

# THANET DISTRICT COUNCIL LOCAL PLAN EXAMINATION

## Matter 8 – Hearing Statement Housing Land Supply (Policies SP11, SP14, SP15, SP18)

On behalf of

**Tesco Stores Ltd**

MB/JT/19332  
Hearing Statement  
Matter 8 – Housing Land  
Supply  
March 2019

## HEARING STATEMENT

### Document status

Version	Purpose of document	Authored by	Approved by	Review date
1.0	Hearing Statement – Matter 8	Jake Tubb	Mark Buxton	March 2019

### Approval for issue

Mark Buxton

March 2019

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# 1 INTRODUCTION

- 1.1 We are instructed by our clients, Tesco Stores Limited, to submit Hearing Statements and appear at the Thanet Local Plan Examination on their behalf in relation to the Thanet Proposed Submission Local Plan and associated evidence base.
- 1.2 RPS has submitted representations on behalf of our clients to previous stages of the Draft Local Plan including the February 2018 Call for Sites and the Local Plan Pre-Submission Publication.
- 1.3 The relevant representations to the Pre Submission Publication Version 2018 are enclosed within **Appendix A** of this Statement for ease of reference.
- 1.4 This Statement details our clients' responses to selected questions under Matter 8 of the Matters, Issues and Questions identified by the Inspector.



## 2 RESPONSE TO THE MATTERS AND ISSUES IDENTIFIED BY THE INSPECTOR

### Matter 8, Issue 3 – Components of Supply

*Questions 1, 2 & 5: What evidence is there to support the housing trajectory for Birchington (Policy SP14)/ Westgate-on-Sea (Policy SP15)/ Land at Manston Court (Policy SP18)? Does this adequately reflect the time it will take to bring development forward and the necessary infrastructure requirements for the site?*

- 2.1 The response below applies to Questions 1, 2 and 5 of Issue 3.
- 2.2 Question 1 of Issue 3 relates to what evidence there is to support the housing trajectory for the Birchington site (Policy SP14) and whether it adequately reflects the time taken to bring the development forward and the necessary infrastructure requirements for the site. The Draft Local Plan identifies an initial delivery at the Birchington Site of 50 dwellings by 2019/20, however at the time of writing, no planning application has been submitted.

#### Housing Trajectory – Delivery Rates

- 2.3 As identified within our representation to the Pre Submission Publication Local Plan and issues covered in the Matter 5 statement, TDC delivery rates for the site appear very optimistic and are inconsistent with the evidence contained within nationwide analysis such as the NLP Research Paper ‘Start to Finish’ November 2016.
- 2.4 The NLP report ‘From Start to Finish’ (November 2016) (**Appendix B**) establishes that it takes on average at least 5.3 years from validation to the delivery of the first units on schemes of over 500 units. We therefore contend from the evidence provided within NLP’s Start to Finish Report does not support the Draft Local Plan’s housing trajectory and it is unlikely that the Strategic Sites at Birchington (SP14), Westgate-on-sea (SP15) and Land at Manston Court/Haine Road (SP18) will deliver 50 dwellings each by 2019-20.
- 2.5 The MHCLG report ‘Independent Review of Build Out – Preliminary Update’ dated 13 March 2018 (**Appendix C**) indicated that the fundamental driver of slow build out rates for large sites appears to be the ‘absorption rate’. Large sites create the opportunity for house-builders to control sales rates and limit opportunities for rivals to enter the market and compete for customers. This reduces the absorption rate as the homes on offer will typically be fairly homogeneous and provide limited choice for customers. Therefore, housebuilders operating on large sites are unlikely to deliver the higher number of dwellings expected by the Council as these cannot be absorbed by the market or sold by the house builder at a quick enough rate. The subsequent draft analysis (**Appendix D**) and final report (**Appendix E**) by MHCLG, dated 25 June 2018 and 29 October 2018 respectively, confirms this position and strongly suggests that the housing trajectory for these large strategic sites is not supported by evidence.

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- 2.6 As established in our Matter 5 response, TDC has consistently overestimated the annualised number of dwellings that can be delivered within the District, reflected in the Authorities' yearly monitoring reports (AMRs).
- 2.7 TDC has continuously demonstrated that they are unable to accurately forecast estimated delivery rates in the District. The proposed housing trajectory for the Strategic Sites of Birchington, Westgate-on-sea, and Manston Court/Haine Road are not supported by evidence and therefore are not considered to be realistic. This in turn will impact the total number of units which can be delivered on these sites over the Plan period, and particularly within the next 5 years. We therefore contend that the Local Plan is currently unsound as the Council is unable to provide evidence to justify the housing trajectory on key sites or demonstrate a 5 year housing land supply (5YHLS) during the initial post-adoption years; and there are serious doubts that it will deliver sufficient dwellings across the plan period to meet the Objectively Assessed Need. We also contend that over reliance on a few large Strategic Sites is not an appropriate spatial strategy and will not deliver dwellings at the scale and speed anticipated by TDC.
- 2.8 Another key point to note, and an issue identified by the 'Letwin Review', was the need for variety and diversification to create different housing options and a different offer. A concern over the large strategic allocation at Manston Court/Haine Road in particular is that this forms the southern end of the Westwood Strategic Allocation (SP16). As a consequence, over 2,500 dwellings are planned to come forward simultaneously in a location which will comprise a single market for housebuyers, therefore adversely impacting the 'absorption rate'.
- 2.9 It is therefore considered that additional sites should be allocated for residential development within the Draft Local Plan.
- 2.10 We consider that too much emphasis has been placed on large Strategic Sites in the Draft Local Plan and thus reliance on these sites within the housing trajectory. Strategic Sites require the completion of significant new infrastructure before units can be built/occupied. The reliance on the delivery of significant infrastructure for large Strategic Sites delays the commencement of development on these sites and the number of units capable of coming forward until towards later in the Plan period. An over-reliance on such sites could undermine the Council's ability to maintain a five-year supply of housing land to meet the housing target.

### **Housing Trajectory – Total Delivery**

- 2.11 The Proposed Revisions to the Draft Local Plan (Preferred Options) was published in January 2017 and included policy SP05 which identified the allocation of the former Manston Airport site as capable of delivering 2,500 dwellings. However, within the Draft Local Plan Pre-Submission Publication the allocation of the former Manston Airport Site (Policy SP05) had been removed, meaning that 2,500 homes had to be re-allocated to other sites by the Council (TDC).
- 2.12 This strategy has resulted in a significant increase in the number of dwellings allocated to a small number of Strategic Sites and also a non-Strategic Site being re-categorised as a Strategic Site in order to accommodate the 2,500 dwellings previously allocated as part of the mixed use development at the former Manston Airport site.

## HEARING STATEMENT

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- 2.13 With regard to certain Strategic Sites, the increase in dwelling numbers between the Proposed Revisions to Draft Local Plan (Preferred Options) and the Draft Thanet Local Plan - 2031 - Pre-Submission Publication for the Strategic Sites in question are as follows:
- Allocation of 600 additional dwellings at the Birchington site (Policy SP14);
  - Allocation of 1,000 additional dwellings at the Westgate-on-sea site (Policy SP15);
  - Allocation of 500 additional dwellings at Land at Manston Court/Haine Road (SP18);
- 2.14 These increased allocation numbers within Strategic Sites are reflected within the 2018 SHLAA and represent changes to the housing trajectory, as set out below:

Table 1 - Housing Trajectory – Birchington (Policy SP14)

		Phasing Year													
Local Plan Publication	Site name	2018/19 dwellings	2019/20 dwellings	2020/21 dwellings	2021/22 dwellings	2022/23 dwellings	2023/24 dwellings	2024/25 dwellings	2025/26 dwellings	2026/27 dwellings	2027/28 dwellings	2028/29 dwellings	2029/30 dwellings	2030/31 dwellings	2031/32 dwellings
Preferred Options 2017	Birchington	50	100	100	70	70	70	70	70	80	80	80	80	80	0
Pre-Submission 2018		0	50	100	100	150	150	150	150	150	150	150	150	150	0
Housing Trajectory Difference (units)		-50	-50	+0	+30	+80	+80	+80	+80	+70	+70	+70	+70	+70	+0

Table 2 - Housing Trajectory – Westgate (Policy SP15)

		Phasing Year													
Local Plan Publication	Site name	2018/19 dwellings	2019/20 dwellings	2020/21 dwellings	2021/22 dwellings	2022/23 dwellings	2023/24 dwellings	2024/25 dwellings	2025/26 dwellings	2026/27 dwellings	2027/28 dwellings	2028/29 dwellings	2029/30 dwellings	2030/31 dwellings	2031/32 dwellings
Preferred Options 2017	Westgate	50	100	100	70	70	70	70	70	80	80	80	80	80	0
Pre-Submission 2018		0	50	100	100	150	150	200	200	200	200	200	200	200	50
Housing Trajectory Difference (units)		-50	-50	+0	+30	+80	+80	+130	+130	+120	+120	+120	+120	+120	+50

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**Table 3 - Housing Trajectory – Land at Manston Court Road/Haine Road (Policy SP18)**

		Phasing Year													
Local Plan Publication	Site name	2018/19 dwellings	2019/20 dwellings	2020/21 dwellings	2021/22 dwellings	2022/23 dwellings	2023/24 dwellings	2024/25 dwellings	2025/26 dwellings	2026/27 dwellings	2027/28 dwellings	2028/29 dwellings	2029/30 dwellings	2030/31 dwellings	2031/32 dwellings
Preferred Options 2017	Manston Court/Haine Road	0	30	60	60	60	60	60	60	60	60	60	60	60	0
Pre-Submission 2018		0	50	80	80	110	110	110	110	110	110	110	110	110	0
<b>Housing Trajectory Difference (units)</b>		<b>+0</b>	<b>+20</b>	<b>+20</b>	<b>+20</b>	<b>+50</b>	<b>+50</b>	<b>+50</b>	<b>+50</b>	<b>+50</b>	<b>+50</b>	<b>+50</b>	<b>+50</b>	<b>+50</b>	<b>+0</b>

- 2.15 No evidence has been provided to demonstrate that these sites are capable delivering this quantum of additional dwellings on an annual or overall basis for the Plan period. Indeed, we understand the promoter for Westgate-on-Sea is advocating the need for a larger allocation to accommodate the scale of development proposed.
- 2.16 It is also noteworthy that for two of the sites, housing delivery has been pushed back from 2018/19 (as anticipated in the 2017 Preferred Options) to 2019/20 in the 2018 Pre Submission Publication Version. We contend that this will again need to be pushed back by at least 2-3 years.
- 2.17 Footnote 11 to paragraph 47 of the 2012 NPPF notes that *“to be considered deliverable, sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans.”* We consider that the housing trajectory is not supported by evidence nor can the above sites cannot be considered deliverable in line with paragraph 47 of the 2012 NPPF.
- 2.18 It is also likely that the Birchington (SP14), Westgate-on-Sea (SP15) and Manston Court Road /Haine Road (SP18) will require mitigation. However, the explicit mitigation requirements for each

- Strategic Site are not identified within the Draft Local Plan's evidence base and therefore it is not clear whether the quantum of development planned at these sites is in fact viable.
- 2.19 The Sustainability Assessment – Environmental Report (ref. CD7.4) notes that the Air Quality Management Area was declared to enable a more strategic and integrated approach to transport planning and development control. However, the impact of the planned level of development on the Strategic Sites has seemingly not been considered in any detail.
- 2.20 Whilst in each case within the Sustainability Appraisal – Environmental Report (CD7.4), the impact of the housing allocations at the Strategic Sites is considered to be a 'Significant Positive', no evidence is provided to demonstrate the sites can accommodate the extent of dwelling numbers now proposed. We assert that the Draft Local Plan fails to adequately reflect the time taken to bring the development forward and the necessary infrastructure requirements for the site and therefore cannot be found sound.
- 2.21 It is further noted that a large proportion of the anticipated 5 Year Housing Land Supply comprises 'Sites with Planning Permission at 31/3/17' (AMR 2018, **Appendix F**). This is made up of a combination of sites under construction and those not started. A considerable number of these sites were granted planning permission well over 3 years ago. Therefore if they have not been implemented, they will have lapsed, and for those which have been implemented the timescales for delivery appear unduly extended, raising questions as to whether they will come forward at all.

***Question 2: What evidence is there to support the housing trajectory for Westgate-on-Sea (Policy SP15)? Does this adequately reflect the time it will take to bring development forward and the necessary infrastructure requirements for the site?***

- 2.22 Question 2 of Issue 3 relates to what evidence there is to support the housing trajectory for the Westgate-on-Sea site (Policy SP15) and whether it adequately reflects the time taken to bring the development forward and the necessary infrastructure requirements for the site. The Draft Local Plan identifies an initial delivery at the Westgate-on-sea site of 50 dwellings by 2019/20, however at the time of writing, no planning application has been submitted.
- 2.23 See the above response to Question 1 of Issue 3 which considers the robustness or otherwise the housing trajectory for this site.

***Question 3: What evidence is there to support the housing trajectory for land at Manston Court (Policy SP18)? Does this adequately reflect the time it will take to bring development forward and the necessary infrastructure requirements for the site?***

- 2.24 Question 5 of Issue 3 relates to what evidence there is to support the housing trajectory for Land at Manston Court site (Policy SP18) and whether it adequately reflects the time taken to bring the development forward and the necessary infrastructure requirements for the site. The Draft Local Plan identifies an initial delivery at the Manston Court/Haine Road site of 50 dwellings by 2019/20. At the time of writing, a resolution to grant outline planning permission for 900 units

- (OL/TH/18/0261) of the expanded 1,200 unit strategic site has been made (in Spring 2019), but planning permission is still awaited.
- 2.25 See the above response to Question 1 of Issue 3 which considers the robustness or otherwise the housing trajectory for the site.

## **Matter 8, Issue 4 – Windfall Allowance**

### ***Question 1: What allowance has been made for windfall sites coming forward over the first five years, and thereafter throughout the plan period?***

- 2.26 Question 1 of Issue 4 relates to the allowance made for windfall sites coming forward over the first five years, and thereafter throughout the plan period.
- 2.27 We consider that Table 3 – Total Housing Supply of the Draft Local Plan, is over-reliant on Windfall Sites which are proposed to deliver 225 dwellings per year across the plan period to 2031. We consider it would be more appropriate, under a plan-led system (as advocated by the NPPF), for the Council to identify and allocate sites now rather than relying on windfalls. Since windfall can include any sites not specifically identified in the local plan, it is inevitable that the level of windfall will increase where a local plan is out of date or unable to demonstrate a 5 Year Housing Land Supply (5YHLS). As the local plan progresses, and providing the Council is able to demonstrate and sustain a 5YHLS, the level of windfalls should diminish over time.
- 2.28 We note that based on the current total housing provision, approximately 26% of the total 857 dwellings required each year would be provided by windfall sites. We consider this represents an over-dependence on windfall sites being brought forward for development and the Council should instead be allocating additional sites.
- 2.29 The 2018 Strategic Housing Land Availability Assessment (SHLAA) (CD 4.4) identified historic Windfall Site completions which is used for the Windfall Site allocation within the Draft Local Plan. The windfall allowance identified within the SHLAA is based on data that was available at the time of the Preferred Options draft and is therefore an average of windfall sites of less than 10 units over the 7-year period (2008-2015). The SHLAA identifies the following Windfall Site completions of less than 10 units since 2008:
- 2008-09 – 367 Windfall Site completions;
  - 2009-10 – 182 Windfall Site completions;
  - 2010-11 – 496 Windfall Site completions;
  - 2011-12 – 214 Windfall Site completions;
  - 2012-13 – 76 Windfall Site completions;
  - 2013-14 – 123 Windfall Site completions; and
  - 2014-15 – 120 Windfall Site completions.
- 2.30 The data provided within the SHLAA identifies that only twice within the assessed 7-year period have more than the proposed annual Windfall Site allowance of 225 units been completed. It is important to note the context of these Windfall Site completions which happened during a time where the Council was unable to demonstrate a 5YHLS.



- 2.31 Where a 5YHLS cannot be demonstrated and the Development Plan is out of date, as in the case of Thanet, there will inevitably be an increased level of Windfall Site development per annum. This leads to housing land supply being dominated by Windfall Sites. If a 5YHLS is demonstrated post-adoption of the Local Plan, the presumption in favour of sustainable development would not apply and it is likely that there would be a reduction in the proportion of Windfall Site developments.
- 2.32 Additionally, the high Windfall Site completion total for the year 2010-11 skews the mean average Windfall Site completions over the 7-year period and should be considered an anomaly. Excluding the 2010-11 completion reduces the average Windfall Site completion rate to 180 dwellings per annum. Paragraph 48 of the NPPF states that where an allowance is made for Windfall Sites, there should be compelling evidence to support it. Therefore, given that the Windfall Site allowance is largely dependant on the anomaly Windfall Site completions identified for the year 2010-11, it is not considered that there is compelling evidence that the allowance of 225 dwellings per annum is achievable in future years.
- 2.33 A level of Windfall Site allowance is considered acceptable, particularly having regard to the direction of travel of national policy (see paragraph 68 of the 2019 NPPF) which identifies that small and medium sized sites can make an important contribution to meeting the housing requirement of an area and are often built-out relatively quickly. However, this over-reliance on Windfall Sites within the Local Plan to meet the housing requirement cannot be considered a sound approach.
- 2.34 We therefore assert that the Draft Local Plan is over-reliant on the allowance of Windfall Sites and as previously identified, suitable housing allocations such as the site at Land North and South of Millennium Way should be allocated for residential development to enable the Council to reduce its clear dependence on Windfall Sites.

***Question 2: What is this based on and is it justified on appropriate available evidence?***

- 2.35 Question 2 of Issue 4 relates to whether the windfall allowance is justifiable and whether it is based on appropriate available evidence.
- 2.36 As identified within the response relating to Question 1 of Issue 4 above, we do not consider that the evidence provided demonstrates that the allowance is realistic with regard to historic Windfall Site delivery rates identified within the housing evidence base (SHLAA) and assert that the Local Plan should seek to allocate suitable land for additional housing development to give more certainty that the identified housing need can be met. The site at Land North of Millennium Way is considered an appropriate site for an additional housing allocation in light of this need.

## **Matter 8, Issue 5 – Future Supply**

***Question 3: Is there likely to be a sufficient supply of housing land throughout the lifetime of the Plan?***

- 2.37 The Council has proposed a stepped approach to housing supply within the Draft Local Plan which in the first phase between 2016-21 envisages the delivery of 4,500 dwellings, an annualised figure of 900 dwellings per annum, increasing to 5,500 dwellings between 2021-26



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and 5,585 dwellings between 2026-31. However, between 2016-18 the actual delivery of dwellings as identified by the 2018 Annual Monitoring Report (**Appendix F**) was 389 dwellings for the year 2016/17 and 238 for the year 2017/18. These levels of completions are considerably lower than the identified need within the Draft Local Plan. Whilst it is considered that following the adoption of the Local Plan, annual dwelling completions should start to rise, there is a significant backlog caused by the historic undersupply which draws into question the supply of housing over the Plan period.

- 2.38 This historic undersupply, combined with an over-emphasis on the homogenous large strategic sites, leads us to have serious concerns over the ability of the council to boost significantly the supply of housing and demonstrate a 5 year supply of deliverable sites as required under paragraph 47 of the NPPF. An over-reliance of windfall sites does not offer a solution under a Plan-led system. A greater number and variety of additional housing sites are required and should be allocated in the Draft Local Plan.

### 3 CONCLUSIONS/PROPOSED MODIFICATIONS

- 3.1 On behalf of our clients, we have a number of concerns in relation to the approach taken by the Council towards the certain Strategic Site allocations and the implications for housing land supply. This Hearing Statement has been produced in response to these concerns.
- 3.2 We consider that Draft Local Plan is not justified, effective or consistent with national policy, particularly in relation to the forecast number of dwellings to be delivered on a number of Strategic Sites and the proposed Windfall Allowance. The Draft Local Plan also relies on large Strategic Sites with overly optimistic dwelling numbers and trajectories which cannot be considered 'deliverable' in line with paragraph 47 of the 2012 NPPF.
- 3.3 We contend that the following amendments are required in order for the Plan to be considered sound:
- Revisions to the proposed delivery rates and timescales for construction of a number of proposed allocations to provide more realistic delivery rates;
  - A reduction in the allowance of Windfall Sites to a more realistic level; and
  - Allocate additional sites for residential use to ensure that TDC can meet its housing targets once more realistic delivery figures have been applied. One site suitable for allocation for residential development is Land to the North of Millennium Way.

## Appendix A

### Relevant Representations to the Pre Submission Publication Version 2018

# Thanet Local Plan July 2018

## Pre-Submission Publication Version (Regulation 19)

### Representation Form

This form has two parts – **Part A** – Personal Details **Part B** – Your representation(s).

Please fill in a separate sheet for each representation you wish to make.

The period for comment is from 23<sup>rd</sup> August to 4<sup>th</sup> October 2018. All comments need to be  
**submitted by 5pm on Thursday 4<sup>th</sup> October 2018.**

Please be aware the council **is unable** to accept comments received **after** this date.

