply of specific, developable sites or broad locations for years 6-10 from the point of plan adoption?**
- (c) For (a) and (b) what are the sources of supply and what assumptions have informed the scale and timing of supply and rates of delivery from these sources? [Are they realistic and supported by the evidence?]**

1.1 Whilst the plan is considered to set out a realistic range of land allocations and does, in theory, provide sufficient supply to meet the housing requirement over the plan period there is only a very limited buffer of 49 dwellings over the proposed housing requirement as set out within Table 7 of the Publication Local Plan. This is not considered sufficient to ensure that the plan requirement is met in full.

1.2 A minor delay or the lack of delivery from one or more sites is likely to lead to under-delivery. This is a significant concern given the history of under-delivery within the borough. On this basis we recommend a greater buffer of suitable, available and achievable sites, such as Hart Farm, is provided by the plan.

1.3 This approach would not only accord with the NPPF requirement to boost housing supply but also align with the advice contained within the Local Plan Expert Group (LPEG) recommendations to Government¹.

Q4. What are the assumptions about the scale and timing of supply and rates of delivery from these various sources? Are these realistic? (Does the SHLAA establish realistic assumptions about the availability, suitability and deliverability and likely economic viability of housing sites? (NPPF paragraph 159)).

¹ LPEG (2016): Report to the Communities Secretary and to the Minister of Housing and Planning

1.4 Persimmon Homes broadly support the assumptions made within the relating to availability, suitability and deliverability and likely economic viability of housing sites.

Q5. What are the potential sources of windfalls? Is there compelling evidence to justify the approach to making an allowance for future windfall sites? (NPPF paragraph 48)

1.5 The Plan is based upon delivering 65 windfall units per annum from Housing Renewal sites. Given that these sites are not identified, as set out within our response to Question 16 on Matter 3, it is difficult to comment upon whether this delivery is realistic within the plan period based upon site assembly constraints, development lead in times, and delivery rates given the market area. The plan is in effect dependent upon the delivery of circa 975 units over the plan period to ensure that the impact of demolitions is neutralised. Persimmon Homes consider a more pragmatic approach would be to plan to meet this need accordingly and identified suitable, available and achievable sites, such as Hart Farm, to remove this element of risk from the plan.

Q6. Does the Council's five year supply of specific deliverable housing sites incorporate a suitable buffer, in accordance with the NPPF and PPG?

1.6 The Council's five year supply of specific deliverable housing sites varies from the Table 7 of the Publication Local Plan to the recently published Five Year Land Supply Assessment (EX/HBC/57). Nevertheless, Persimmon Homes do not consider the approach adopted by the Council in either document to be the correct methodology. Table 7 of the Publication Plan fails to recognise any under-delivery within the plan period to date whilst the Assessment Report identifies the under-delivery but does not apply the 20% buffer to this figure or apply the buffer across the full five years of the assessment period.

1.7 As discussed in our statement to Matter 3, Persimmon Homes continue to have concerns with the Council's OAN and proposed Housing Requirement and therefore cannot support either of the Council's Five Year Land Supply Assessments. Even so we consider that the correct way to calculate the Council's five-year land requirement would be via the following formula:

$$\left(\begin{array}{l} \text{Local Plan} \\ \text{Annual} \\ \text{Housing} \\ \text{Requirement} \\ \text{(X5 Years)} \end{array} + \begin{array}{l} \text{Backlog} \\ \text{Accrued Since} \\ \text{2016/17} \end{array} \right) + \text{Buffer} = \begin{array}{l} \text{5 Year Land} \\ \text{Housing} \\ \text{Requirement} \end{array}$$

1.8 We would note that the approach of applying the buffer to any backlog is consistent with numerous appeal decisions and the PAS online guidance².

² PAS Five Year Supply FAQs - <https://www.local.gov.uk/pas/pas-topics/local-plans/five-year-land-supply-faq>

Q7. Has there been a persistent under delivery of housing? In terms of a buffer for a five year supply, should this be 5% or 20% in relation to paragraph 47 of the NPPF?

1.9 To ensure choice and competition in the market for land, the NPPF requires the application of an additional 5% supply buffer (moved forward from later in the plan period), increased to 20% where there has been persistent under delivery against requirements in order to also provide a realistic prospect of achieving the planned supply.