Please be advised that comments submitted to us will be made public along with your name and the name of the organisation you are representing (if relevant). Your address and any other personal details you provide to us will remain confidential. Your contact details will only be used for Local Plan consultations and to inform you about the stages of this Local Plan process; and for the purposes of the Local Plan Examination.

Comments can be made online at [www.consult.thanet.gov.uk](http://www.consult.thanet.gov.uk). The completed comments form can be emailed to [local.plans@thanet.gov.uk](mailto:local.plans@thanet.gov.uk) or alternatively the form can be sent to Strategic Planning, Thanet District Council, P.O. Box 9, Cecil Street, Margate, Kent CT9 1XZ

### Part A: Personal Details *(Please Print)*

<b>Your Details:</b> <b>Name:</b>	<b>Agent's Details:</b> <b>Name: Mark Buxton</b>
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**All comments forms must be submitted either online, by email or by post  
by 5pm on 4th October 2018**

To keep you informed of the progress of the Local Plan, the Council will contact you by email where an email address has been provided. If you do not wish to be kept informed of the local plan please tick here ☐

**Representing:**  
**Tesco Stores Ltd.**

## Part B: Your Comments

**Please Note: Only those representations made at this stage will be taken into account by the Inspector as part of the examination.**

**1. Please enter the policy / paragraph / table number or site, to which your comment relates.**

**Policy No:** SP11

**Site:** .....

**Support** ☐

**Object** ☒

**Comment** ☐

**2. Do you consider the Local Plan is:**

**Yes**

**No**

**(1) Legally compliant**

☐☐

**(2) Sound**

☐☒

**(3) Complies with the Duty to Co-operate**

☐☐

*Please tick as appropriate*

For an explanation of these terms please see the guidance notes published separately

**3. Please give details of why you consider the Local Plan is not legally compliant or is unsound or fails to comply with the duty to co-operate. Please be as precise as possible. If you wish to support the legal compliance or soundness of the Local Plan or its compliance with the duty to co-operate, please also use this box to set out your comments.**

In our representations to the Proposed Revisions to the Local Plan, we broadly welcomed the increase to 17,140 additional dwellings over the plan period. On behalf of our client, we consider that this represents a more accurate reflection of the total number of additional dwellings required across Thanet than the 12,000 additional homes previously identified in the 2015 consultation. This does though comprise a 43% increase in the level of need in the plan period, thereby necessitating a more flexible and proactive approach towards identifying suitable housing sites.



**All comments forms must be submitted either online, by email or by post  
by 5pm on 4th October 2018**

In this context, we consider that Table 3 – Total Housing Supply, is over reliant on Windfall Sites which are proposed to deliver 225 units per year across the plan period (2011-2031). The Council should be aware of additional sites which are suitable to be allocated within the emerging Local Plan to avoid such a heavy reliance on windfall.

We consider it would be more appropriate, under a plan-led system (as advocated by the NPPF), for the Council to identify and allocate sites now rather than relying on windfalls. Since windfall can include any sites not specifically identified in the local plan, it is inevitable that the level of windfall will increase where a local plan is out of date or unable to demonstrate a 5 Year Housing Land Supply. As the local plan progresses, and providing the Council is able to demonstrate and sustain a 5 Year Housing Land Supply, the level of windfalls should diminish over time.

We therefore question whether it is realistic for this level of windfalls to be delivered year on year across the Plan period. Consequently, evidence of previous levels of windfall should not automatically be deemed “*compelling evidence*” (as required in paragraph 48 of the NPPF) or a reliable indicator of future trends.

We note that based on the current total housing provision, approximately 26% of the total 857 dwellings required each year would be provided by windfall sites. We consider this represents an over-dependence on windfall sites being brought forward for development and the Council should instead be allocating additional sites. If this level of windfall allowance is to be carried forward in the Local Plan, we request that further evidence is provided to demonstrate that the allowance is realistic with regard to the housing evidence base (notably the Strategic Housing Land Availability Assessment), historic windfall delivery rates and expected future trends as required by the NPPF.

We have previously identified that land north and south of Millennium Way would be suitable for a housing allocation and such an allocation would help with the housing supply and enable the Council to reduce its dependence on Windfall sites within the Local Plan.



**All comments forms must be submitted either online, by email or by post  
by 5pm on 4th October 2018**

- 4. Please indicate below, what changes to the policy or paragraph wording you consider necessary to make the Local Plan legally compliant or sound, having regard to the Matter you have identified at 3 above where this relates to soundness. It will be helpful for the Inspector, if you are able to put forward your suggested revised wording of any policy or text. Please be as precise as possible.**

Review the windfall allowance in Table 3, Total Housing Supply, as 225 units per annum sustained over a 10 year period is considered unrealistic and unsustainable; additional housing sites (such as land north of Millennium Way) should be allocated instead in accordance with a plan-led system.

**Please note your representation should cover succinctly all the information, evidence and supporting information necessary to support/justify the representation and the suggested modification, as there will not normally be a subsequent opportunity to make further representations based on the original representation at publication stage. After this stage, further submissions will be only at the request of the Inspector, based on the matters and issues he/she identifies for examination.**



**All comments forms must be submitted either online, by email or by post  
by 5pm on 4th October 2018**

**5. Examination:**

If your representation is seeking a modification, do you consider it necessary to participate at the oral part of the examination?

**No**, I do not wish to participate  
at the oral examination

☐

**Yes**, I wish to participate  
at the oral examination

☒

**6. If you wish to participate at the oral part of the examination, please outline why you consider this to be necessary:**

To assist the Inspector in reaching a conclusion on the soundness or otherwise of the draft Local Plan through oral elaboration on the representations submitted.

**Please note the Inspector will determine the most appropriate procedure to adopt to hear those who have indicated that they wish to participate at the oral part of the examination.**

Date: 4<sup>th</sup> October 2018



**All comments forms must be submitted either online, by email or by post  
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# Thanet Local Plan July 2018

## Pre-Submission Publication Version (Regulation 19)

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Representing:  
Tesco Stores Ltd.

## Part B: Your Comments

**Please Note: Only those representations made at this stage will be taken into account by the Inspector as part of the examination.**

**1. Please enter the policy / paragraph / table number or site, to which your comment relates.**

Policy No: SP14

Site: Birchington

Support

☐

Object

☒

Comment

☐

**2. Do you consider the Local Plan is:**

**Yes**

**No**

(1) Legally compliant

☐☐

(2) Sound

☐☒

(3) Complies with the Duty to Co-operate

☐☐

*Please tick as appropriate*

For an explanation of these terms please see the guidance notes published separately

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We have concerns over the timescales and feasibility of the some of the sites currently being promoted in the Local Plan to meet the Council's OAN over the Plan period, and particularly the strategy to accommodate the 2,500 dwellings which need to be reallocated as a consequence of the deletion of a mixed use development at Manston Airport from the Proposed Revisions to the Local Plan.

The contribution being sought from Strategic Housing Site SP14 Birchington has increased from 1,000 dwellings to 1,600 dwellings in the Pre-Submission Local Plan. We consider that there is little justification provided for the increase of 600 dwellings at this site. The first 50 units are expected to be



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delivered in 2019/20 but with no planning application submitted we consider this to be extremely optimistic, and indeed, unrealistic. There are a number of matters which need to be addressed before any planning permission is granted. This includes the provision of a new link road, a serviced school site, appropriate noise mitigation on development in the northern edge and integration with the open countryside.

The NLP report 'From Start to Finish' (November 2016) establishes that it takes on average 3.9 years from the first identification of a site to the submission of the initial planning application. NLP's report further finds that on average it takes more than 4 years for an application for over 500 dwellings to progress from the validation to the decision date of the first applications which permits the development of dwellings on site whether it be a full, hybrid or reserved matters application. This does not include the discharging of any pre-commencement conditions if required.

Following the planning application being approved it takes on average a further 6-12 months for schemes of 500 up to 1,500 units to start delivering units on site. Therefore from validation to the delivery of the first units on schemes of over 500 units it takes on average at least 5.3 years. We therefore contend from the evidence provided within NLP's Start to Finish Report it is unlikely that the strategic sites at Birchington (SP14), Westgate on Sea (SP15), and Manston Court Road/Haine Road (SP18) will deliver units by 2019/20.

We therefore consider that this site (SP14, Birchington) is unlikely to be delivered within the proposed timescales set out by the Council. This in turn will have knock on effects for the total number of units which can be delivered on the site over the plan period, and particularly the next 5 years. We therefore contend the Local Plan is currently unsound as the Council is unable to demonstrate a 5 year housing land supply during the initial years post adoption and there are serious doubts that it will deliver sufficient dwellings across the plan period to meet the Objectively Assessed Need.

Therefore, the Council should consider allocating further sites for housing which can be delivered earlier in the plan period, including the land to the north (and south) of Millennium Way.

- 4. Please indicate below, what changes to the policy or paragraph wording you consider necessary to make the Local Plan legally compliant or sound, having regard to the Matter you have identified at 3 above where this relates to soundness. It will be helpful for the Inspector, if you are able to put forward your suggested revised wording of any policy or text. Please be as precise as possible.**

Provide a robust justification in the draft Local Plan for increasing the housing allocation at Birchington by 600 units or otherwise reduce the allocation to 1,000 units and allocate a wider range of additional housing sites to make up the shortfall.

Apply a more realistic housing trajectory in Appendix B in recognition of the planning status of the site.

**Please note your representation should cover succinctly all the information, evidence and supporting information necessary to support/justify the representation and the suggested modification, as there will not normally be a subsequent opportunity to make further representations based on the original representation at publication stage. After this stage, further submissions will be only at the request of the Inspector, based on the matters and issues he/she identifies for examination.**



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at the oral examination

☐

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**Representing:**  
**Tesco Stores Ltd.**

## Part B: Your Comments

**Please Note: Only those representations made at this stage will be taken into account by the Inspector as part of the examination.**

**1. Please enter the policy / paragraph / table number or site, to which your comment relates.**

**Policy No:** SP15

**Site:** Westgate-on-Sea

**Support** ☐

**Object** ☒

**Comment** ☐

**2. Do you consider the Local Plan is:**

**Yes**

**No**

**(1) Legally compliant**

☐☐

**(2) Sound**

☐☒

**(3) Complies with the Duty to Co-operate**

☐☐

*Please tick as appropriate*

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We have concerns over the timescales and feasibility of some of the sites currently being promoted in the Local Plan to meet the Council's OAN over the Plan period, and particularly the strategy to accommodate the 2,500 dwellings which need to be reallocated as a consequence of the deletion of a mixed use development at Manston Airport from the Proposed Revisions to the Local Plan.

The allocation for Strategic Housing Site SP15 Westgate-on-Sea has increased from 1,000 dwellings in the 2015 version of the Local Plan to 2,000 dwellings in the Pre-Submission version. Again, we consider that there is little justification provided for this 100% increase. The first 50 units are expected to be



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delivered in 2019/20 but with no planning application submitted we consider this to be overly optimistic, and indeed, unrealistic. The proposal must include a masterplan to incorporate the provision of a District Centre, the provision of community facilities and a new link road. We consider that with all these matters to address the Council has been too optimistic with the delivery of this allocation.

The NLP report 'From Start to Finish' (November 2016) establishes that it takes on average 3.9 years from the first identification of a site to the submission of the initial planning application. NLP's report further finds that on average it takes more than 4 years for an application for over 500 dwellings to progress from the validation to the decision date of the first applications which permits the development of dwellings on site whether it be a full, hybrid or reserved matters application. This does not include the discharging of any pre-commencement conditions if required.

Following the planning application being approved it takes on average a further 6-12 months for schemes of 500 up to 1,500 units to start delivering units on site. Therefore from validation to the delivery of the first units on schemes of over 500 units it takes on average at least 5.3 years. We therefore contend from the evidence provided within NLP's Start to Finish Report it is unlikely that the strategic sites at Birchington (SP14), Westgate on Sea (SP15), and Manston Court Road/Haine Road (SP18) will deliver units by 2019/20.

Furthermore the NLP report identified the following average delivery rates for greenfield sites:

- On sites of 500 – 999 dwellings, the average annual delivery rate was 86 dwellings per annum;
- On sites of 1,000 to 1,499 dwellings, the average annual delivery rate was 122 dwellings per annum;
- On sites of 1,500 to 1,999 dwellings, the average annual delivery rate was 142 dwellings per annum; and
- On sites of 2,000 or more dwellings, the average annual delivery rate was 171 dwellings per annum.

Appendix B to the Local Plan 'Housing Allocations and Permissions' sets a trajectory for Westgate which anticipates 200 dwellings per annum will be delivered from 2024/25 onward for a sustained and consecutive period of 7 years. We contend this is overly ambitious and unrealistic.

We therefore consider that this site (SP15, Westgate-on-Sea) is unlikely to be delivered within the proposed timescales set out by the Council. This in turn will have knock on effects for the total number of units which can be delivered on this site over the plan period, and particularly the next 5 years. We therefore contend the Local Plan is currently unsound as the Council is unable to demonstrate a 5 year housing land supply during the initial years post adoption and there are serious doubts that it will deliver sufficient dwellings across the plan period to meet the Objectively Assessed Need.

Therefore, the Council should consider allocating further sites for housing which can be delivered earlier in the plan period, including the land to the north (and south) of Millennium Way.



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Provide a robust justification in the draft Local Plan for increasing the housing allocation at Westgate on Sea by 1,000 units or otherwise reduce the allocation to 1,000 units and allocate a wider range of additional housing sites to make up the shortfall.

Apply a more realistic housing trajectory in Appendix B in recognition of the planning status of the site.

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If your representation is seeking a modification, do you consider it necessary to participate at the oral part of the examination?

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at the oral examination

☐

**Yes**, I wish to participate  
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**Representing:**  
**Tesco Stores Ltd.**

## Part B: Your Comments

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**1. Please enter the policy / paragraph / table number or site, to which your comment relates.**

**Policy No:** SP18

**Site:** Manston Court Road/Haine Road

**Support**

☐

**Object**

☒

**Comment**

☐

**2. Do you consider the Local Plan is:**

**Yes**

**No**

**(1) Legally compliant**

☐☐

**(2) Sound**

☐☒

**(3) Complies with the Duty to Co-operate**

☐☐

*Please tick as appropriate*

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We have concerns over the timescales and feasibility of the some of the sites currently being promoted in the Local Plan to meet the Council's OAN over the Plan period, and particularly the strategy to accommodate the 2,500 dwellings which need to be reallocated as a consequence of the deletion of a mixed use development at Manston Airport from the Proposed Revisions to the Local Plan.

Strategic Housing Site SP18 Land at Manston Court Road/Haine Road is proposed to comprise up to 1,200 new dwellings and leisure uses. This is an increase in the number of dwellings proposed for this site compared to the Preferred Options Revisions, increasing by 500 dwellings. The Council consider that



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the first 50 units could be completed on site by 2019/20. However as the outline application was only submitted in March 2018 and the applicants have had to address a number of outstanding matters including highways, flood risk and conservation issues we consider that it is extremely unlikely that the necessary permissions will be agreed in time for the first units to be completed by 2019/20. The Outline Planning Application has yet to be determined, Reserved Matters and Discharge of Pre-Commencement Conditions will need to follow, the site may then need to be sold to a housebuilder to commence site preparation works. All this takes time before development is commenced. Completions of the first dwellings ready for occupation typically takes several months more.

In addition, the proposed allocation adjoins a number other proposed strategic allocations and residential sites. Therefore any highway improvements would need to accommodate the additional traffic generated by these cumulative developments and contributions agreed across the sites. We consider that is it very optimistic for the necessary highway improvements and contributions to be agreed between the various landowners and then implemented prior to the units being completed on site within the Council's notional delivery period.

The NLP report 'From Start to Finish' (November 2016) establishes that it takes on average 3.9 years from the first identification of a site to the submission of the initial planning application. NLP's report further finds that on average its takes more than 4 years for an application for over 500 dwellings to progress from the validation to the decision date of the first applications which permits the development of dwellings on site whether it be a full, hybrid or reserved matters application. This does not include the discharging of any pre-commencement conditions if required.

Following the planning application being approved it takes on average a further 6-12 months for schemes of 500 up to 1,500 units to start delivering units on site. Therefore from validation to the delivery of the first units on schemes of over 500 units it takes on average at least 5.3 years. We therefore contend from the evidence provided within NLP's Start to Finish Report it is unlikely that the strategic sites at Birchington (SP14), Westgate on Sea (SP15), and Manston Court Road/Haine Road (SP18) will deliver units by 2019/20.

We therefore consider that this site (SP18, Manston Court Road/Haine Road) is unlikely to be delivered within the proposed timescales set out by the Council. This in turn will have knock on effects for the total number of units which can be delivered on this site over the plan period, and particularly the next 5 years. We therefore contend the Local Plan is currently unsound as the Council is unable to demonstrate a 5 year housing land supply during the initial years post adoption and there are serious doubts that it will deliver sufficient dwellings across the plan period to meet the Objectively Assessed Need.

Therefore, the Council should consider allocating further sites for housing which can be delivered earlier in the plan period, including the land to the north (and south) of Millennium Way.



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Provide a robust justification in the draft Local Plan for increasing the housing allocation at Land at Manston Court/Haine Road by 500 units or otherwise reduce the allocation to 700 units and allocate a wider range of additional housing sites to make up the shortfall.

Apply a more realistic housing trajectory in Appendix B in recognition of the planning status of the site.

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## **Appendix B**

**‘From Start to Finish’ (Extracts Only) – Nathaniel Lichfields & Partners  
(November 2016)**



TRIP

Targeted Research  
& Intelligence Programme



Nathaniel Lichfield  
& Partners

Planning. Design. Economics.

# Start to Finish

## How Quickly do Large-Scale Housing Sites Deliver?

November 2016



# Executive Summary

There is a growing recognition that large-scale housing development can and should play a large role in meeting housing need. Garden towns and villages – planned correctly – can deliver sustainable new communities and take development pressure off less sustainable locations or forms of development.

However, what looks good on paper needs to deliver in practice. Plans putting forward large sites to meet need must have a justification for the assumptions they make about how quickly sites can start providing new homes, and be reasonable about the rate of development. That way, a local authority can decide how far it needs to complement its large-scale release with other sites – large or small – elsewhere in its district.

This research looks at the evidence on speed and rate of delivery of large-scale housing based on a large number of sites across England and Wales (outside London). We draw five conclusions:

1. If more homes are to be built, more land needs to be released and more planning permissions granted. There is no evidence to support the notion of systemic 'land banking' outside London: the commercial drivers of both house builders and land promoters incentivises rapid build out of permissions to secure returns on capital.
2. Planned housing trajectories should be realistic, accounting and responding to lapse rates, lead-in times and sensible build rates. This is likely to mean allocating more sites rather than less, with a good mix of types and sizes, and then being realistic about how fast they will deliver so that supply is maintained throughout the plan period. Because no one site is the same – and with significant variations from the average in terms of lead-in time and build rates – a sensible approach to evidence and justification is required.
3. Spatial strategies should reflect that building homes is a complex and risky business. Stronger local markets have higher annual delivery rates, and where there are variations within districts, this should be factored into spatial strategy choices. Further, although large sites can deliver more homes per year over a longer time period, they also have longer lead-in times.
4. Plans should reflect that – where viable – affordable housing supports higher rates of delivery. This principle is also likely to apply to other sectors that complement market housing for sale, such as build to rent and self-build (where there is demand for those products). This might mean some areas will want to consider spatial strategies that favour sites with greater prospects of affordable or other types of housing delivery.
5. For large-scale sites, it matters whether a site is brownfield or greenfield. The latter come forward more quickly.

In our conclusions we identify a check list of questions for consideration in exploring the justification for assumed timing and rates of delivery of large-scale sites.



# The Research in Figures

**70** number of large sites assessed

**3.9** years the average lead in time for large sites prior to the submission of the first planning application

**6.1** years the average planning approval period of schemes of 2,000+ dwellings. The average for all large sites is circa 5 years

**161** the average annual build rate for a scheme of 2,000+ dwellings

**321** the highest average annual build rate of the schemes assessed, but the site has only delivered for three years

**40%** approximate increase in the annual build rate for large sites delivering 30%+ affordable housing compared to those delivering 10%-19%

**50%** more homes per annum are delivered on average on large greenfield sites than large brownfield sites









# Introduction

When it comes to housing, Government wants planning to think big. With its Garden Towns and Villages agenda and consultation on proposed changes to the National Planning Policy Framework (NPPF) to encourage new settlements, planning authorities and developers are being encouraged to bring forward large-scale housing development projects, many of them freestanding. And there is no doubt that such projects will be necessary if England is to boost supply and then consistently deliver the 300,000 new homes required each year<sup>1</sup>.

Large-scale sites can be an attractive proposition for plan-makers. With just one allocation of several thousand homes, a district can – at least on paper – meet a significant proportion of its housing requirement over a sustained period. Their scale means delivery of the infrastructure and local employment opportunities needed to sustain mixed communities.

But large-scale sites are not a silver bullet. Their scale, complexity and (in some cases) up-front infrastructure costs means they are not always easy to kick start. And once up and running, there is a need to be realistic about how quickly they can deliver new homes. Past decades have seen too many large-scale developments failing to deliver as quickly as expected, and gaps in housing land supply have opened up as a result.

So, if Local Plans and five year land supply assessments are to place greater reliance on large-scale developments – including Garden Towns and Villages – to meet housing needs, the assumptions they use about when and how quickly such sites will deliver new homes will need to be properly justified.

*“Local planning authorities should take a proactive approach to planning for new settlements where they can meet the sustainable development objectives of national policy, including taking account of the need to provide an adequate supply of new homes. In doing so local planning authorities should work proactively with developers coming forward with proposals for new settlements in their area.”*

**DCLG consultation on proposed changes to national planning policy (December 2015)**

The Planning Practice Guidance (PPG) offers little guidance other than identifying that timescales and rates of development in land availability assessments should be based on information that “*may include indicative lead-in times and build-out rates for the development of different scales of sites. On the largest sites allowance should be made for several developers to be involved. The advice of developers and local agents will be important in assessing lead-in times and build-out rates by year*”<sup>2</sup>. It also requires housing land availability assessments to include: “a reasonable estimate of build out rates, setting out how any barriers to delivery could be overcome.”<sup>3</sup>

This research provides insights to this topic – which has become a perennial discussion at Local Plan examinations and Section 78 appeals in recent years – by focusing on two key questions:

1. what are realistic lead-in times for large-scale housing developments?; and
2. once the scheme starts delivering, what is a realistic annual build rate?

NLP has carried out a desk-based investigation of the lead-in times and build-out rates on 70 different strategic housing sites (“large sites”) delivering 500 or more homes to understand what factors might influence delivery. For contrast 83 “small sites” delivering between 50 and 499 homes have been researched to provide further analysis of trends in lead in times and build rates at varying scales.

As well as identifying some of the common factors at play during the promotion and delivery of these sites it also highlights that every scheme has its own unique factors influencing its progress: there can be significant variations between otherwise comparable developments, and there is no one ‘typical scheme’. This emphasises the importance of good quality evidence to support the position adopted on individual projects.

<sup>1</sup> House of Lords Select Committee on Economic Affairs (2016) Building more homes: 1st Report of Session 2016-17 - HL Paper 20

<sup>2</sup> PPG ID: 3-023-20140306

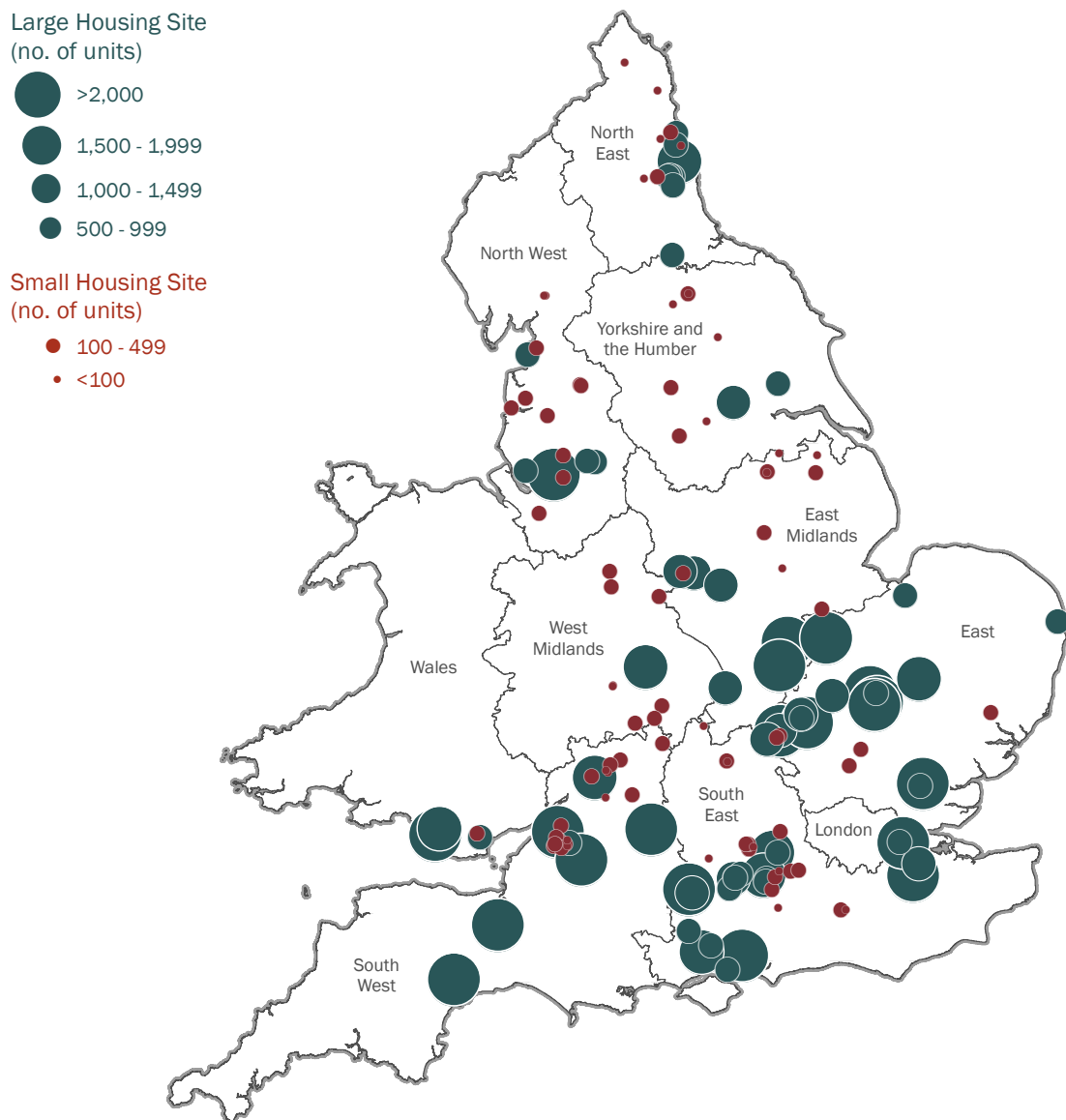
<sup>3</sup> PPG ID: 3-028-20140306

# Data Sources and Methodology

In total NLP reviewed 70 strategic sites (“large sites”) which have delivered, or will deliver, in excess of 500 dwellings. The sites range in size from 504 to 15,000 dwellings. The geographic distribution of the 70 large sites and comparator small sites is set out below in Figure 1. A full list of the large sites can be found in Appendix 1 and the small sites in Appendix 2. NLP focused on sites outside London, due to the distinctive market and delivery factors applicable in the capital.

Efforts were made to secure a range of locations and site sizes in the sample, but it may not be representative of the housing market in England and Wales as a whole and thus conclusions may not be applicable in all areas or on all sites.

Figure 1: Geographic Distribution of the 70 Large Sites and 83 Small Sites Assessed



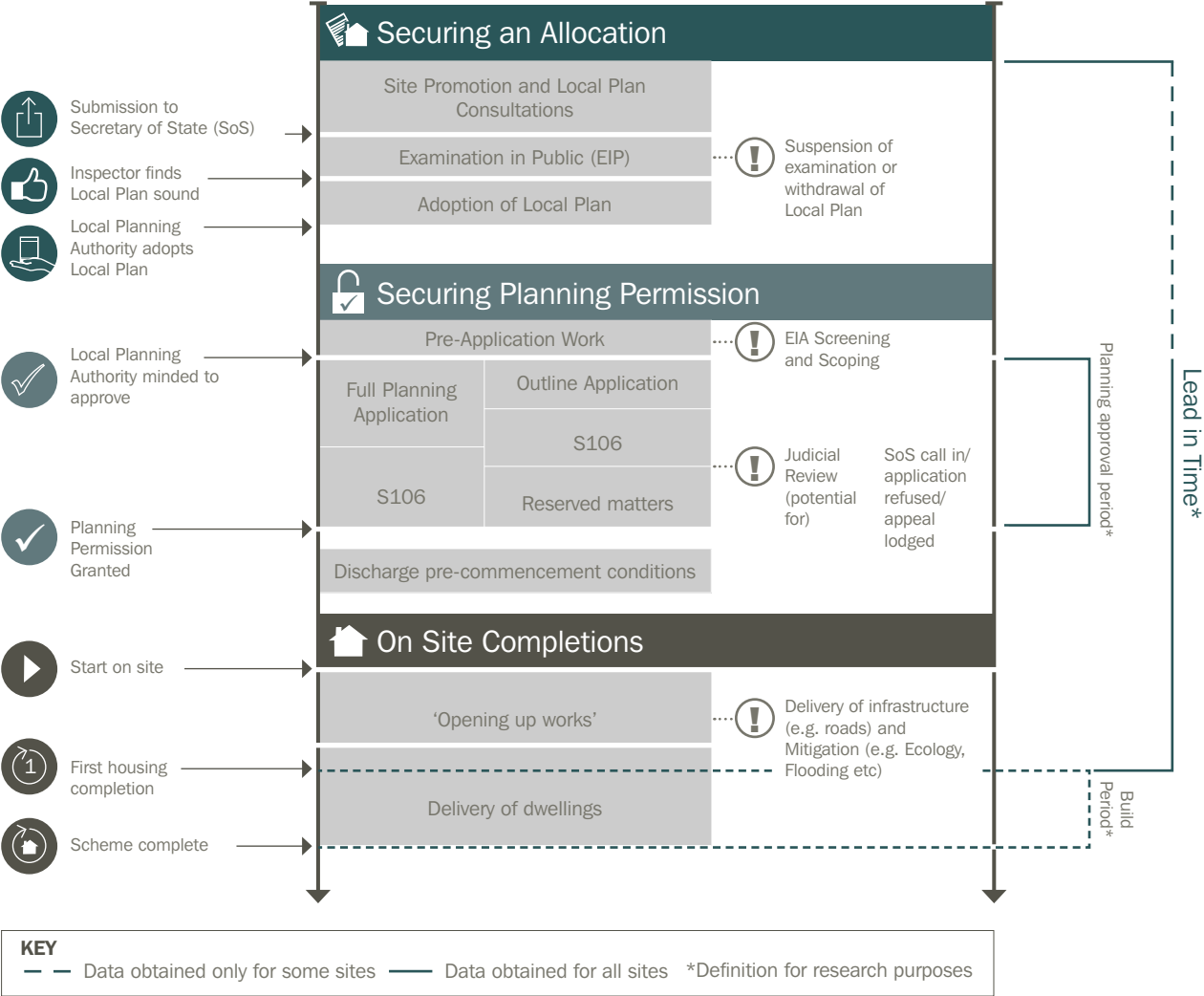
Source: NLP analysis

Methodology

The research aims to cover the full extent of the planning and delivery period. So, wherever the information was available, the data collected on each of the 70 sites covers the stages associated with the total lead-in time of the development (including the process of securing a development plan allocation), the total planning approval period, starting works on site, delivery of the first dwelling and the annualised build rates recorded for the development up until to the latest year where data is available (2014/15). To structure the research and provide a basis for standardised measurement and comparison, these various stages (some of them overlapping) have been codified.

Figure 2 sets out the stages and the milestones used to measure them. These are assumed to fall under what are defined as ‘lead-in times’, ‘planning approval periods’ and ‘build periods’, with ‘first housing completion’ denoting the end of the lead-in time and start of the build period. Not every site assessed will necessarily have gone through each component of the identified stages sequentially, or indeed at all (for example, some sites secure planning permission without first being allocated).

Figure 2: Timeline for the Delivery of a Strategic Housing Site



Source: NLP

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The approach to defining these stages for the purposes of this research is set out below:

- The **'lead-in time'** – this measures the period up to the first housing completion on site from either a) the date of the first formal identification of the site as a potential housing allocation (e.g. in a LPA policy document) or where not applicable, available or readily discernible – b) the validation date of the first planning application made for the scheme.
- The **'planning approval period'** is measured from the validation date of the first application for the proposed development (be that an outline, full or hybrid application). The end date is the decision date of the first detailed application which permits the development of dwellings on site (this may be a full or hybrid application or the first reserved matters approval which includes details for housing). The discharge of any pre-commencement and other conditions obviously follows this, but from a research perspective, a measurement based on a detailed 'consent' was considered reasonable and proportionate milestone for 'planning' in the context of this research.
- The date of the **'first housing completion'** on site (the month and year) is used where the data is available. However, in most instances the monitoring year of the first completion is all that is available and in these cases a mid-point of the monitoring period (1st October, falling halfway between 1st April and the following 31st March) is used.
- The **'annual build rate'** falls within the overall 'build period'. The annual build rate of each site is taken or inferred from the relevant Local Planning Authority's Annual Monitoring Reports (AMR) or other evidence based documents where available. In some instances this was confirmed – or additional data provided – by the Local Planning Authority or County Council.

Due to the varying ages of the assessed sites, the implementation of some schemes was more advanced than others and, as a function of the desk-based nature of the research and the vintage of some of the sites assessed, there have been some data limitations, which means there is not a complete data set for every assessed site. For example, lead-in time information prior to submission of planning applications is not available for all sites. And because not all of the sites assessed have commenced housing delivery, annual build rate information is not universal. The results are presented accordingly.







# Getting Started:

## What are Realistic Lead-in Times?

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How long does it take for large-scale sites to get up and running? This can be hard to estimate. Understandably, those promoting sites are positive about how quickly they can deliver, and local authorities choosing to allocate large-scale sites in their plans are similarly keen for these sites to begin making a contribution to housing supply. This leads some local housing trajectories to assume that sites can be allocated in Local Plans and all detailed planning approvals secured in double-quick time. However, the reality can prove different.

Our main focus here is on the average ‘planning approval period’ and the subsequent period from receiving a detailed planning approval to delivery of the first house on site. However, another important metric is how long it takes from the site being first identified by the local authority for housing delivery to getting started on site. Unfortunately, getting accurate data for this on some of the historic sites is difficult, so this analysis is focused on a just 18 of the sample sites where information was available.

### Lead-in Times

The lead-in time prior to the submission of a planning application is an important factor, because many planning issues are flushed out in advance of planning applications being submitted, not least in terms of local plan allocations establishing the principle of an allocation. In a plan-led system, many large-scale sites will rely on the certainty provided by Local plans, and in this regard, the slow pace of plan-making in the period since the NPPF<sup>4</sup> is a cause for concern.

If the lead-in time prior to submission of an application is able to focus on addressing key planning issues, it can theoretically help ensure that an application – once submitted – is determined more quickly. Our sample of sites that has lead-in time information available is too small to make conclusions on this theory. However, there is significant variation within these sites highlighting the complexity of delivering homes on sites of different sizes. Of this sample of sites: on average it was 3.9 years from first identification of the site for housing to the submission of the initial planning application.

Moreover, a substantial lead-in time does not guarantee a prompt permission: 4 of the 18 sites that took longer to gain planning permission than the average for sites of comparable size and also had lead-in times prior to submission of a planning application of several years<sup>5</sup>.

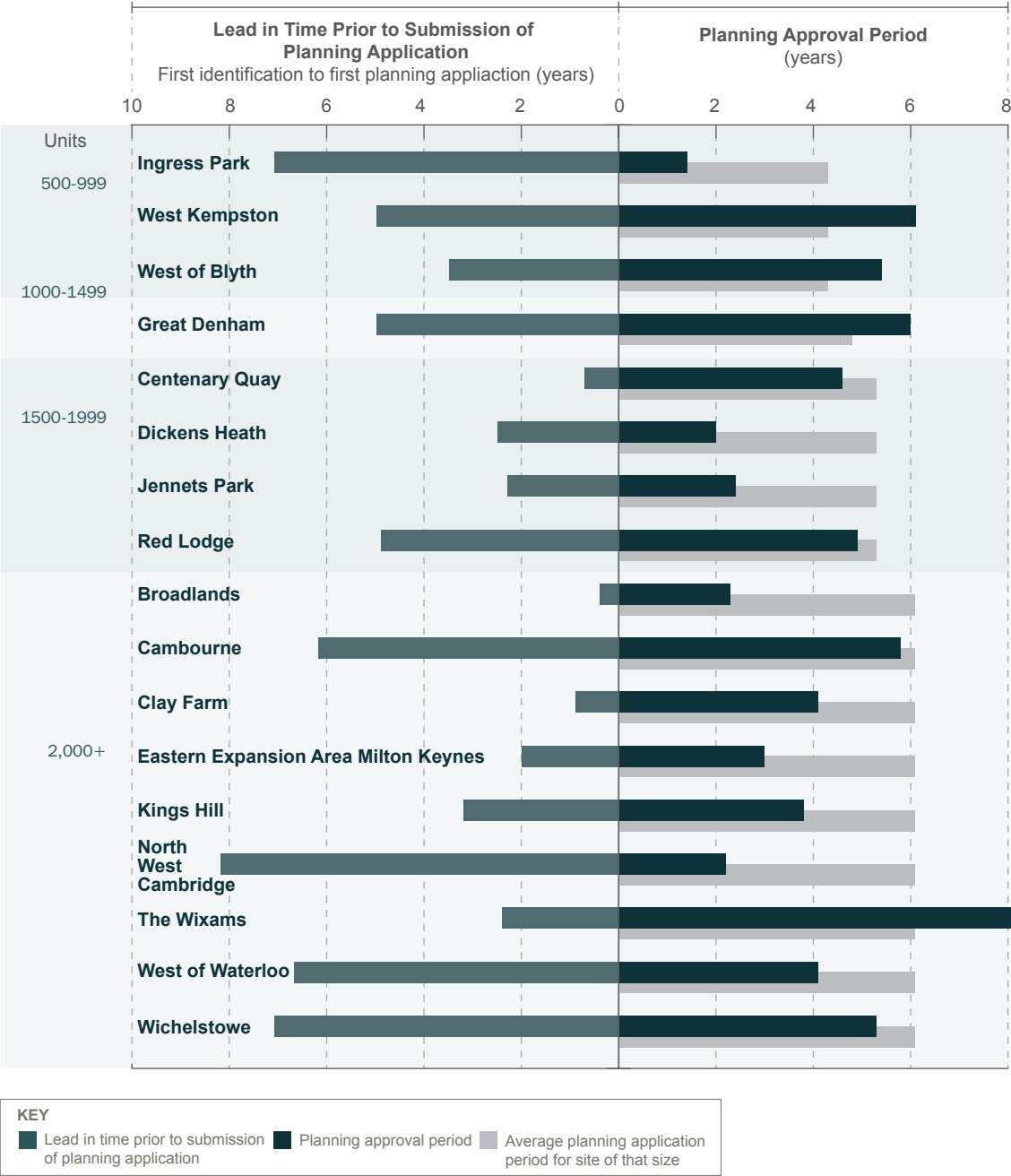
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<sup>4</sup> As at September 2016, just 34% of Local Authorities outside London have an up-to-date post-NPPF strategic-level Local Plan.

Source: PINS / NLP analysis.

<sup>5</sup> The sites in question were The Wixams, West Kempton, West of Blyth, and Great Denham.

Figure 3: Average lead-in time of sites prior to submission of the first planning application



Source: NLP analysis

## The Planning Approval Period: Size Matters

The term ‘planning approval period’ in this report measures the period from the validation date of the first planning application for the scheme to the decision date of the first application which permits development of dwellings on site (this could be a full, hybrid or reserved matters application). Clearly, in many cases, this approval will also need to be followed by discharge of pre-commencement conditions (a focus of the Government’s Neighbourhood Planning Bill) but these were not reviewed in this research as a detailed approval was considered an appropriate milestone in this context.

The analysis considers the length of planning approval period for different sizes of site, including comparing large-scale sites with small sites. Figure 4 shows that the greater the number of homes on a site, the longer the planning approval period becomes. There is a big step-up in time for sites of in-excess of 500 units.

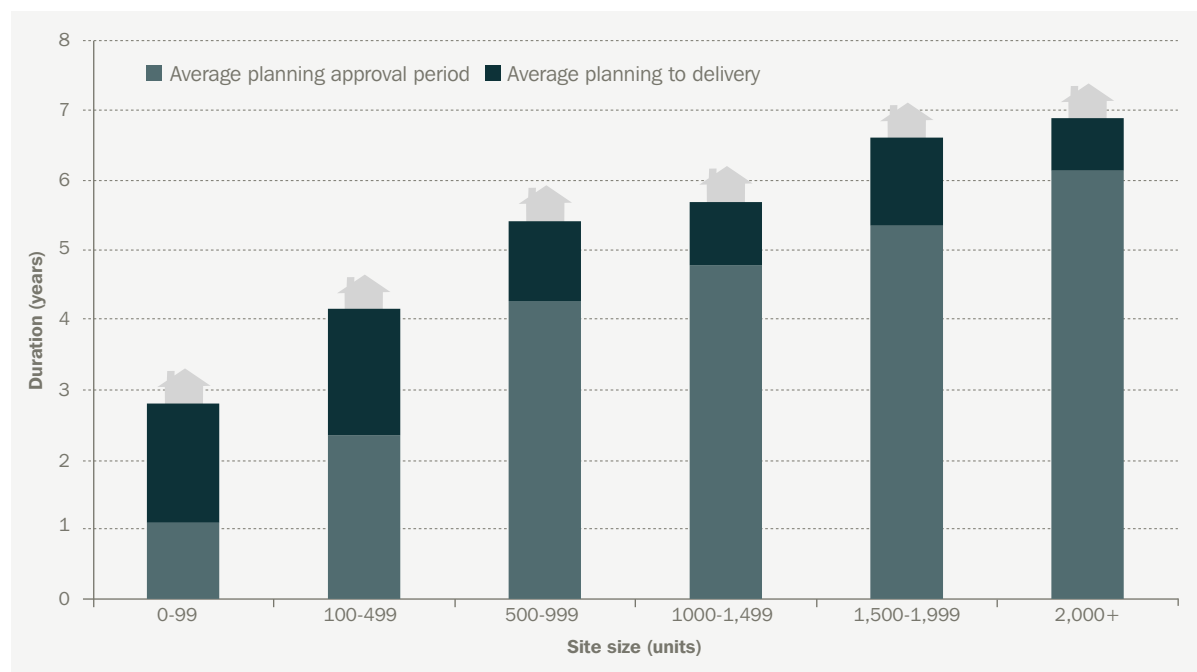
## Time Taken for First Housing Completion after Planning Approval

Figure 4 also shows the time between the approval of the first application to permit development of dwellings on site and the delivery of the first dwelling (during which time any pre-commencement conditions would also be discharged), in this analysis this is the latter part of the lead in time period. This reveals that the timescale to open up a site following the detailed approval is relatively similar for large sites.