1.10 As set out within Table 3.3 of the SHMA Addendum, notwithstanding our concerns expressed within our Hearing Statement to Matter 3, the Council have only achieved their housing target on four occasions over the past 10 years. This has resulted in a backlog of circa 700 units against the 2006 Local Plan Average Housing Target.

1.11 Persimmon Homes therefore welcome the acknowledgement by the Council within paragraph 10.6 of the Local Plan that there has been a record of persistent under delivery of housing and therefore it is necessary to apply a 20% buffer. This has subsequently been reflected within Table 7 of the Local Plan and within the Council's own Five Year Land Supply Assessment (EX/HBC/57).

1.12 This admission is supported and considered appropriate.

Q8. Should an allowance be made for non-implementation of permissions and if so, what is the evidence? Should any additional allowance be made for uncertainty over the supply from allocations and windfall?

1.13 It is noted that within Appendix A of the Five Year Land Supply Assessment (EX/HBC/57), the Council have assessed each permission, worked with developers to identify trajectories, discounted those it is not confident of in terms of delivery and applied a cautious approach to sites with high projections (South West Extension). The Council's assessment of supply is therefore considered to be appropriate.

Q9. Is the Plan sufficiently clear on the basis on which the 5 year supply calculation should be made, including the 'Sedgefield' or 'Liverpool' approach?

1.14 The plan in effect applies both the 'Sedgefield' and 'Liverpool' approaches. The previous backlog associated with the 2006 Local Plan has been applied pro-rata throughout the plan period using the 'Liverpool' approach whilst the backlog from within this plan period is to be dealt with in the first five years ('Sedgefield' approach) according to paragraph 3.6 of the Five Year Land Supply Assessment (EX/HBC/57). A reference should be made within the Plan explaining that the Council will apply the 'Sedgefield' approach to any backlog throughout the plan period. This will clearly define their position.

Q10. Should the annual housing requirement figure be staggered to reflect the focus on large strategic sites? (i.e. a lower figures in the early years of the plan period, increasing later?) Are the lead-in times and delivery rates for High Tunstall and Wynyard realistic?

1.15 Persimmon Homes do not consider a staggered housing requirement to be necessary. There are a number of extant permissions currently underway within the borough whilst the initial first phase of 144 units at the South West Extension is also in the pipeline. We believe that these sites are sufficient to provide a supply in the early years of the plan whilst the remaining strategic sites are brought through the planning process without the need to artificially manipulate the housing requirement.

Q11. Should the Plan contain an appropriate Policy mechanism and indicators that would trigger plan-led corrective measures to ensure a deliverable supply of housing land should monitoring indicate there is an insufficient level of supply?

1.16 Paragraph 10.17 of the Publication Plan makes reference to the Council's intention to continually monitor the delivery of housing over the plan period through Annual Monitoring Reports. It states that if insufficient additional housing delivery is being achieved this *may* trigger a review of the housing policies contained in the Local Plan including a review of the housing sites identified in the plan.

1.17 Whilst this is welcomed, in order for the review to be a meaningful exercise the review mechanism should prescribe the courses of action that will be considered in the event that the relevant thresholds for review are triggered. Specifically, we would welcome the inclusion of the broad measures that will be implemented in the event that successive housing land supply shortfalls are identified. Inclusion of these broad measures within the review mechanism will provide a greater degree of accountability and transparency which will improve the effectiveness of the monitoring and review procedures.

1.18 The Government's Housing White Paper³ suggests that a delivery test will be placed upon Local Planning Authorities. This will require action to be taken if delivery falls below 95% of the Council's annual housing requirement. The inclusion of triggers within the plan should delivery fall below the housing trajectory would therefore be a pragmatic response to this. The triggers could be used to release further sites or lead to a full or partial plan review.

1.19 One such site that can be identified as a safeguarded or reserved site to be released as part of any review or trigger is the second phase of the South West Extension. The site would naturally come forward later in the plan period, post 2026 when the first phase is projected to be complete and when, according to Table 7 and Graph 1 of the Publication Local Plan, the Council's five year supply of deliverable sites will be under most scrutiny. The site forms a natural continuation of development in the south west of the town, taking into account

³ DCLG 2017: Fixing our broken housing market

the long term development needs of the area. The site is naturally contained by Dalton Back Lane to the west and therefore aligns with the wider objectives of the plan when taken as a whole.