Interestingly, our analysis points to smaller sites taking longer to deliver the first home after planning approval. This period of development takes just over 18 months for small sites of under 500 units, but is significantly quicker on the assessed large-scale sites; in particular, on the largest 2,000+ dwelling sites the period from receiving planning approval to first housing completion was 0.8 years.

In combination, the planning approval period and subsequent time to first housing delivery reveals the total period increases with larger sites, with the total period being in the order of 5.3 – 6.9 years. Large sites are typically not quick to deliver; in the absence of a live planning application, they are, on average, unlikely to be contributing to five year housing land supply calculations.

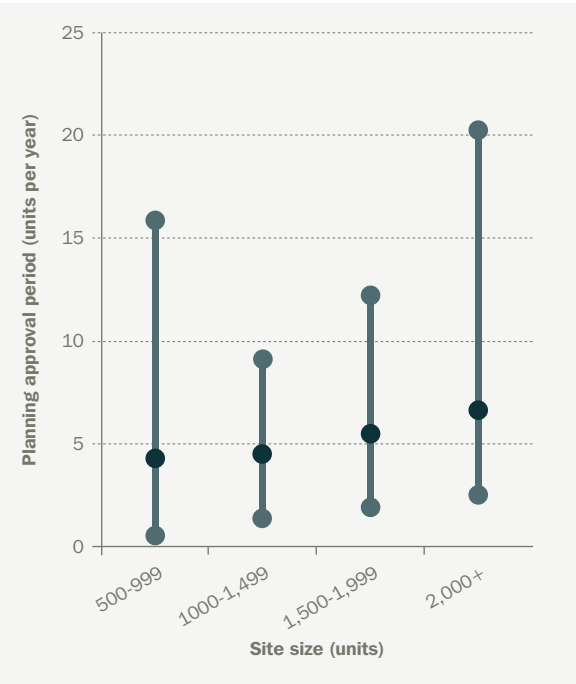
Figure 4: Average planning approval period and delivery of first dwelling analysis by site size



Source: NLP analysis

Of course, these are average figures, and there are significant variations from the mean. Figure 5 below shows the minimum and maximum planning approval periods for sites in each of the large size categories. This shows even some of the largest sites coming forward in under two years, but also some examples taking upwards of 15-20 years. Clearly, circumstances will vary markedly from site to site.

Figure 5: Site size and duration of planning



Source: NLP analysis

## Case Studies

If some sites are coming forward more quickly than the average for sites of that size, what is it that is driving their rapid progress? We explored this with some case studies. These suggest that when schemes are granted planning permission significantly faster than the above averages, it is typically due to specific factors in the lead-in time prior to the submission of a planning application.

### Gateshead – St James Village (518 dwellings): Planning approval period 0.3 years<sup>6</sup>

This site was allocated as a brownfield site in the Gateshead UDP (2000) prior to the submission of a planning application for the regeneration scheme. A Regeneration Strategy for East Gateshead covered this site and as at 1999 had already delivered high profile flagship schemes on the water front. Llewelyn Davis were commissioned by the Council and English Partnerships to prepare a masterplan and implementation strategy for the site which was published in June 1999. Persimmon Homes then acquired the site and it was agreed in autumn 1999 that they should continue the preparation of the masterplan. East Gateshead Partnership considered the masterplan on the 08th March 2000 and recommended approval. Subsequently, the outline application (587/00) with full details for phase 1 was validated on the 6th September 2000 and a decision issued on the 9th January 2001.

It is clear that although it only took 0.3 years for the planning application to be submitted and granted for a scheme of more than 500 units, the lead in time to the submission of the application was significant, including an UDP allocation and a published masterplan 18 months ahead of permission being granted. By the time the planning application was submitted most of the site specific issues had been resolved.

<sup>6</sup> St James Village is excluded from the lead-in time analysis because it is unclear on what date the site was first identified within the regeneration area

### **Dartford – Ingress Park (950 dwellings):**

#### **Planning approval period 1.4 years**

This site was initially identified in a draft Local Plan in 1991 and finally allocated when this was adopted in April 1995. The Ingress Park and Empire Mill Planning Brief was completed in three years later (November 1998).

The submission of the first planning application for this scheme predated the completion of the Planning Brief by a few months, but the Council had already established that they supported the site. By the time the first application for this scheme was submitted, the site had been identified for development for circa seven years.

The outline application (98/00664/OUT) was validated on the 10th August 1998 and permission granted on the 21st Nov 2000, a determination period of 1 year and 3 months). A full application for the First Phase for 52 dwellings (99/00756/FUL) was validated and approved in just two months, prior to approval of the outline. Clearly, large-scale outline permissions have to wrap up a wide range of other issues, but having first phase full applications running in parallel can enable swifter delivery, in situations where a 'bite sized' first phase can be implemented without triggering complex issues associated with the wider site.

### **Cambridge and South Cambridgeshire – North West Cambridge (3,000 dwellings and 2,000 student bed spaces):**

#### **Planning approval period 2.2 years**

Cambridge University identified this area as its only option to address its long-term development needs, and the Cambridgeshire and Peterborough Structure Plan 2003 identified the location for release from the Green Belt. The site was allocated in the 2006 Cambridge Local Plan, and the North West Cambridge Area Action Plan was adopted in October 2009. The Area Action Plan established an overall vision and set out policies and proposals to guide the development as a whole.

As such, by the time the first application for this scheme was submitted, there had already been circa eight years of 'pre-application' planning initially concerning the site's release from the Green Belt, but then producing the Area Action Plan which set out very specific requirements.. This 'front-loaded' consideration of issues that might otherwise have been left to a planning application.

The outline application (11/1114/OUT – Cambridge City Council reference) for delivery of up to 3,000 dwellings, up to 2,000 student bed spaces and 100,000 sqm of employment floorspace was validated on the 21st September 2011 and approved on the 22nd of February 2013. The first reserved matters application for housing (13/1400/REM) was validated on the 20th September 2013 and approved on the 19th December 2013. Some ten years from the concept being established in the Structure Plan.

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## Summary on Lead-in Times

1. On average, larger sites take longer to complete the planning application and lead-in processes than do smaller sites. This is because they inevitably give rise to complex planning issues related to both the principle of development and the detail of implementation.
2. Consideration of whether and how to implement development schemes is necessary for any scheme, and the evidence suggests that where planning applications are determined more quickly than average, this is because such matters were substantially addressed prior to the application being submitted, through plan-making, development briefs and/or master planning. There is rarely a way to short-circuit planning.
3. Commencement on large sites can be accelerated if it is possible to 'carve-out' a coherent first phase and fast track its implementation through a focused first phase planning application, in parallel with consideration of the wider scheme through a Local Plan or wider outline application.
4. After receiving permission, on average smaller sites take longer to deliver their first dwelling than do the largest sites (1.7-1.8 years compared to 0.8 years for sites on 2,000+ units).

# Lapse Rates: What Happens to Permissions?

Not every planning permission granted will translate into the development of homes. This could mean an entire site does not come forward, or delivery on a site can be slower than originally envisaged. It is thus not realistic to assume 100% of planning permission granted in any given location will deliver homes. Planning permissions can lapse for a number of reasons:

1. The landowner cannot get the price for the site that they want;
2. A developer cannot secure finance or meet the terms of an option;
3. The development approved is not considered to be financially worthwhile;
4. Pre-commencement conditions take longer than anticipated to discharge;
5. There are supply chain constraints hindering a start; or
6. An alternative permission is sought for the scheme after approval, perhaps when a housebuilder seeks to implement a scheme where the first permission was secured by a land promoter.

These factors reflect that land promotion and housebuilding is not without its risks.

At the national level, the Department for Communities and Local Government has identified a 30-40% gap between planning permissions granted for housing and housing starts on site<sup>7</sup>. DCLG analysis suggested that 10-20% of permissions do not materialise into a start on site at all and in addition, an estimated 15-20% of permissions are re-engineered through a fresh application, which would have the effect of pushing back delivery and/or changing the number of dwellings delivered.

This issue often gives rise to claims of 'land banking' but the evidence for this is circumstantial at best, particularly outside London. The business models of house builders are generally driven by Return on Capital Employed (ROCE) which incentivises a quick return on capital after a site is acquired. This means building and selling homes as quickly as possible, at sales values consistent with the price paid for the land. Land promoters (who often partner with landowners using promotion agreements) are similarly incentivised to dispose of their site to a house builder to unlock their promotion fee. Outside London, the scale of residential land prices has not been showing any significant growth in recent years<sup>8</sup> and indeed for UK greenfield and urban land, is still below levels last seen at least 2003<sup>9</sup>. There is thus little to incentivise hoarding land with permission.

The LGA has identified circa 400-500,000 units of 'unimplemented' permissions<sup>10</sup>, but even if this figure was accurate, this is equivalent to just two years of pipeline supply. More significantly, the data has been interpreted by LGA to significantly overstate the number of unimplemented permissions because 'unimplemented' refers to units on sites where either the entire site has not been fully developed or the planning permission has lapsed<sup>11</sup>. It therefore represents a stock-flow analysis in which the outflow (homes built) has been ignored.

Insofar as 'landbanking' may exist, the issue appears principally to be a London – rather than a national – malaise, perhaps reflecting that land values in the capital – particularly in 'prime' markets – have increased by a third since the previous peak of 2007. The London Mayor's 'Barriers to Housing Delivery – Update' of July 2014 looked at sites of 20 dwellings or more and reported that only about half of the total number of dwellings granted planning permission every year are built (Table 3); a lapse rate of circa 50% across London.

Clearly, the perceived problem of landbanking is seeing policy attention from Government, but caution is needed that any changes do not result in unintended consequences or act as a disincentive to secure planning permissions.

A more practical issue is that Plans and housing land trajectories must adopt sensible assumptions, based on national benchmarks, or – where the data exists – local circumstances, to understand the scale of natural non-implementation.

<sup>7</sup> DCLG Presentations to the HBF Planning Conference (September 2015)

<sup>8</sup> Knight Frank Residential Development Land Index Q1 2016 <http://content.knightfrank.com/research/161/documents/en/q1-2016-3844.pdf>

<sup>9</sup> Savills Development Land Index <http://www.savills.co.uk/research/uk/residential-research/land-indices/development-land-index.aspx>

<sup>10</sup> Glenigan data as referenced by Local Government Association in its January 2016 media release (a full report is not published) [http://www.local.gov.uk/web/guest/media-releases/-/journal\\_content/56/10180/7632945/NEWS](http://www.local.gov.uk/web/guest/media-releases/-/journal_content/56/10180/7632945/NEWS)

<sup>11</sup> This would mean that a site which has built 99% of homes will still show up as 100% of units being 'unimplemented'



# Build Rates: How Fast Can Sites Deliver?

The rate at which sites deliver new homes is a frequently contested matter at Local Plan examinations and during planning inquiries considering five year housing land supply. Assumptions can vary quite markedly and expectations have changed over time: in 2007, Northstowe – the new settlement to the north west of Cambridge – was expected by the Council to deliver 750-850 dwellings per annum<sup>12</sup>; it is now projected to deliver at an annual rate of just 250<sup>13</sup>.

There is a growing recognition that the rate of annual delivery on a site is shaped by ‘absorption rates’: a judgement on how quickly the local market can absorb the new properties. However, there are a number of factors driving this for any given site:

- the strength of the local housing market;
- the number of sales outlets expected to operate on the site (ie the number of different house builders or brands/products being delivered); or
- the tenure of housing being built. Are market homes for sale being supplemented by homes for rent, including affordable housing?

The analysis in this section explores these factors with reference to the surveyed sites.

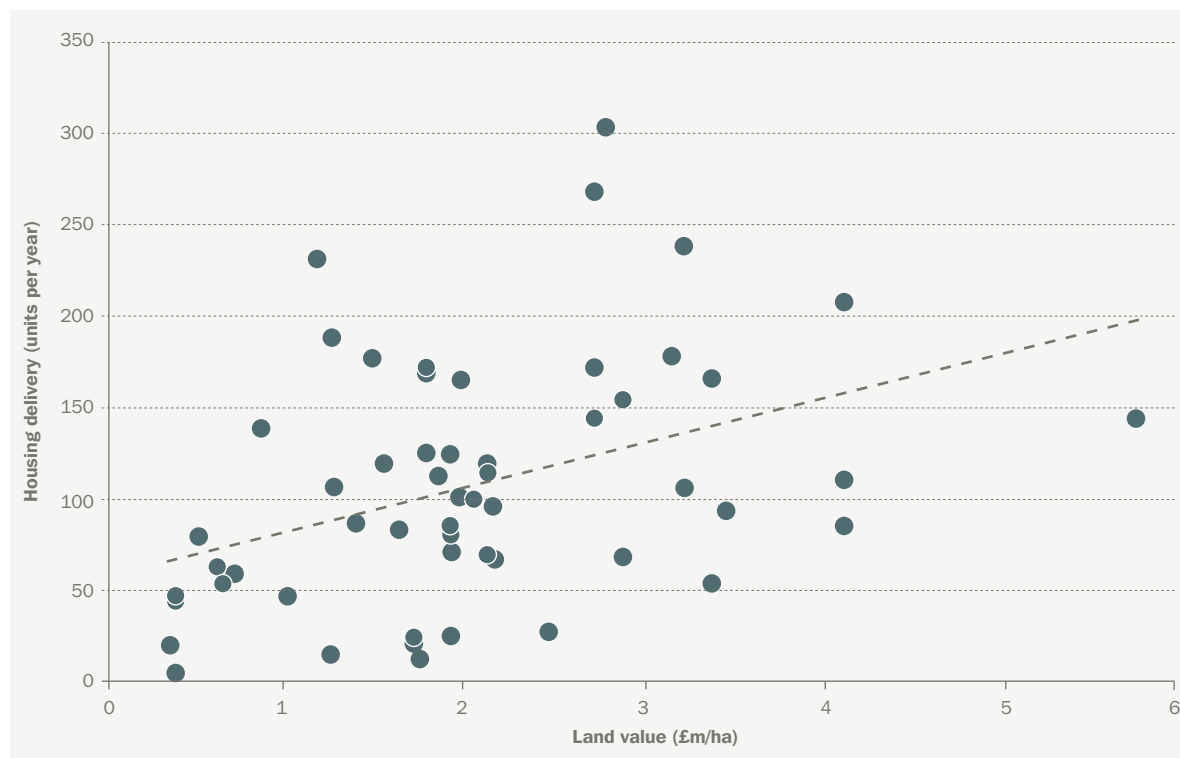
## Market Strength

It might seem a truism that stronger market demand for housing will support higher sales and build rates – but how far is that the case and how to measure it?

Figure 6 below compares CLG data on post-permission residential land value estimates (£/ha) by Local Authorities in 2014<sup>14</sup> to the average build out rate of each of the assessed strategic sites. Unfortunately the residential land value estimates are only available for England and as such the Welsh sites assessed are excluded, leaving 57 sites in total.

The analysis shows that markets matter. Relatively weaker areas may not be able to sustain the high build-out rates that can be delivered in stronger markets with greater demand for housing. There are significant variations, reflecting localised conditions, but the analysis shows a clear relationship between the strength of the market in a Local Authority area and the average annual build rates achieved on those sites. Plan makers should therefore recognise that stronger local markets can influence how quickly sites will deliver.

Figure 6: Average Annual Build-out Rates of sites compared to Land Values as at 2014



Source: NLP analysis and CLG Post-permission residential land value estimates (£/ha) by Local Authorities (February 2015)

Start to Finish

13

<sup>12</sup> South Cambridgeshire Annual Monitoring Report 2006/07

<sup>13</sup> South Cambridgeshire Annual Monitoring Report 2014/15

<sup>14</sup> Post-permission residential land value estimates were released in December 2015, however the end date of the build rate data obtained is 2014/15; as such land value estimates at February 2015 are better aligned to the build periods assessed in this report and have been used for consistency.

## Size Matters

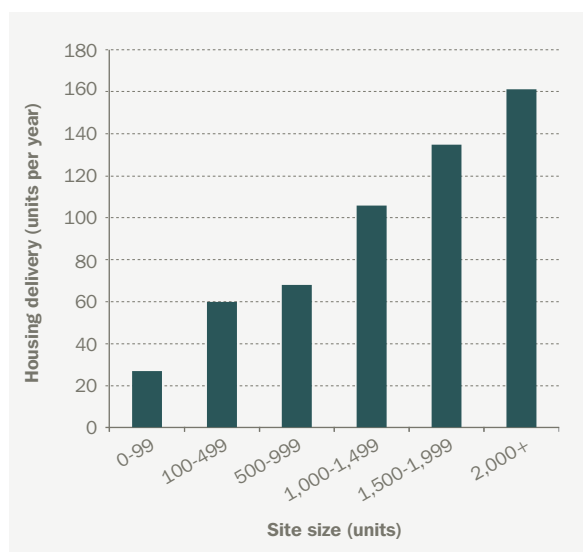
A key metric for build rates on sites is the number of sales outlets. Different housebuilders will differentiate through types or size of accommodation and their brands and pricing, appealing to different customer types. In this regard, it is widely recognised that a site may increase its absorption rate through an increased number of outlets.

Unfortunately, data limitations mean that the number of outlets is not readily available for the large sites surveyed within this research, and certainly not on any longitudinal basis which is relevant because the number of outlets on a site may vary across phases.

However, it is reasonable to assume that larger sites are likely to feature more sales outlets and thus have greater scope to increase build rates. This may relate to the site being more geographically extensive: with more access points or development ‘fronts’ from which sales outlets can be driven. A large urban extension might be designed and phased to extend out from a number of different local neighbourhoods within an existing town or city, with greater diversity and demand from multiple local markets.

Our analysis supports this concept: larger sites deliver more homes each year, but even the biggest schemes (those with capacity for 2,000 units) will, on average, deliver fewer than 200 dwellings per annum, albeit their average rate – 161 units per annum – is six times that of sites of less than 100 units (27 units per annum).

Figure 7: Average annual build rate by site size



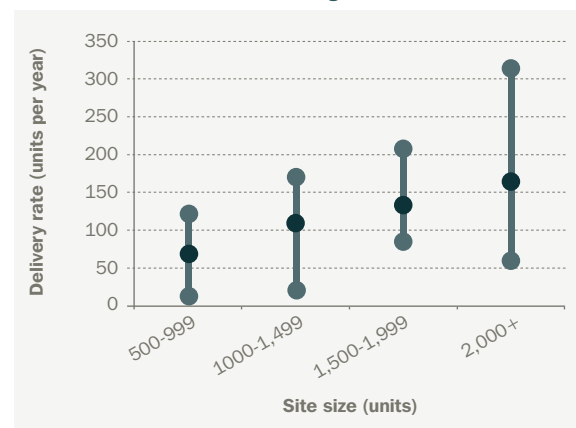
Of course, these are average figures. Some sites will see build rates exceeding this average in particular years, and there were variations from the mean across all categories (see Figure 8), suggesting that higher or lower rates than this average may well be possible, if circumstances support it.

Nevertheless, it is striking 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. The highest rate – of 321 units per annum – is for the Cranbrook site, but this is a short term average. A rate of 268 per annum was achieved over a longer period at the Eastern Expansion Area (Broughton Gate & Brooklands) site in Milton Keynes. The specific circumstance surrounding the build rates in both these examples are explored as case studies opposite. It is quite possible that these examples might not represent the highest rate of delivery possible on large-scale sites in future, as other factors on future sites might support even faster rates.

Our analysis also identifies that, on average, a site of 2,000 or more dwellings does not deliver four times more dwellings than a site delivering between 100 and 499 homes, despite being at least four times the size. In fact it only delivers an average of 2.5 times more houses. This is likely to reflect that:

- it will not always be possible to increase the number of outlets in direct proportion to the size of site – for example due to physical obstacles (such as site access arrangements) to doing so; and
- overall market absorption rates means the number of outlets is unlikely to be a fixed multiplier in terms of number of homes delivered.

Figure 8: Average annual build-out rate by site size, including the minimum and maximum averages within each site size



## Cranbrook: East Devon

The highest average annual build out rates recorded in this analysis comes from the Cranbrook site in East Devon where an average of 321 dwellings per annum were delivered between 2012/13 and 2014/15. Delivery of housing only started on this site in 2012/13, with peak delivery in 2013/14 of 419 dwellings.

Cranbrook is the first new standalone settlement in Devon for centuries and reportedly – according to East Devon Council – the result of over 40 years of planning (this claim has not been substantiated in this research). It is the circumstances surrounding its high annual delivery rate which is of most interest, however.

Phase 1 of the development was supported by a £12 million repayable grant from a revolving infrastructure fund managed by the Homes and Communities Agency. The government also intervened again in the delivery of this site by investing £20 million for schools and infrastructure to ensure continuity of the scheme, securing the delivery of phase 2. The government set out that the investment would give local partners the confidence and resources to drive forward its completion.

The Consortium partnership for Cranbrook (including Hallam Land, Persimmon Homes (and Charles Church) and Taylor Wimpey) stated the following subsequent to the receipt of the government funding<sup>15</sup>.

*“Without this phase 2 Cranbrook would have been delayed at the end of phase 1, instead, we have certainty in the delivery of phase 2, we can move ahead now and commit with confidence to the next key stages of the project and delivering further community infrastructure and bringing forward much needed private and affordable homes”.*

Clearly, the public sector played a significant role in supporting delivery. The precise relationship between this and the build rate is unclear, but funding helped continuity across phases one and two of the scheme. More particularly, the rate of delivery so far achieved relates just to the first three years, and there is no certainty that this high build-out rate will be maintained across the remainder of the scheme.

## Eastern Expansion Area (Broughton Gate & Brooklands): Milton Keynes

The second highest average build out rates recorded in this analysis comes from the Eastern Expansion Area (Broughton Gate & Brooklands) site in Milton Keynes where an average of 268 dwellings per annum were delivered between 2008/09 and 2013/14. As is widely recognised, the planning and delivery of housing in Milton Keynes is distinct from almost all the sites considered in this research.

Serviced parcels with the roads already provided were delivered as part of the Milton Keynes model and house builders are able to proceed straight onto the site and commence delivery. This limited the upfront site works required and boosted annual build rates. Furthermore, there were multiple outlets building-out on different serviced parcels, with monitoring data from Milton Keynes Council suggesting an average of c.12 parcels were active across the build period. This helped to optimise the build rate.

<sup>15</sup> <https://www.gov.uk/government/news/government-funding-to-unlock-delivery-of-12-000-new-homes>

## Peak Years of Housing Delivery

Of course, rates of development on sites will ebb and flow. The top five peak annual build-out rates achieved across every site assessed are set out in Table 1 below. Four of the top five sites with the highest annual peak delivery rates are also the sites with the highest annual average build out rates (with the exception of Broughton & Atterbury). Peak build rates might occur in years when there is an overlap of multiple outlets on phases, or where a particular phase might include a large number of affordable or apartment completions. It is important not to overstress these individual years in gauging build rates over the whole life of a site.

Table 1: Peak annual build-out rates compared against average annual delivery rates on those sites

Scheme	Peak Annual Build-Out Rate	Annual Average Build-Out Rate
Cambourne	620	239
Hamptons	548	224
Eastern Expansion Area	473	268
Cranbrook	419	321
Broughton	409	171

Source: NLP analysis and various AMRs

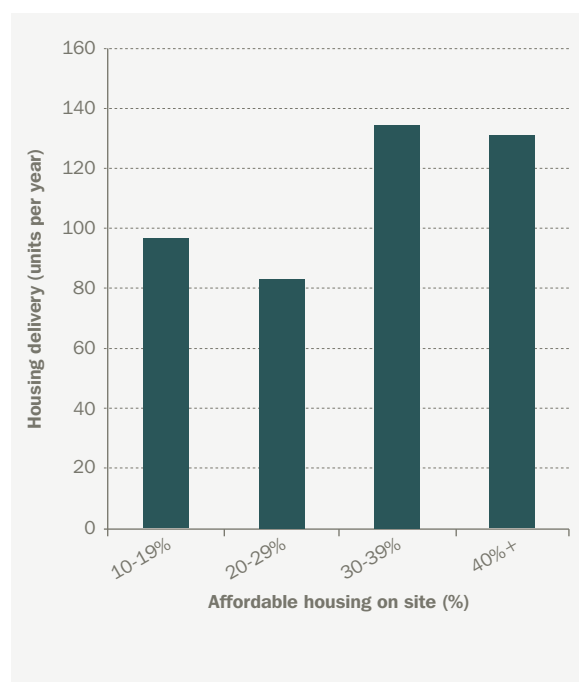
## Affordable Housing Provision

Housing sites with a larger proportion of affordable homes (meeting the definition in the NPPF) deliver more quickly, where viable. The relationship appears to be slightly stronger on large-scale sites (500 units or more) than on smaller sites (less than 500 units), but there is a clear positive correlation (Figure 9). For both large and small-scale sites, developments with 40% or more affordable housing have a build rate that is around 40% higher compared to developments with 10-19% affordable housing obligation.

The relationship between housing delivery and affordable (subsidised) housing is multi-dimensional, resting on the viability, the grant or subsidy available and the confidence of a housing association or registered provider to build or purchase the property for management. While worth less per unit than a full-market property, affordable housing clearly taps into a different segment of demand (not displacing market demand), and having an immediate purchaser of multiple properties can support cash flow and risk sharing in joint ventures. However, there is potential that starter homes provided in lieu of other forms of affordable housing may not deliver the same kind of benefits to speed of delivery, albeit they may support viability overall.

This principle – of a product targeting a different segment of demand helping boost rates of development – may similarly apply to the emergent sectors such as ‘build-to-rent’ or ‘self build’ in locations where there is a clear market for those products. Conversely, the potential for starter homes to be provided in lieu of other forms of affordable housing may overlap with demand for market housing on some sites, and will not deliver the kind of cash flow / risk sharing benefits that comes from disposal of properties to a Registered Provider.

Figure 9: Affordable housing provision and housing output



Source: NLP analysis

## The Timeline of the Build-out Period

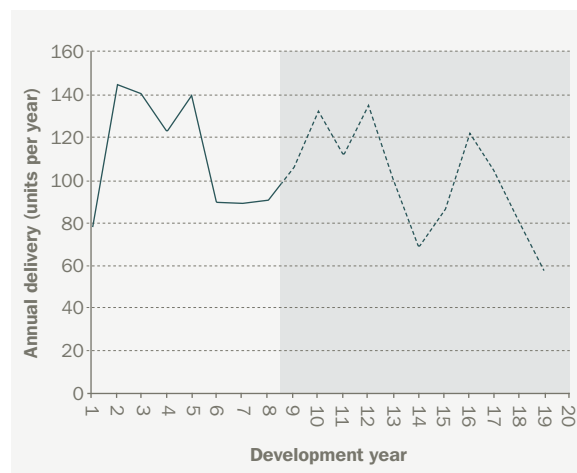
Many planners’ housing trajectories show large sites gradually increasing their output and then remaining steady, before tailing off at the end. In fact, delivery rates are not steady. Looking at the first eight years of development – where the sample size of large sites is sufficiently high – NLP’s research showed that annual completions tended to be higher early in the build-out period before dipping (Figure 10).

For sites with even longer build out periods, this pattern of peaks and troughs is potentially repeated again (subject to data confidence issues set out below). This surge in early completions could reflect the drive for

rapid returns on capital in the initial phase, and/or early delivery of affordable housing, with the average build rate year by year reducing thereafter to reflect the optimum price points for the prevailing market demand. Additionally, the longer the site is being developed, the higher the probability of coinciding with an economic downturn – obviously a key factor for sites coming forward over the past decade – which will lead to a reduction in output for a period.

Our sample of sites where the development lasted for more than eight years is too small to draw concrete findings, but it does flag a few other points. On extremely large sites that need to span more than a decade, the development will most likely happen in phases. The timing and rate of these phases will be determined by a range of factors including: the physical layout of the site, the ability to sell the homes; trigger points for payment for key social and transport infrastructure obligations; the economic cycle; and local market issues. Predicting how these factors combine over a plan period is self-evidently difficult, but plan makers should recognise the uncertainty and build in flexibility to their housing trajectories to ensure they can maintain housing supply wherever possible.

Figure 10: Average annual build-out rate per year of the build period



Source: NLP analysis

## Summary

1. There is a positive correlation between the strength of the market (as measured by residential land values) and the average annual build rates achieved.
2. The annual average build-rate for the largest sites (of 2,000 or more units) is circa 161 dwellings per annum
3. The rate of delivery increases for larger schemes, reflecting the increased number of sales outlets possible on large sites. However, this is not a straight line relationship: on average, a site of 2,000 units will not, deliver four times as fast as a site of 500. This reflects the limits to number of sales outlets possible on a site, and overall market absorption rates.
4. There is significant variation from the average, which means some sites can be expected to deliver more (or less) than this average. However, the highest average build-out rate of all the assessed sites is 321 dwellings per annum in Cranbrook. But this relates to just three years of data, and the scheme benefitted from significant government funding to help secure progress and infrastructure. Such factors are not be present in all schemes, and indeed, the data suggests sites tend to build at a higher rate in initial years, before slowing down in later phases.
5. Build rates on sites fluctuate over their life. The highest build rate recorded in a single year is 620 units at Camborne, but for the duration of the development period the average annual build rate is 239 dwellings.
6. There is a positive correlation between the percentage of affordable homes built on site and the average annual delivery of homes with sites delivering 30% or more affordable housing having greater annual average build rates than sites with lower affordable housing provision. The introduction of different tenures taps into different market segments, so a build to rent product may similarly boost rates of delivery – where there is a market for it – but starter homes may have the opposite effect if they are provided in lieu of other forms of affordable homes, and displace demand for cheaper market homes.

# A Brownfield Land Solution?

The NPPF encourages the effective use of previously-developed land, and recent Government announcements suggest increased prioritisation of development for brownfield sites. Efforts to streamline the planning process for brownfield sites may also speed up their delivery. But, is there a difference in how quickly brownfield sites can come forward compared to greenfield sites?

Research produced by CPRE and Glenigan in March 2016<sup>16</sup> suggested that the time between planning permission being granted and construction work starting is generally the same for brownfield and greenfield sites, but suggested that work on brownfield sites is completed more than six months quicker. However, it was not clear if this finding was because the greenfield sites were larger than the equivalent brownfield sites surveyed in that study. We therefore looked at how lead in times and build rates compared for large-scale sites of 500+ dwellings on greenfield and brownfield sites.

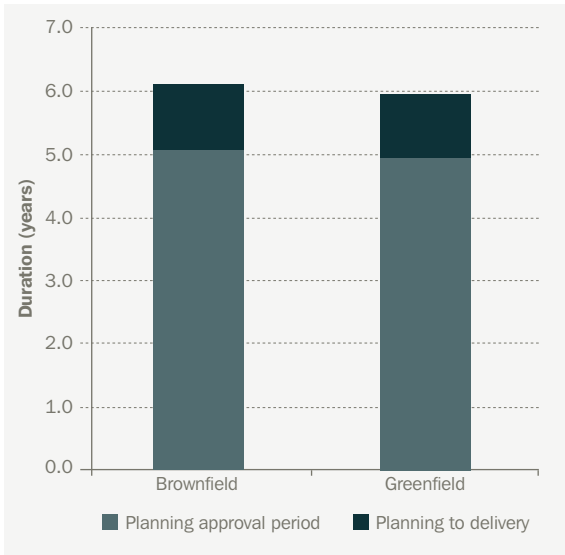
## The Planning Approval Period

Whether land is brownfield or greenfield does not impact on the planning approval period. On average, for all sites, the planning approval period for the sites delivering 500 dwellings or more is almost identical at 5.1 years for brownfield and 5.0 years for greenfield – see Figure 11, although this is skewed by the very largest sites of 2,000+ units (see Table 2), with brownfield sites in the smaller-size bands being on average slightly quicker than their greenfield counterparts (albeit caution is required given the small sample size for some size bandings).

What the analysis tends to show is that it is the scale of development – rather than the type of land – which has the greatest impact on the length of planning process, and that despite government prioritisation on brownfield land in the NPPF, this is unlikely to result in significant further improvements in timescales for delivery.

The time period between gaining a planning approval and the first delivery of a dwelling is also similar overall.

Figure 11: Previous land use and duration of planning



Source: NLP analysis

Table 2: Previous land use and duration of planning approval period

	Site Size (dwellings)	Number of sites in this group	Average Planning Approval Period
Greenfield Sites	500-999	14	4.5
	1,000-1,499	9	5.3
	1,500-1,999	7	5.5
	2,000+	13	5.0
	Total/Average	43	5.0
Brownfield Sites	500-999	16	4.1
	1,000-1,499	3	3.3
	1,500-1,999	1	4.6
	2,000+	7	8.6
	Total/Average	27	5.1

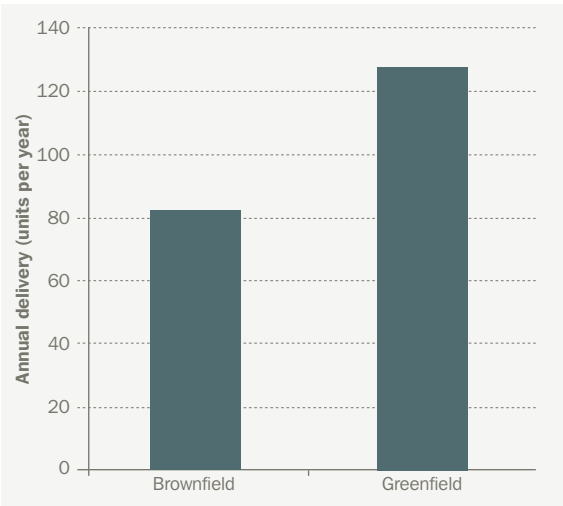
Source: NLP analysis

<sup>16</sup> Brownfield comes first: why brownfield development works CPRE, March 2016

# Build-out Rates

There is a more discernible difference between brownfield and greenfield sites when it comes to the annual build out rates they achieve, with the analysis in Figure 12 suggesting that brownfield sites on average deliver at lower rates than their greenfield counterparts, both overall and across the different size bandings (see Table 3) albeit recognising the small sample size for some sizes of site. On average, the annual build-out rate of a greenfield site is 128 dwellings per annum, around 50% higher than the 83 per annum average for brownfield sites.

Figure 12: Previous land use and housing delivery



Source: NLP analysis

This may reflect that brownfield sites carry extra costs (e.g. for remediation) which reduces the scale of contribution they make to infrastructure and affordable housing provision (which as shown can boost rates of delivery).

Table 3: Previous land use by size and average annual build out rate

	Site Size (dwellings)	Number of sites in this group	Average Annual Build-out Rate
Greenfield Sites	500-999	14	86
	1,000-1,499	9	122
	1,500-1,999	7	142
	2,000+	13	171
	Total/Average	43	128
Brownfield Sites	500-999	16	52
	1,000-1,499	3	73
	1,500-1,999	1	84
	2,000+	7	148
	Total/Average	27	83

Source: NLP analysis

## Summary

1. Brownfield and greenfield sites come forward at broadly similar rates, although at the smaller end of the scale, there does appear to be some ‘bonus’ in speed of decisions for previously-developed land. For the largest sites (of 2,000+ units) the sample of brownfield sites suggests an extended time period (3.6 years longer) compared to their equivalent greenfield sites;
2. Once started, large-scale greenfield sites do deliver homes at a more rapid rate than their brownfield equivalents, on average 50% quicker.



# Conclusion

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There is a growing recognition that large-scale housing development can and should play a large role in meeting housing need. Garden towns and villages – planned correctly – can deliver sustainable new communities and take development pressure off less sustainable locations or forms of development.

However, if planners are serious about wanting to see more homes built each year and achieve the government's target of one million by 2020 (or indeed, deliver the 300,000 per annum that are needed), simply allocating a site or granting a permission is not enough. The Government recognises this: the Minister for Planning has been quoted as saying that *"you cannot live in a planning permission"*.

Part of the debate has focused on perceptions of 'land banking' – the concept that developers are hoarding land or slowing down development. Equally, suggestions have been made that proposals for large-scale development should be 'protected' from competition from smaller sites or from challenge under five year land supply grounds. The evidence supporting these propositions appears limited.

In our view the real concern – outside London, at any rate – is ensuring planning decisions (including in plan-making) are driven by realistic and flexible housing trajectories in the first place, based on evidence and the specific characteristics of individual sites and local markets.

Based on the research in this document, we draw five conclusions on what is required:

1. If more homes are to be built, more land needs to be released and more planning permissions granted. Confidence in the planning system relies on this being achieved through local plans that must be sufficiently ambitious and robust to meet housing needs across their housing market areas. But where plans are not coming forward as they should, there needs to be a fall-back mechanism that can release land for development when it is required.
2. Planned housing trajectories should be realistic, accounting and responding to lapse rates, lead-in times and sensible build rates. This is likely to mean allocating more sites rather than less, with a good mix of types and sizes, and then being realistic about how fast they will deliver so that supply is maintained throughout the plan period. Because no one site is the same – and with significant variations from the average in terms of lead-in time and build rates – a sensible approach to evidence and justification is required.
3. Spatial strategies should reflect that building homes is a complex and risky business. Stronger local markets have higher annual delivery rates, and where there are variations within districts, this should be factored into spatial strategy choices. Further, although large sites can deliver more homes per year over a longer time period, they also have longer lead-in times. To secure short-term immediate boosts in supply – as is required in many areas – a good mix of smaller sites will be necessary.
4. Plans should reflect that – where viable – affordable housing supports higher rates of delivery. This principle is also likely to apply to other sectors that complement market housing for sale, such as build to rent and self-build (where there is demand for those products). Trajectories will thus need to differentiate expected rates of delivery to respond to affordable housing levels or inclusion of other market products. This might mean some areas will want to consider spatial strategies that favour sites with greater prospects of affordable or other types of housing delivery. This plays into the wider debate about support for direct housing delivery for rent by local government and housing associations and ensuring a sufficient product mix on sites.
5. Finally, in considering the pace of delivery, large-scale brownfield sites deliver at a slower rate than do equivalent greenfield sites. The very largest brownfield sites have also seen very long planning approval periods. Self-evidently, many brownfield sites also face barriers to implementation that mean they do not get promoted in the first place. In most locations outside our biggest cities, a good mix of types of site will be required.



## A Checklist for Understanding Large-scale Site Delivery

In setting or assessing reasonable housing trajectories for local plans or five year housing land supply, the lead-in times and average rates of housing delivery identified in this research can represent helpful benchmarks or rules of thumb, particularly in situations where there is limited local evidence.

However, these rules of thumb are not definitive. It is clear from our analysis that some sites start and deliver more quickly than this average, whilst others have delivered much more slowly. Every site is different.