- 1.20 As set out within Persimmon Homes' response to Matter 10, the site has the potential to deliver an additional 700 units in the remaining years of the plan. This will provide a significant boost to the supply of housing within the borough should monitoring identify insufficient levels of delivery. Such an approach would ensure that the plan has sufficient flexibility to adapt to changing conditions over the full plan period to meet its housing requirement.

Q12. In terms of monitoring Plan performance should the housing requirement to 2032 be presented in a table within the Plan in three five year phases (2016-21; 2021-26; 2026-31), with a clear numerical total of what is anticipated to be delivered in each of those phases and the annual average for each phase?

- 1.21 Whilst Persimmon Homes find Table 7 of the Local Plan useful as an indication of the trajectory the Council expect to deliver, it is noted that in terms of the five year land supply and what is required to be delivered in each phase, the 20% buffer (or 5% should the council's position improve) is not shown to be rolling so upon the expected adoption of the plan in 2017/18, the table will be out of date.

Q13. Should the Plan include an additional buffer for supply? Is this justified in light of the requirement exceeding the full OAN? Based on past-delivery rates would it be delivered?

- 1.22 As set out within our representations to the Publication Plan (Ref: Pub0115) and Matter 3, Table 8 'Future Housing Supply over the Next 15 Years' of the Local Plan details the sources of housing to be delivered over the plan period and in the process identifies a total supply of 6,199 dwellings from allocations and extant permissions against a total requirement of 6,150 units.

- 1.23 Notwithstanding our comments to Matter 3 and the need to increase the OAN and Housing Requirement in light of concerns with household formation rates, economic assumptions, past under-delivery and windfall delivery, we consider an additional supply buffer to be essential on top of the housing requirement. The NPPF is clear that plans should be positively prepared, aspirational and aim to significantly boost the supply of housing. In this regard the housing requirements set within the plan should be viewed as a minimum requirement in line with our response to Question 19 on Matter 3 and therefore if the plan is to achieve its housing requirement as a minimum, it stands to reason that additional sites are required to enable the plan requirements to be surpassed. Due to a variety of potential reasons, it is inevitable that some sites will either under-perform or fail to deliver during the plan period but it will only take one site to be delayed or not to be implemented for the current buffer to be gone. A greater buffer of sites will therefore provide greater opportunities and flexibility for the plan to deliver its housing requirement and such an approach would align with the LPEG recommendations.

- 1.24 Persimmon Homes subsequently note the findings in the Inspector's report into the Stratford-on-Avon Core Strategy, published in June 2016. In that report, at paragraph 71, the Inspector finds that to ensure the plan is positively prepared in line with the NPPF the 10% reserve for housing sites should be increased to 20%. More locally, the Publication Local Plan for Redcar and Cleveland actively identifies a 20% buffer of additional housing land on top of the proposed Housing Requirement to "*promote a flexible and continuous supply of housing land in line with national policy, and to reduce the risk of under-delivery...*"
- 1.25 We therefore advocate a contingency of 20% for the reasons provided above. To contribute towards the creation of this buffer, we consider the Land at Hart Farm to be a sustainable and logical residential opportunity. As explained within the Deliverability Document which was submitted with our representations to the Publication Local Plan, the site is situated adjacent to the Consortium's proposed Upper Warren development which benefits from outline planning permission for 500 units. The site would form a natural extension to this development, resulting in the comprehensive rounding off development in this area. The deliverability document explains that a suitable buffer with the nearby quarry can be achieved, in line with the existing separation distances to surrounding dwellings, to protect the amenity of future residents and thereby overcome the concerns expressed by the SHLAA. The form and character of the development will complement the adjacent development to the north, east and south whilst ensuring that the Local Plan objective of maintaining the gaps between settlements and avoiding coalescence is not compromised.
- 1.26 The site would realistic form a logical continuation of the Upper Warren development in the latter part of the plan period (years 11 -15) where Table 7 of the Publication Plan currently identifies a shortfall in terms of the Council's ability to identify a 5 year supply of deliverable housing sites.