In considering the evidence justifying the estimated time and rate of delivery, the questions listed in Table 4 below represent a checklist of questions that are likely to be relevant:

Table 4: Questions to consider on the speed of housing delivery on large-scale sites

Lead-in times to getting started on site	Factors affecting the speed of build out rate
<ul style="list-style-type: none"> <li>✓ Is the land in existing use?</li> <li>✓ Has the land been fully assembled?</li> <li>✓ If in multiple ownership/control, are the interests of all parties aligned?</li> <li>✓ To what extent is there any challenge to the principle of development?</li> <li>✓ Is the site already allocated for development? Does it need to be in order for release?</li> <li>✓ Does an SPD, masterplan or development brief help resolve key planning issues?</li> <li>✓ Is the masterplan/development brief consistent with what the developer will deliver?</li> <li>✓ Is there an extant planning application or permission?</li> <li>✓ Are there significant objections to the proposal from local residents?</li> <li>✓ Are there material objections to the proposal from statutory bodies?</li> <li>✓ Are there infrastructure requirements – such as access – that need to be in place before new homes can be built?</li> <li>✓ Are there infrastructure costs or other factors that may make the site unviable?</li> <li>✓ Does the proposal rely on access to public resources?</li> <li>✓ If planning permission is secured, is reserved matters approval required?</li> <li>✓ Does the scheme have pre-commencement conditions?</li> <li>✓ Is the scheme being promoted by a developer who will need time to dispose of the site to a house builder?</li> </ul>	<ul style="list-style-type: none"> <li>✓ How large is the site?</li> <li>✓ Will the scale, configuration and delivery model for the site support more sales outlets?</li> <li>✓ How strong is the local market?</li> <li>✓ Does the site tap into local demand from one or more existing neighbourhoods?</li> <li>✓ Is the density and mix of housing to be provided consistent with higher rates of delivery?</li> <li>✓ What proportion of affordable housing is being delivered?</li> <li>✓ Are there other forms of housing – such as build to rent – included?</li> <li>✓ When will new infrastructure – such as schools – be provided to support the new community?</li> <li>✓ Are there trigger points or phasing issues that may affect the build rate achievable in different phases?</li> </ul>

# Appendix 1: Large Sites Reviewed

~ = No Data

Site Name	Local Planning Authority	Site	Previous Use	Year of first housing completion	Build Rates																		
					Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15	Yr 16	Yr 17	Yr 18	Yr 19
Land at Siston Hill	South Gloucestershire	504	Greenfield	2006/07	77	211	96	63	57														
University Campus Chelmsford	Chelmsford	507	Brownfield	N/A																			
St. James Village	Gateshead	518	Brownfield	2000/01					406														
Thingwall Lane	Knowlsey	525	Brownfield	2013/14	79	~																	
Pamona Docks	Trafford	546	Brownfield	N/A																			
Velmead Farm	Hart	550	Greenfield	1989/90	1	104	193	89	101	52	101	113	130	74	102	48	4						
Land adjoining Manchester Ship Canal	Trafford	550	Greenfield	N/A																			
Ochre Yards	Gateshead	606	Brownfield	2001/02					424														
Former Pontins Holiday Camp	Lancaster	626	Brownfield	2006/07	16	22	4	5	~														
Land south of Wansbeck General Hospital	Northumberland	644	Greenfield	2005/06					209														
Staiths South Bank	Gateshead	667	Brownfield	2003/04	24	58	~	44	~	48	~												
Rowner Renewal Project	Gosport	700	Brownfield	2010/11	4	100	70	16	0														
South Bradwell (Phase 1)	Great Yarmouth	700	Greenfield	N/A																			
Land at West Blyth	Northumberland	705	Greenfield	2008/09				164															
Northside	Gateshead	718	Brownfield	1996/97							61							~	16	30	31	33	25
Hungate	York	720	Brownfield	2008/09				168															
The Parks	Bracknell Forest	730	Brownfield	2007/08	104	88	101	54	47	72	59	94											
West of Kempston	Bedford	730	Greenfield	2010/11	43	102	144	167	124														
Land at Popley Fields	Basingstoke & Deane	750	Greenfield	2006/07	105	172	118	186	126	44													
Dowds Farm	Eastleigh	765	Greenfield	2006/07	54	189	187	44	102	47	66	76	~										
Abbotswood	Test Valley	800	Greenfield	2011/12	30	190	157	102															
Kempshott Park	Basingstoke & Deane	800	Greenfield	2000/01	78	310	229	213	281	84	33	24											
Prospect Place	Cardiff	826	Brownfield	2007/08	135	48																	
Taylor's Farm/Sheffield Park	Basingstoke & Deane	850	Greenfield	2004/05	56	79	81	86	88	50	100	141	88	91	75								

~ = No Data

[illegible]



## Appendix 2: Small Sites Reviewed

Site Name	Local Planning Authority	Site Size
Holme Farm, Carleton Road, Pontefract	Wakefield	50
Part Sr3 Site, Off Elizabeth Close, Scotter	West Lindsey	50
Former Downend Lower School, North View, Staple Hill	South Gloucestershire	52
Fenton Grange, Wooler	Northumberland	54
Land at the Beacon, Tilford Road, Hindhead	Waverley	59
Land To Rear Of 28 - 34 Bedale Road, Aiskew	Hambleton	59
Hanwell Fields Development, Banbury	Cherwell	59
Land at Prudhoe Hospital, Prudhoe	Northumberland	60
Oxfordshire County Council Highways Depot	Cherwell	60
Clewborough House School, St Catherines Road	Cherwell	60
Land south of Pinchington Lane	West Berkshire	64
Land Off Cirencester Rd	Stroud	66
Springfield Road Caunt Road	South Kesteven	67
Land off Crown Lane	Wychavon	68
Former Wensleydale School, Dent Street, Blyth	Northumberland	68
Land at Lintham Drive, Kingswood	South Gloucestershire	68
Hawthorn Croft (Off Hawthorn Avenue Old Slaughterhouse Site), Gainsborough	West Lindsey	69
Land to the North of Walk Mill Drive	Wychavon	71
Watermead, Land At Kennel Lane, Brockworth	Tewkesbury	72
North East Area Professional Centre, Furnace Drive, Furnace Green	Crawley	76
Land at Willoughbys Bank, Clayport Bank, Alnwick	Northumberland	76
The Kylins, Loansdean, Morpeth	Northumberland	88
MR10 Site, Caistor Road, Market Rasen	West Lindsey	89
OS Field 9972 York Road Easingwold	Hambleton	93
Land At Green Road - Reading College	Reading	93
North East Sandylands	South Lakeland	94
Auction Mart	South Lakeland	94
Parcel 4, Gloucester Business Park, Brockworth	Tewkesbury	94
Former York Trailers Yafforth Road Northallerton Scheme 1/2	Hambleton	96
Poppy Meadow	Stratford-on-Avon	106
Weeton Road/Fleetwood Road	Fylde	106
Land South of Station Road	East Hertfordshire	111
Former Bewbush Leisure Centre Site, Breezehurst Drive, Bewbush	Crawley	112
Land West Of Birchwood Road, Latimer Close	Bristol, City of	119
Land Between Godsey Lane And Towngate East	South Kesteven	120
Bibby Scientific Ltd	Stafford	120
Kennet Island Phase 1B - E, F, O & Q, Manor Farm Road	Reading	125
Primrose Mill Site	Ribble Valley	126
Land Rear Of Mount Pleasant	Cheshire West and Chester	127
Land to the east of Efflinch Lane	East Staffordshire	130
North of Douglas Road, Kingswood	South Gloucestershire	131
Land at Farnham Hospital, Hale Road, Farnham	Waverley	134
Bracken Park, Land At Corringham Road, Gainsborough	West Lindsey	141
Doxey Road	Stafford	145
Former York Trailers Yafforth Road Northallerton Scheme 2/2	Hambleton	145

Site Name	Local Planning Authority	Site Size
London Road/ Adj. St Francis Close	East Hertfordshire	149
MR4 Site, Land off Gallamore Lane, Market Rasen	West Lindsey	149
Queen Mary School	Fylde	169
Sellars Farm, Sellars Road	Stroud	176
Land South of Inervet Campus Off Brickhill Street, Walton	Milton Keynes	176
Notcutts Nursery, 150 - 152 London Road	Cherwell	182
Hoval Ltd North Gate	Newark and Sherwood	196
Hewlett Packard (Land Adjacent To Romney House), Romney Avenue	Bristol, City of	242
128-134 Bridge Road And Nos 1 - 4 Oldfield Road	Windsor and Maidenhead	242
GCHQ Oakley - Phase 1	Cheltenham	262
Land off Henthorn Road	Ribble Valley	270
Land Between A419 And A417, Kingshill North, Cirencester	Cotswold	270
Hortham Hospital, Hortham Lane, Almondsbury	South Gloucestershire	270
Land At Canons Marsh, Anchor Road	Bristol, City of	272
M & G Sports Ground, Golden Yolk and Middle Farm, Badgeworth	Tewkesbury	273
Long Marston Storage Depot Phase 1	Stratford-on-Avon	284
Land at Brookwood Farm, Bagshot Road	Woking	297
Land at, Badsey Road	Wychavon	298
Land At Fire Service College, London Road, Moreton in Marsh	Cotswold	299
Land At Dorian Road	Bristol, City of	300
Kennet Island Phase 1 - H, M, T, U1, U2 Manor Farm Road	Reading	303
Chatham Street Car Park Complex	Reading	307
Former NCB Workshops, Ellington Rd, Ashington (aka Portland Park)	Northumberland	357
Former Masons Cerement Works and Adjoining Ministry of Defence Land, Gipping Road, Great Blakenham	Mid Suffolk	365
Woolley Edge Park Site	Wakefield	375
Luneside West	Lancaster	403
Radyr Sidings	Cardiff	421
New World House, Thelwall Lane	Warrington	426
Land at former Battle Hospital, 344 Oxford Road	Reading Borough Council	434
New Central (Land at Guildford Road and Bradfield Close including Network House, Merrion House, Bradford House and Coronation House	Woking Borough Council	445
Kingsmead South	Milton Keynes Council	450
Bleach Green, Winlaton	Gateshead	456
Farington Park, East of Wheelton Lane	South Ribble	468
Bickershaw Colliery, Plank Lane, Leigh	Wigan	471
Farnborough Business Park	Rushmoor	476
Horfield Estate, Filton Avenue, Horfield	Bristol City Council	485
Stenson Fields	South Derbyshire	487
Cookridge Hospital	Leeds	495

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## Appendix C

### Independent 'Letwin' Review of Build Out Rates – Preliminary Update (March 2018)

**The Rt Hon Sir Oliver Letwin MP**  
*The Independent Review of Build Out*

***c/o Ministry of Housing, Communities and  
Local Government***

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9<sup>th</sup> March 2018

Dear Philip and Sajid

My terms of reference require me, by the time of the Budget in the Autumn, to “explain the significant gap between housing completions and the amount of land allocated or permissioned in areas of high housing demand, and make recommendations for closing it”.

The output of new housing is determined by the number of homes permitted and the rate at which those permissions are built out. Successive governments have done much in recent years to increase the number of permissions granted by reform of the planning system and by introducing other measures to encourage local authorities to grant more planning permissions for new homes. I have decided to focus, in the first stage of my work, exclusively on analysis of the reasons why – against the background of the current planning system – build out rates are as they are, without yet making any recommendations for increasing such build out rates in future.

I have further narrowed my focus by considering exclusively the question why, once major house-builders have obtained outline planning permission to build large numbers of homes on large sites, they take as long as they do to build those homes. The many questions that surround the build out rates achieved by smaller house-builders and on smaller sites may well be worthy of investigation in due course; but the importance of the large sites and large house-builders to the overall house-construction numbers is such as to make it sensible for me to devote all of my attention to them at this stage.

I propose to publish the results of my analytical work by the end of June in the form of a Draft Analysis. This will contain only a description of the problem and of its causes. I will seek comments from interested parties and experts before I finalise this analytical aspect of my work.

On the basis of this careful approach to analysis of the problem, I hope to be able to formulate robust recommendations from the Summer onwards in order to produce a Final Report containing recommendations in time for the Budget.

So far, with my team of officials and with help from my panel, I have:

- visited large housing development sites in ten local authorities, meeting house-builders and planning officials;
- held round table meetings and individual meetings with stakeholders including land agents, house-builders, local authorities and NGOs; and
- reviewed the extensive material that has already been published about this problem.

Work on all of these fronts continues. Over the next twelve weeks, I envisage that we will:

- visit further large sites;
- obtain data showing the pipeline of large sites from application to completion on site;
- visit Germany and the Netherlands to examine ways in which build out rates are affected by the use of public or publicly-led mechanisms for increasing the variety of what is offered on large sites; and
- hold further meetings with stakeholders to test my diagnosis of the issue.

A point which has become abundantly evident from all of our work so far is that there are two distinct stages for building a large number of houses on a large site:

- Stage 1 (the ‘regulatory stage’) consists of securing all the necessary approvals to allow development to commence on at least part of the site.
- Stage 2 (the ‘build out stage’) starts at the moment when the house-builder has an implementable consent and is therefore able to start construction on the site (i.e. has received either the grant of full planning permission or the first final, detailed planning permission under reserved matters, and has satisfied all pre-commencement conditions).

We have heard from many witnesses that the rate of build out of large sites during Stage 2 is typically held back by a web of commercial and industrial constraints including:

- limited availability of skilled labour,
- limited supplies of building materials,
- limited availability of capital,
- constrained logistics on the site,
- the slow speed of installations by utility companies,
- difficulties of land remediation, and
- provision of local transport infrastructure.

Each of these reasons for a slow and gradual build out of large permitted sites deserves further investigation – and I intend, in the Draft Analysis, to provide an assessment of each of them. This will require further discussion with providers of the relevant items (e.g. training, building materials, finance, on-site utility-infrastructure) as well as further examination of the relevant data (e.g. on labour markets and building material markets) by the Treasury micro-economist that has been seconded to my team of officials.

But I am not persuaded that these limitations (which might well become biting constraints in the future) are in fact the primary determinants of the speed of build out on large permitted sites at present. They are components of the velocity of build out; but they are not the fundamental rate-setting feature.

The fundamental driver of build out rates once detailed planning permission is granted for large sites appears to be the ‘absorption rate’ – the rate at which newly constructed homes can be sold into (or are believed by the house-builder to be able to be sold successfully into) the local market without materially disturbing the market price. The absorption rate of homes sold on the site appears, in turn, to be largely determined at present by the type of home being constructed (when ‘type’ includes size, design, context and tenure) and the pricing of the new homes built. The principal reason why house-builders are in a position to exercise control over these key drivers of sales rates appears to be that there are limited opportunities for rivals to enter large sites and compete for customers by offering different types of homes at different price-points and with different tenures.

When a large house-builder occupies the whole (or even a large part) of a large site, the size and style (and physical context) of the homes on offer will typically be fairly homogeneous. We have seen examples of some variation in size, style and context on some large sites; but the variations have not generally been great. It has become apparent to us that, when major house-builders talk about the absorption rates on a large site being affected by “the number of outlets”, they are typically referring not only to the physical location of different points of sale on the site, but also and more importantly to differences in the size and style (and context) of the products being offered for open market sale in different parts of the site. Even these relatively slight variations are clearly sufficient to create additional demand – and hence additional absorption, leading to a higher rate of build out.

It is also clear from our investigation of large sites that differences of tenure are critical. The absorption of the ‘affordable homes’ (including shared ownership homes) and of the ‘social rented housing’ on large sites is regarded universally as additional to the number of homes that can be sold to the open market in a given year on a given large site. We have seen ample evidence from our site visits that the rate of completion of the ‘affordable’ and ‘social rented’ homes is constrained by the requirement for cross-subsidy from the open market housing on the site. Where the rate of sale of open market housing is limited by a given absorption rate for the character and size of home being sold by the house-builder at or near to the price of comparable second-hand homes in the locality, this limits the house-builder receipts available to provide cross-subsidies. This in turn limits the rate at which the house-builder will build out the ‘affordable’ and ‘social rented’ housing required by the Section 106 Agreement – at least in the case of large sites where the non-market housing is either mixed in with the open market housing as an act of conscious policy (as we have frequently found) or where the non-market housing is sold to the Housing Association at a price that reflects only construction cost (as we have also seen occurring). If freed from these supply constraints, the demand for ‘affordable’ homes (including shared ownership) and ‘social rented’ accommodation on large

sites would undoubtedly be consistent with a faster rate of build out. And we have heard, also, that the demand for private rented accommodation at full open market rents (the scale of which is at present uncertain) would be largely additional to, rather than a substitute for, demand for homes purchased outright on the open market.

So further questions arise:

- would the absorption rate, and hence the build out rate be different if large sites were ‘packaged’ in ways that led to the presence on at least part of the site of:
  - other types of house-builder offering different products in terms of size, price-point and tenure? Or
  - the major house builders offering markedly differing types of homes and/or markedly different tenures themselves?
- would the absorption rate be different if the reliance on large sites to deliver local housing were reduced? And
- what are the implications of changing the absorption rate for the current business model of major house-builders if the gross development value of sites starts to deviate from the original assumptions that underpin the land purchase?

As I continue my investigation into these questions over the next few months, I shall also investigate what constraints would be imposed on build out rates by the supply of finance, the supply of skilled labour, the supply of utility-infrastructure, the availability of building materials, and the management of site logistics if the fundamental constraints currently imposed by the absorption rate for the type and price of home currently being offered on large sites were lifted for any of the reasons to which the questions refer. I shall investigate what effect faster build out rates would be likely to have on the 'land banks' held by the major builders. And I shall continue to seek views from industry participants, planners, NGOs and others on the possible answers to the questions in order to deepen the analysis published in June.

Yours ever,

A handwritten signature in black ink, appearing to read 'Oliver Letwin', written in a cursive style.

**The Rt Hon Sir Oliver Letwin MP**

cc. Dominic Raab MP, Minister of State for Housing

## Appendix D

### Independent 'Letwin' Review of Build Out Rates – Draft Analysis (June 2018)

# Independent Review of Build Out Rates

Draft Analysis

Rt Hon Sir Oliver Letwin MP

June 2018



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June 2018

ISBN: 978-1-4098-5258-2



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## **Annexes**

- A Build out rates**
- B Data methodology**
- C Site visits**
- D Other meetings**
- E Published sources**
- F Stages in the planning process**



# Chapter 1. Aims of the Review

1.1 My terms of reference require me, by the time of the Budget in the Autumn, to “explain the significant gap between housing completions and the amount of land allocated or permissioned in areas of high housing demand, and make recommendations for closing it”.

1.2 The issue identified by the terms of reference is an important one, since the rate of build out is one of the determinants of the supply of new housing provided for the nation in any given year: the output of new housing is determined by the number of homes permitted and the rate at which those permissions are built out.

1.3 Planning permissions are, of course, given for sites of varying sizes around the country – and this is as true in areas of high housing need as it is elsewhere. I have, however, chosen to focus only on the largest sites in areas of high housing need, for two reasons:

- the ‘build out rate’ on small sites is intrinsically likely to be quicker than on large sites; (to take the limiting case, a site with just one house will take only as long to build out as that house takes to build); and
- the largest sites are dominated by the major house builders and other major participants in the residential property market, and it is in relation to these major firms that concern has been expressed in some quarters about “land banking” and ‘intentional delay’.

1.4 As I made clear in my initial letter to the Chancellor and the Secretary of State for Housing in March, I have in accordance with my terms of reference focused on the issue of the build out rate of fully permitted new homes rather than allowing myself to be distracted by issues related to the speed of the planning system. Much has been done recently to encourage the granting of more planning permissions for more homes; and I have inevitably been told much, in the course of my enquiry, about the operation of the planning system. But I remain convinced, as I was in March, that – notwithstanding the complex permissioning and re-permissioning that frequently occurs in very large sites – it is possible to distinguish between a ‘regulatory’ Stage 1, which consists of securing all the necessary approvals to allow development to commence on at least part of the site, and a ‘build out’ Stage 2, which starts at the moment when the house builder has an implementable consent and is therefore able to start construction on the site (i.e. has received either the grant of full planning permission or the first final, detailed planning permission under reserved matters, and has satisfied all pre-commencement conditions).

1.5 I have accordingly ‘started the clock ticking’ for my enquiries at the beginning of Stage 2, and have ‘stopped the clock’ at the moment when the last home on the site has been, or is scheduled to be completed. The amount of time between these two moments is what I mean by the ‘build out period’. By the ‘build out rate’, I mean the percentage of the site that is built out on average in each year during the build out period. My aim throughout the five months of my work to date has been to determine:

- what the build out rate on large sites in areas of high housing demand actually is;
- why the rate of build out on these sites is as it is; and

- which factors would be most likely to increase the rate of build out on these sites without having other, untoward effects.

1.6 As I promised in March, the present Draft Analysis deals exclusively with these three questions. It is only in the next phase of my work that I shall consider, in the light of my analysis of build out rates, what policies the Government might adopt to 'close the gap' between permissions and homes completed on the largest sites and hence to increase the overall rate at which land allocated for housing is converted into new homes. I will present my recommendations on this to the Chancellor and the Housing Secretary at the time of the Budget in the Autumn.

## Chapter 2. Process of the Review

2.1 I have conducted my investigation independently from the Government, but have been assisted both by a team of seconded officials from HMT and MHCLG and by an expert and senior panel consisting of:

- Richard Ehrman,
- Lord Gadhia,
- Lord Hutton of Furness,
- Baroness Prashar, and
- Professor Christine Whitehead.

2.2 Accompanied by my team, and on some occasions by members of the expert panel, I have visited and collected data on 15 large sites (ranging from over 1,000 homes to over 15,000 homes and together providing over 70,000 homes) in areas of very high housing demand (measured by a ratio of more than seven to one between the median house prices and median earnings). Five of these sites are in Greater London; of the remaining ten sites, nine are in the south of England because this is where there is typically the highest demand for housing; the tenth is in an area of the Northwest where there is exceptionally high demand. I have also visited one smaller site in an area of the West Midlands where there is high demand, and one large site in the home counties that is at too early a stage for the data to be meaningful, but which provided interesting qualitative insights to which I refer in Chapter 4. During the course of these visits, I have met large numbers of representatives of builders, local authorities, development companies and other organisations involved in the development of the sites. Records of the information conveyed at these site meetings are provided in Annex C.

2.3 In order to gain a sense of the contrasts and similarities between the way that very large sites are handled in England and the way that they are handled in comparable European countries, I have in addition visited a number of such sites in Germany and the Netherlands. The records of these meetings are provided in Annex D.

2.4 With my team, I have analysed the detailed, site-specific data provided by each of the sites visited in England. The results are presented in a series of charts and graphs in Annex A. To cross-check whether the data gathered from the inevitably limited number of detailed site visits was out of line with other data-sets, I have (with the help of the Mayor of London) compared the results of my own investigations with results derived from the Molior data-set for sites of over 500 homes in Greater London and with their smaller data-set for sites of over 1,000 homes. The results from this cross-check are also presented in relevant graphs in Annex A.

2.5 The methods used to collect, verify and analyse data are described in a note by officials which is provided in Annex B. I should emphasise that, in the course of our work, we have been somewhat dismayed by the paucity of publicly available data on land

holdings and build out rates. I recognise that the Government has commissioned work to make options and other agreements on land transparent by ensuring that they are recorded at the Land Registry; I urge Ministers to expedite this work so far as possible. I also urge MHCLG to ensure that the work that they have commissioned to construct a national database of build out rates on large sites is accelerated, and to take forward the proposal in the recent White Paper that house builders should provide data on build out rates.

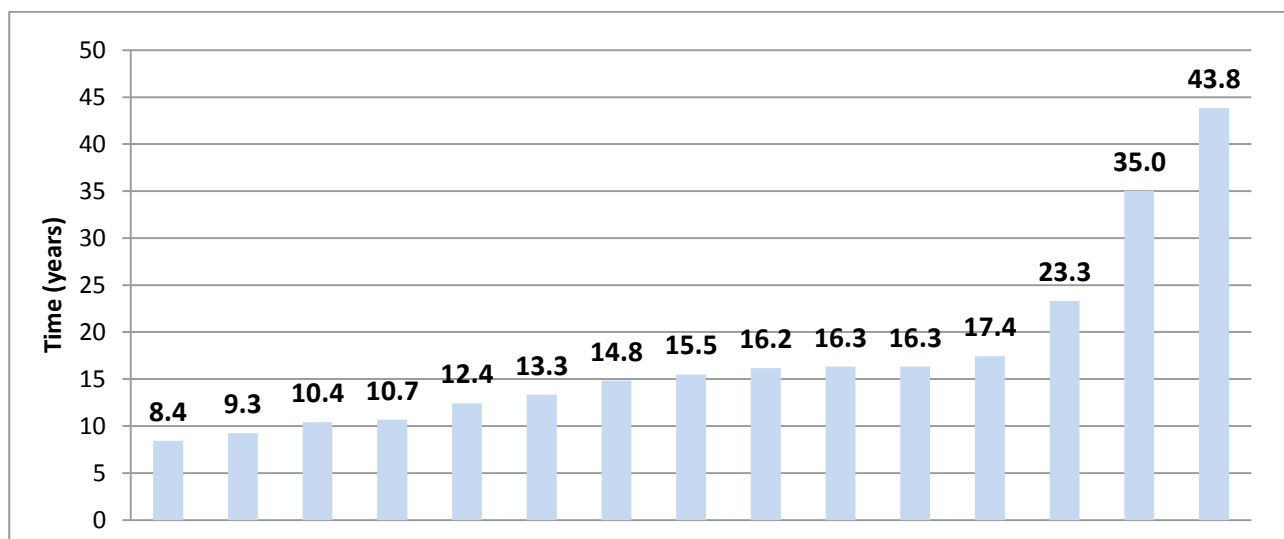
2.6 I have, in addition, accumulated and absorbed a range of published materials, listed in Annex E, and have held a large number of meetings to gather evidence from:

- local authorities,
- non-government organisations,
- housing associations,
- Homes England,
- house builders,
- promoters,
- investors,
- lenders,
- consultancies,
- planners and planning lawyers,
- land agents,
- representative and membership organisations,
- utilities,
- utility regulators,
- market analysts,
- economists and other experts,
- materials suppliers, and
- training providers.

2.7 Records of my meetings with these stakeholders are provided in Annex D.

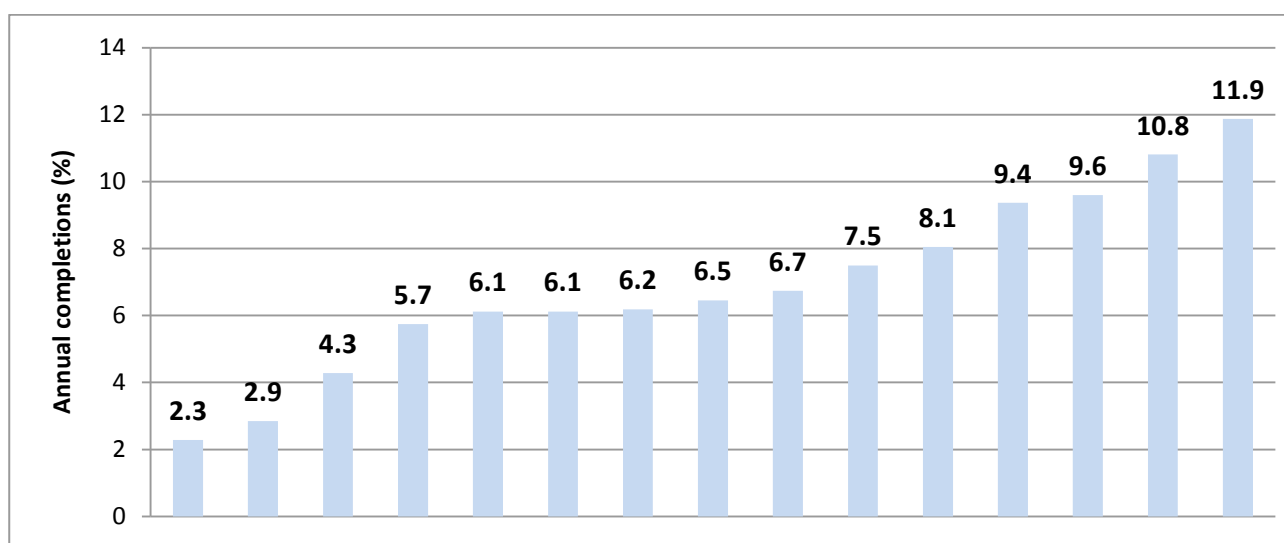
## Chapter 3. Build out rates on large sites

3.1 The quantitative results of our investigation into 15 very large sites in areas of high housing demand are stark. As illustrated in graph AX25 of Annex A, reproduced below, the median build out period for these sites from the moment when the house builder has an implementable consent is 15.5 years:



Total build out period (years) of case study sites - Stage 2 - Median 15.5 years

3.2 To put this another way, as illustrated in graph AX24 of Annex A, reproduced below, the median percentage of the site built out each year on average through the build out period in one of these 15 large sites is 6.5%:



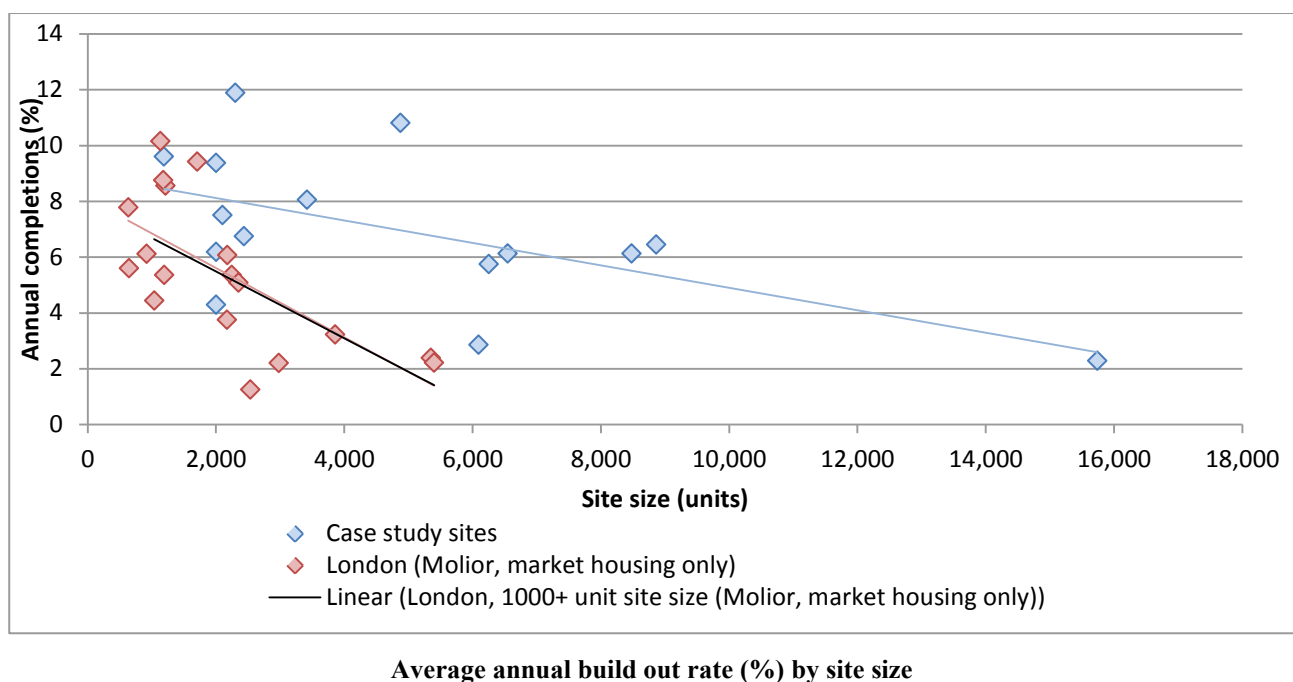
Average annual build out (%) of case study sites - Stage 2 - Median 6.5%

3.3 When we compare these figures with the figures derived from the Molior data-set for sites of over 500 homes in Greater London and with their smaller data-set for sites of

over 1,000 homes, we find that our sites are not atypical and indeed are, if anything, being built out at a faster rate than other large sites in London. This is illustrated in graph AX27 of Annex A, reproduced below:



3.4 There is, moreover, a clear, negative (though not overwhelmingly strong) relationship between the size of the site and the percentage of the site built out each year; as illustrated by graph AX34 of Annex A, reproduced below, all three data-sets suggest that the larger the site, the more likely it is to have a low build out rate. It is worth emphasising this point: very large sites will almost always deliver a higher absolute number of homes per year than large sites with only a few thousand homes in total; but the *proportion* of the site built out each year is likely to be smaller.





# Chapter 4. Fundamental explanations

4.1 This brings us to the question: why does it take so long to build out these large sites?

4.2 In my letter to the Chancellor and the Secretary of State of 9 March, I set out in the following terms what then appeared to me to be the fundamental explanation for the phenomenon:

*The fundamental driver of build out rates once detailed planning permission is granted for large sites appears to be the ‘absorption rate’ – the rate at which newly constructed homes can be sold into (or are believed by the house builder to be able to be sold successfully into) the local market without materially disturbing the market price. The absorption rate of homes sold on the site appears, in turn, to be largely determined at present by the type of home being constructed (when ‘type’ includes size, design, context and tenure) and the pricing of the new homes built. The principal reason why house builders are in a position to exercise control over these key drivers of sales rates appears to be that there are limited opportunities for rivals to enter large sites and compete for customers by offering different types of homes at different price-points and with different tenures.*

*When a large house builder occupies the whole (or even a large part) of a large site, the size and style (and physical context) of the homes on offer will typically be fairly homogeneous. We have seen examples of some variation in size, style and context on some large sites; but the variations have not generally been great. It has become apparent to us that, when major house builders talk about the absorption rates on a large site being affected by “the number of outlets”, they are typically referring not only to the physical location of different points of sale on the site, but also and more importantly to differences in the size and style (and context) of the products being offered for open market sale in different parts of the site. Even these relatively slight variations are clearly sufficient to create additional demand – and hence additional absorption, leading to a higher rate of build out.*

*It is also clear from our investigation of large sites that differences of tenure are critical. The absorption of the ‘affordable homes’ (including shared ownership homes) and of the ‘social rented housing’ on large sites is regarded universally as additional to the number of homes that can be sold to the open market in a given year on a given large site. We have seen ample evidence from our site visits that the rate of completion of the ‘affordable’ and ‘social rented’ homes is constrained by the requirement for cross-subsidy from the open market housing on the site. Where the rate of sale of open market housing is limited by a given absorption rate for the character and size of home being sold by the house builder at or near to the price of comparable second-hand homes in the locality, this limits the house builder receipts available to provide cross-subsidies. This in turn limits the rate at which the house builder will build out the ‘affordable’ and ‘social rented’ housing required by the Section 106 Agreement – at least in the case of large sites where the non-market housing is either mixed in with the open market housing as an act of conscious policy (as we have frequently found) or where the non-market housing is sold to the housing association at a price that reflects only construction cost (as we have also seen occurring). If freed from these supply constraints, the demand for ‘affordable’ homes (including shared ownership) and ‘social rented’ accommodation on large*

*sites would undoubtedly be consistent with a faster rate of build out. And we have heard, also, that the demand for private rented accommodation at full open market rents (the scale of which is at present uncertain) would be largely additional to, rather than a substitute for, demand for homes purchased outright on the open market.*

4.3 The further work we have done since 9 March, and the further evidence we have heard, has done nothing to alter my view that the homogeneity of the types and tenures of the homes on offer in these sites, and the limits on the rate at which the market will absorb such homogenous products, are the fundamental drivers of the slow rate of build out. Indeed, our further work has reinforced this view.

4.4 In March, I promised to ask three questions arising from this fundamental analysis – namely:

- *what are the implications of changing the absorption rate for the current business model of major house builders if the gross development value of sites starts to deviate from the original assumptions that underpin the land purchase?*
- *would the absorption rate be different if the reliance on large sites to deliver local housing were reduced? And*
- *would the absorption rate, and hence the build out rate be different if large sites were ‘packaged’ in ways that led to the presence on at least part of the site of:*
  - *other types of house builder offering different products in terms of size, price-point and tenure? Or*
  - *the major house builders offering markedly differing types of homes and/or markedly different tenures themselves?*

4.5 As a result of our further work, I am now in a position to answer these questions.

## Implications of gross development value deviating from assumptions of land purchase

4.6 Turning first to the question of value, I have concluded that it would not be sensible to attempt to solve the problem of market absorption rates by forcing the major house builders to reduce the prices at which they sell their current, relatively homogenous products. This would, in my view, create very serious problems not only for the major house builders but also, potentially, for the housing market and hence the economy as a whole.

4.7 To understand this dynamic, one needs to grasp the way in which pricing and land values for large permitted sites are established.

4.8 The Royal Institution of Chartered Surveyors publishes a ‘red book’ which has become the ‘bible’ for surveyors and land agents when they are required for any purpose or by any client to value land. This ‘red book’, though large and complicated in detail, contains what is in principle a very simple instruction – viz. that the valuer should start with the assumption that the open market sale value of a new home of a given kind and size in a given location will be close to that of a second-hand home of the same or similar kind and size in the same or similar location – perhaps with some slight premium for the new home to represent the extent of the depreciation on the second-hand home and, of course,

with a further assumption about the expected average rate of house price inflation across the anticipated period to completion.

4.9 It is not difficult to see why the RICS has reached this view. Clearly, an individual or family seeking to buy a home in a particular location is able to compare the cost of two alternatives – buying something newly constructed or buying something second-hand. Accordingly, the open market value of a marginal newly constructed home (the price that can be reached between a price-maximising willing seller and a price-minimising willing buyer) will bear some close relation to the price of a comparable second-hand home in the same location.

4.10 There is, however, a crucial assumption lying behind this method of valuation: namely, that the supply of new homes in the locality is not going to be sufficiently large to have any noticeable effect on the supply and demand balance in that local housing market, and is therefore not going to have any noticeable impact on the open market value of second-hand homes in that locality. Only if this assumption holds good, will the marginal valuation principle hold true. In other words, the standard method of valuation for new housing used by all reputable valuers in the UK bakes in the assumption that local housing markets will not be ‘flooded’ with new homes to the point where the current prices of second-hand homes in the local market are forced downwards.

4.11 But the significance of the valuation method goes beyond the baking in of this assumption about the number of new homes built in a locality in a given period – because it also forms the basis for land valuation.

4.12 We have heard from a range of participants in different parts of the housing industry that, when house builders come to buy land for development, they typically do so on the basis of a so-called ‘residual value’ calculation. This calculation starts with an estimate of the open market value of the new homes that can be built on the site (i.e. a value close to the current value of comparable second-hand homes in that local market) multiplied by the number of homes of that value that are expected to be built on the site under the outline planning permission. The expected costs of construction (including return on equity, costs of debt, infrastructure and policy/regulatory requirements) are then subtracted from this ‘gross development value’ to yield a ‘residual value’ that should be attributed to the land and the outline planning permission.

4.13 It appears that, in some cases, this method of valuation is directly applied by independent valuers to settle a price for the land under the terms of an option agreement that the house builder has with a landowner. In other cases, a landowner or promoter may auction the land with outline planning permission. Or an auction may be held in order to determine an open market price for the land that will form the basis for the price that has to be paid by a house builder who holds an option if the house builder wishes to exercise that option. But we have heard from everyone we have talked to in the industry about these processes that, in all of these forms of land sale, the starting point of all participants is the residual value calculation. And that residual value calculation always starts with the assumed open market value of new homes in the local area – which is always fundamentally driven by the prices of comparable second-hand homes in the local area, and hence by the assumption that the number of new homes built in any given year in that area will not be large enough to put downward pressure on the price of second-hand homes in the area.

4.14 Once a house builder working on a large site has paid a price for the land that is based on the assumption that the sale value of the new homes will be close to the current

value of second-hand homes in the locality, the house building company is not inclined to build more homes of a given type in any given year on that site than can be sold by the company at that value; and the house builder's first customers (and indeed their mortgage lenders) may tend to be unenthusiastic if they see the prospect of homes of the same type on the same site being sold in such quantities as to reduce the prices obtained for those homes in the market after they have bought their own homes.

4.15 The value-unaffected rate of sale that avoids all of these effects is what the house builders, the land agents, the council planners – and indeed independent commentators such as the OFT – call the 'absorption rate' for homes on a large site by the local market. They do not actually mean the absolute absorption rate in the sense of the rate at which the market will absorb the homes at any price, or even the construction-cost-relative absorption rate at which the market will absorb the homes if they are sold at or near to the cost of construction (including the cost of capital). They mean, instead, the rate at which new homes can be absorbed without reducing the price of the homes below the price assumed for the purposes of the land valuation.

4.16 We have heard, likewise, that these same principles and assumptions are built into the business plans of the house builders and the development assessments prepared for the house builders by the land agents. So it is natural that the whole process of construction by large house builders on a large site should thereafter be based on the same assumptions: we have found in all of our site visits that the pattern of phasing and financing is adapted to fit the rate at which it is believed that the new homes can be absorbed by the local market without contradicting the pricing assumptions built into the house builder's business model, and hence without affecting the sale prices of second-hand homes in that market. The same applies to the arrangements made for the provision of labour, materials, utilities, progressive remediation and site infrastructure; all of these are organised around the expected 'absorption rate' for the kind of homes being sold by the house builder at the price baked into the land value.

## Increasing build out rates by reducing reliance on large sites

4.17 It seems sensible to ask whether we could hope to increase build out rates in high pressure areas by reducing reliance on very large sites. Would the use of more smaller sites (and hence the presence of more builders) increase output?

4.18 There is evidence from our statistical investigation to back the common sense intuition that smaller sites will tend to build out a greater proportion of the site each year than larger sites – at least once they begin to be built out at all. And the theoretical underpinning of this proposition is not difficult to find. We have been told repeatedly that the market absorption rate for a given type of home is to some considerable degree highly location-specific: there is a given depth of market at a given price for a given type of home of a given tenure in this particular place. Move only a little way away and you enter a slightly different market, composed at least partly of people with somewhat differing patterns of life which make that other place more attractive to them. Hence, all else being equal, one might expect two homes, only one of which would sell at a given time at the given price on large site A, to be sold simultaneously at the same price on two smaller sites, B and C.

4.19 There are two principal ways in which we could increase the number of small sites. The first would be to find some means of "packaging" large sites into smaller sites. The

second would be to use the planning system to encourage the use of more “naturally” smaller sites.

4.20 Although not within the scope of my Review, there may well be advantages in attempting to adopt the second approach by encouraging the use of more individual small sites within local planning authority land supply plans. But there are reasons to believe that doing this without also increasing the rate of build out on large sites by “packaging” those sites in ways that increase the variety of supply is *not* desirable. The reasons are that:

- to increase housing supply as a whole over the long-term, we require increased infrastructure – and it is often the large sites that unlock values and short-term demand sufficiently great to support major new infrastructure with the help of grants, Section 106 agreements and the like; it is true that small sites typically require less additional infrastructure than large sites – but an attempt to fund all needed major new local infrastructure through Community Infrastructure Levies (CILs) collected from a multitude of small developments would require more effort from most local authorities in areas of high housing need;
- to meet the needs of people seeking homes in high pressure areas, we need *both* high rates of build out *and* high levels of allocation. Reliance exclusively on smaller sites requires local authorities in their local plans to pick a multitude of small fights – whereas many planners and councillors have told us that it is often far easier to pick a few, larger fights; although the National Planning Policy Framework has enabled some unallocated sites to receive planning permission where five year land supplies are not at the required levels, it would be an unfortunate irony if the effect of efforts to improve build out rates by concentrating exclusively on smaller sites actually led to reduced allocations in some local authority areas; and
- given that, in many areas, we have seen very large sites that are clearly suitable for development (e.g. major brownfield sites of derelict post-industrial land), it seems counter-productive (to the point of absurdity) to allow only small bits of them to be developed at any one time in order to accelerate build out rates; the rate on *permitted* sites might well (indeed, probably would) increase sharply – but the rate of build out across the remainder of the undeveloped brownfield land still begging to be developed would, paradoxically, reduce to zero.

4.21 My conclusion is that we cannot rely solely on small individual sites. This cannot be a question of “either / or”. We will continue to need more new housing *both* on smaller sites *and* on large sites.

## Differentiating products to address differing markets

4.22 This brings us to the question whether the problem of slow build out rates on large sites could be accelerated by means of increased differentiation within these sites.

4.23 Given my conclusion that the current low build out rates are caused by the restricted market absorption rates of the fairly homogeneous products typically being constructed at present by the major house builders on the largest sites, it seems natural to seek some means of achieving differentiation within sites. If this were achieved, it is intuitively plausible that a range of markets (each with their own absorption rates) could be addressed simultaneously, thereby accelerating the overall rate of build out.

4.24 But is this intuition an insight into the truth, or an illusion? Is the market for one type of dwelling with one type of tenure in a given place sufficiently separate from the market for other types of dwelling and other types of tenure on the same site to make simultaneous disposal of differentiated products possible?

4.25 I have not been able to find any conclusive numerical evidence of the extent of separation or overlap between the markets for different products on the same site. However, I have been able to observe some strong reasons for supposing that the degree of product separation is considerable, and that the degree of product overlap is relatively slight:

- it is a truth universally acknowledged that, in areas of high demand, the high ratio of house prices to incomes creates a serious problem of affordability; accordingly, for each individual or family that can afford to buy a home of a certain style and size on a given site in such an area, there will be other individuals or families who might like to live on that site, but who cannot afford to buy such a home at the price of such homes set by the local second-hand market; for such individuals or families, there are only two choices – to go elsewhere, or to obtain a home that has a different cost because it is of a different type or of a different tenure; and this alone is enough to imply that the market in any one site is tiered rather than homogeneous;
- I have been told, on every one of my site visits, that the need for social rented housing is far from exhausted; my interlocutors have regularly used phrases such as ‘virtually unlimited’ to describe the demand for such housing; and this, too, strongly implies that, in areas of high housing pressure at least, the market for social rented property is separate from the price-constrained market for open market sales of family-sized homes;
- on those visited sites where there was a significant amount of property being offered in the private rented sector, it has been repeatedly explained to me by those responsible for marketing homes on the site that the people seeking such rented property arrive seeking this particular form of tenure, due to whatever circumstances make it more appropriate for them than either open market purchase or social renting; how deep this market currently is outside the major cities, is currently in some doubt – but I have seen evidence that institutional investors are able to have private rented sector properties constructed simultaneously with properties for sale on the same site, and are able to dispose of them simultaneously, even in out-of-town locations; this, again, strongly suggests that the private rented sector is essentially a separate market;
- given these points about the separation of the social rented and private rented markets from the market for open market sales, I have not been surprised to find developers regularly telling me that they also have no difficulty disposing of ‘affordable’ rented properties at various discounts simultaneously with open market sales; on no occasion has it been suggested to me that there was any serious competition between homes offered with these four types of tenure (open market sale, open market private rented, discounted or ‘affordable’ rented and ‘social’ rented), implying that the markets for each are largely complementary rather than overlapping;
- the same seems clearly true of specialised housing for particular groups such as nurses, students or retirement living; I have seen significant amounts of housing of these kinds built right next to some of the sites I have visited, without any

suggestion from those marketing the visited sites that the specialised properties competed with the non-specialised newly built properties – once again, suggesting the existence of largely complementary, rather than significantly overlapping markets;

- in discussions both in the UK and in the Netherlands, it has become clear to me that there is a particular and separate market also for custom-build and self-build homes. The resistance to including such homes on large sites at present is considerable in some quarters; but both those who welcome (and provide) these more customised types of housing and those who resist them appear to agree that they suit a different clientele, who would not be attracted to the more uniform homes constructed on so many of our large sites at present. This, too, suggests the existence of separate markets;
- I have heard much the same said repeatedly about the market for shared ownership of various kinds; we have received testimony suggesting that this form of tenure is likely to become more established and more accepted both by the housing associations and by private investors – and it seems clear that it is a mixed tenure that will be attractive to purchasers somewhat different from those who are attracted either by outright sales or purely rented properties;
- I have learned that different types of builder, constructing different types of building, have different business models – and are clearly aiming to satisfy the demands of different market niches; for example, those building high rise flats (which are inevitably constructed in one fell swoop) are typically seeking a high proportion either of individual buy-to-let investors or institutional investors in the Private Rented Sector, whereas SME house builders typically have a very different set of customers in mind; and
- finally, I have been told many times by those engaged in marketing homes on large sites that the choice of a newly built home is much influenced not only by ‘hard’ facts such as location, size, price and tenure-type, but also by ‘soft’ facts such as architecture, interior design, garden, setting and surrounding landscape or street-scape; and this is entirely natural, as the choice of where to live is in part an aesthetic matter of huge significance to those (very many) of us who care about our surroundings as much as we care about almost any other aspect of our daily lives; accordingly, it seems extraordinarily likely that the presence of more variety in these aesthetic characteristics would create more, separate markets than can be created within the high degree of uniformity that characterises many (though not all) of the large sites that we have visited.

4.26 For all of these reasons, I conclude that if either the major house builders themselves, or others, were to offer much more housing of varying types, designs and tenures (and, indeed, more distinct settings, landscapes and street-scapes) on the large sites and if the resulting variety matched appropriately the desires of the people wanting to live in each particular part of the country, then the overall absorption rates – and hence the overall build out rates – could be substantially accelerated. The policy levers required to bring this about without damaging the economics of individual sites or the financial sustainability of the major house builders are topics for the second phase of my work, on which I shall report at the time of the Budget. But the shape of the outcome at which we should aim is, I think, clear from the work we have already done: to obtain more rapid building out of the largest sites, we need more variety within those sites.

## Chapter 5. Other potential constraints

5.1 In my letter to the Chancellor and the Housing Secretary of 9 March, I promised to provide an assessment of the extent to which the rate of build out on very large sites might be held back by constraints other than the market absorption rate, if that binding constraint were removed. In particular, I said that I would consider the effects on build out rates that could be caused by:

- lack of transport infrastructure,
- difficulties of land remediation,
- delayed installations by utility companies,
- constrained site logistics,
- limited availability of capital,
- limited supplies of building materials, and
- limited availability of skilled labour.

5.2 In the course of the further work that I have undertaken since 9 March, I have looked in some detail at all of these issues, and have come to conclusions about the extent to which they could currently hold back, or might in future hold back rates of build out on large sites. I have also looked at one further issue, namely:

- alleged intentional “land banking” on the part of major house builders.

### Lack of transport infrastructure

5.3 The time taken to provide major new transport infrastructure has certainly had a major impact on the speed of development in a number of the sites that I have studied. In some cases, the opportunity to develop housing was an outcome envisaged only after rapid transport links were installed for other reasons: the Olympic Park, North Greenwich and Ebbsfleet are cases in point – where rail links to central London were built, respectively, for the Olympics, the Millennium Dome and HS1, thereby opening up the possibility of major housing development that would not otherwise, in all probability, have occurred. In each of these cases, the building of the rail link took a considerable time. We have also seen a limited number of cases in which delays in provision of smaller local transport infrastructure (e.g. roundabouts, link roads and new rail stations) have caused a delay in the start of construction on site. But an outstanding example of delays in housing caused by delayed infrastructure is Barking Riverside – where a considerable period of time was spent considering whether to construct (and eventually deciding not to construct) an extension of the Docklands Light Railway. During the whole of this period, the large housing project at Barking Riverside was stalled; it moved forward only after the failed DLR proposition was replaced by a definite decision to extend the London Overground to reach the site (at far lower cost).

5.4 But these examples of the importance of new transport infrastructure, which are matched by several less dramatic examples in other large sites that I have visited, share



the characteristic that they do not, in general, appear to have had any effect on the build out rate during the periods at which I have been looking. My clock starts ticking only after the first implementable permission has been received – and, by this time, almost always, the major infrastructure issues have been sorted out. This is partly a feature of the planning system: typically, final permission to proceed with a large new site is not given until the transport infrastructure will enable the new inhabitants to take up residence without causing undue pressure on existing infrastructure. And it is partly a feature of the market: developers and builders do not generally seek final permits to build homes in places which cannot easily be accessed, because such homes are unlikely to be attractive to potential customers. Accordingly, whilst it seems clear (and an enormously important point) that faster resolution of major infrastructure issues would be likely to bring forward the dates at which new major housing construction sites could be opened up, this is largely a separate question from the acceleration of the narrowly defined ‘build out rates’ (from first implementable permission to final completion) on which I have focused, because (although later phases of development are sometimes contingent on the provision of further infrastructure) I have not found any notable example of delay in infrastructure affecting the rate of build out once construction has begun.

5.5 I accordingly welcome the effect on the release of new large housing sites that is likely to arise from the significant steps that have been taken in recent years to accelerate the provision of major new infrastructure (including the introduction of National Policy Statements for infrastructure and the establishment of the National Infrastructure Commission). I strongly urge Ministers to work collectively across government to ensure that the construction of major infrastructure is driven by the need to release large, allocated sites for development; this will require more effective coordination between the various government departments, agencies and private sector operators involved in providing infrastructure. But I do not believe that these steps, or any further (desirable) steps that may be taken in future to increase the speed of delivery of major new transport infrastructure, will have any noticeable impact on the particular question of the build out rates achieved on large sites between the time when the first implementable permission is received and the time when the last home is completed.

## Difficulties of land remediation

5.6 In the course of visiting and studying the development of large “brownfield” sites, I have seen several examples of the costs and difficulties that can be caused by the need to remediate land before construction can begin. It is clear that, where a site has previously been used either by long-present heavy industry or by other, more specialised contaminators such as the MoD, such remediation is likely to be required – and the (entirely appropriate) regulatory requirements mean that the remedial work is likely to be both expensive and prolonged. Perhaps the outstanding example of this amongst those large sites I have seen is at Nine Elms, where the need for remediation of the former Battersea power station has clearly imposed very considerable financial burdens on a succession of developers.

5.7 But in such cases, as with major transport infrastructure, the remedial work is typically (and rightly) required before the first implementable permission to build homes is received. So (although remediation may in some cases continue through several phases of construction and may well affect the timing of capital requirements on a large brownfield

site) it does not tend to affect the rate of build out that I have been examining; starting the clock at the point of first implementable permission, I have been unable to find any systemic contrast between the rate of build out on large “greenfield” sites that require no remedial work and the rate of build out on large “brownfield” sites that have required intensive remediation before the housing construction could commence.

## Delayed installations by utility companies

5.8 I have received somewhat conflicting evidence about the effect, or lack of effect, of utility connections on build out rates.

5.9 The house builders that we have met on the large sites studied have repeatedly complained about the impediments caused by slow responses from utility companies.

5.10 In discussion with the utility providers, we were told, on the contrary, that these problems arose from insufficient clarity, coordination, and notice on the part of the house builders. The providers took the view that a period of between nine months and two years was needed in order to plan significant additions to utility networks, and complained that this timetable is often not respected by the house builders and developers. (The Olympic Delivery Authority was cited as a shining exception and as a developer who gave full and adequate notice.)

5.11 Discussions with the utility regulators made clear that some of the reason for this conflict of views probably arises from the difficulty of distinguishing between infrastructure that will be paid for by utility customers, and infrastructure that needs to be paid for by house builders and developers; it also became apparent there remains some lack of clarity about the point at which a utility regulator will recognise a development as being sufficiently certain to permit assets constructed in relation to that development to be added to the regulatory asset base of the relevant utility. We also heard on some sites that there can be very different views between local and national levels within the utility companies.

5.12 However, despite this rather messy scene – which I believe definitely and urgently requires further attention across government – I have not in fact been able to find any substantial evidence that delays in the provision of utility connections have caused delays in build out once the first implementable permission has been received. My impression is that such problems as there are in dealing with utilities mainly increase the complexity and “bother” of development rather than impeding build out – and that, to the extent that significant utility infrastructure does cause substantial delay, this typically occurs before the point at which a very large site begins to be built out. For example, we discovered that, at the very large Nine Elms development in central London, it had proved necessary to submit a new planning application to remove an intended electricity sub-station due to late confirmation from the utility providers that the sub-station in question could be provided at an alternative site – thereby delaying the date of the implementable planning permission rather than lengthening the build out period.

5.13 In short, I conclude that the serious problem of utility provision for some sites falls broadly into the same category as the problem of transport infrastructure. Neither is directly relevant to the focus of my Review, but both require attention from government. I urge Ministers to establish a cross-government taskforce to address the provision of utility infrastructure for large sites at a pace that permits development on those sites to commence faster than at present.

## Constrained site logistics

5.14 When I began my investigations, I imagined that the complexities of managing large sites might have a major impact on the rates at which such sites are built out. And I have found some instances in which the management of the site has clearly imposed constraints of certain sorts. For example, it has been pointed out to me in the course of several site visits that the developers recognised the need to avoid building simultaneously in all directions around the early inhabitants who had moved into one particular part of the site, lest their lives be made intolerable.

5.15 But I have been impressed both by the highly professional way in which the major house builders have learned to manage large sites so as to permit efficient construction without imposing unduly on the inhabitants, and by the lack of any evidence (outside highly constrained inner-city settings) that site logistics in fact currently impede the overall rate of build out on these sites. My impression has been that, if a faster rate of build out were thought to be feasible for other reasons, developers and major house builders would have all the capabilities required to organise entry to (and working on) different parts of large sites simultaneously in a way that is compatible both with efficient construction and with making life tolerable for early inhabitants.

## Limited availability of capital

5.16 Capital constraints are sometimes advanced as reasons for slow development of housing – and I was therefore keen to find out whether there was any evidence of such restrictions on finance creating limits to the speed of build out on large sites.

5.17 Somewhat to my surprise, neither discussions with industry participants nor discussions with those involved in providing finance have furnished any evidence that such constraints are biting at present. It has, on the contrary, become clear that:

- The major house builders have capital structures with very low gearing. They are able to obtain large lines of credit to fund working capital requirements; but they rarely use this as a means of obtaining long-term debt finance, because at present their cash flow is typically sufficient to repay such loans in-year.
- The major house builders also have access, through structured project-financing, to debt finance for housing construction projects at low rates of interest, and over a term sufficient to fund a given phase of a given development. Because of their own strong cash positions, they do not currently appear to have any difficulty providing the cash required to fund the equity component of such projects.
- There are both major clearing banks and providers of non-bank finance who have appetite for increased lending to well-structured housing construction projects at present. We were told that the entry of challenger banks and of institutional investors had made this an increasingly competitive market for the lenders – suggesting a ready supply for the borrowers. We did not receive any evidence of inhibitions being caused at present by macro-prudential supervision.
- Both housing associations and commercial institutional investors have told us that they have appetite and equity finance available for considerable expansion into the

rented sector – but are currently held back by lack of access to large sites on which to build homes for rent.

- SME builders (who are not typically present on very large sites at the moment) are no longer able to obtain the straightforward balance sheet financing that they used to obtain from the high street banks, and are therefore driven back to project financing. We have been told that this frequently limits their capacity to engage in multiple transactions simultaneously, as each project requires a substantial equity component – but we were told by the lenders themselves that they are willing to provide the support and expertise required to enable SMEs to engage in project finance. I conclude that, if SMEs were more able to obtain a place on very large sites, they (unlike the major house builders) would probably begin to experience financing constraints that would require some attention.
- On the demand side, we were told that the only financial constraints for people seeking ordinary open-market purchases were the affordability of property in high pressure areas and the ability of potential purchasers to raise cash for deposits – in relation to which, we were also told by builders, estate agents and lenders that on large sites the availability of financial assistance through the Help to Buy scheme for first time buyers plays a role in supporting open market sales at prevailing prices. I have not reviewed the role of the Help to Buy scheme more generally, but have found no evidence of any rationing of mortgages for buyers who were able to meet the regulatory tests of affordability.
- Also on the demand side, we were told that shared ownership mortgages – though somewhat more complicated because of the requirement for close cooperation between the housing association or other landlord and the lender – are available in the market place both from the big mortgage lenders and from a handful of regional building societies. Though there are no doubt limits to the exposure that any one financial institution wishes to have to this particular risk, we were told that such mortgages do not at present have higher default rates than the traditional mortgage market, and are likely to be financeable in significantly greater quantities than at present if and when more shared ownership homes are made available on large sites.

## Limited supplies of building materials

5.18 I am aware, from my experience in government shortly after the 2008/9 crash, that the supply of adequate building materials can be a significant barrier to construction. I was consequently anxious to find out whether there is any evidence of such constraints operating at present, or being likely to operate if rates of build out on the large sites (and hence rates of construction as a whole) were to rise significantly. I am pleased to report that I have not found any such evidence. So far as the future is concerned, even if rates of housing construction were to rise as the Government hopes and plans, I see little reason to expect that supply of building materials will be unable to keep pace.

5.19 I was told that sufficient quantities of steel, glass and timber could be obtained. In relation to ceramic construction materials, likewise, there appeared to be sufficient capacity through domestic production and imports to meet demand – though it was made clear to me that investment in further domestic capacity would depend upon the industry

having a clear line of sight to new levels of demand from house builders before taking steps such as securing long-term licences for clay assets.

5.20 The tightest relevant supply market appears to be in bricks. I received conflicting accounts of the operation of the brick supply chain from brick makers and house builders – with each blaming the other for inefficient supply or procurement practices. I was told that existing UK factories in existing configurations are currently producing at capacity, with roughly 20% of the total current supply being met from use of stock by merchants and from imports; it was felt by the brick industry participants with whom I spoke that construction growth in northern continental countries could put pressure on import prices. However, I was also told that – if there were a clear demand for increased numbers of bricks – changing shift patterns and increasing the number of production lines within existing factories could increase capacity by 10-15% in under a year, and that new factories could be built within about three years, and that substitutes such as concrete bricks could be introduced.

5.21 My conclusion is that, if there is a reasonable level of assurance about the future levels of building materials required, investment in increased domestic production of all the materials is likely to follow – with any gaps in the interim being filled by imports. In the medium term, it is also likely that the increasing move towards so-called modern methods of construction such as modular ('factory') production of components for new houses will reduce dependence on particular items (such as bricks) that might otherwise be temporarily in short supply if the rate of construction were to accelerate rapidly.

## Limited availability of skilled labour

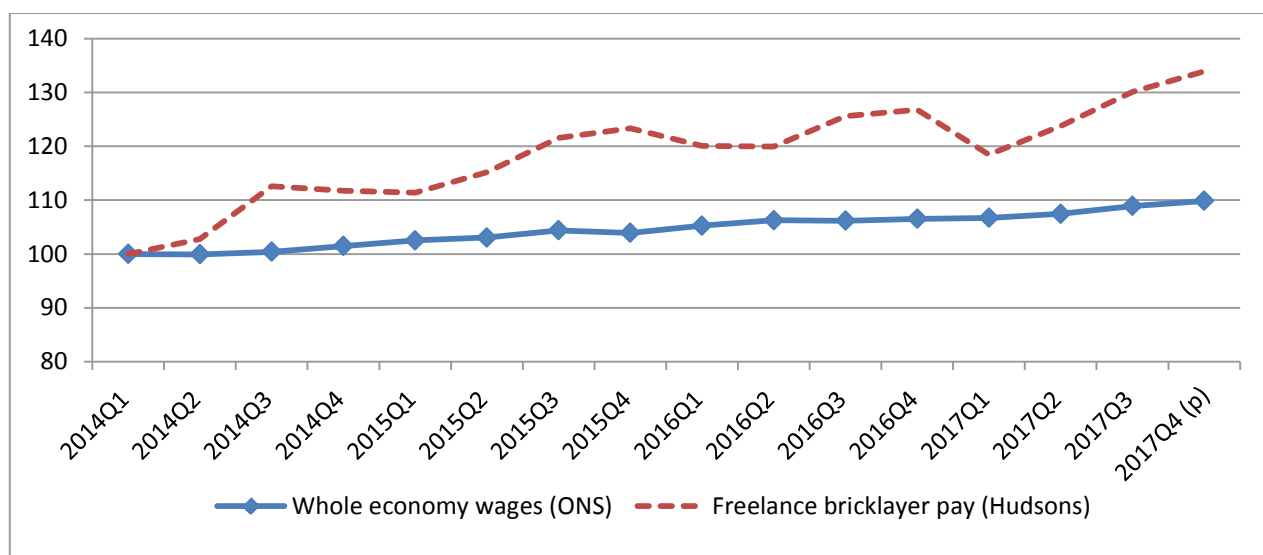
5.22 In general, the picture I have gained of the supply of skilled labour for house construction is similar to that for construction finance and building materials.

5.23 There seems little doubt that the availability and price of labour is a significant concern for the major house builders. More than 20% of members of the Federation of Master Builders reported shortages in thirteen different types of skilled labour, and the Royal Institution of Chartered Surveyors shows 40-60% of surveyed employers identifying shortages in both professions and trades – figures similar to those reported by members of the Home Builders Federation. During the course of our site visits, we heard anecdotal evidence confirming the impression that the market for skilled labour is currently quite tight – and it was clear that a significant proportion of the workforce employed on these sites (particularly in London) came from outside the UK; this echoes the figures presented in the HBF Home Building Workforce Census, which show around 50% of the workforce in London, and over 20% in the South East, coming from abroad (mainly from the EU). We also frequently heard reports of skilled labourers moving quite large distances to work on large sites in the high pressure areas that we were visiting; and this, too, is borne out by the figures produced by the HBF and the Construction Industry Training Board, which suggest that 19% of the workforce have relocated to take up employment and that 36% have frequently worked away from home. Finally, we heard reports that one of the motivations for experimenting with modular "factory" production of major components for new homes was to clear the critical path by removing the need for people with very particular skills to be present on site at exactly the right moment in the construction of each individual new home.

5.24 It is important, however, to set these points in context. The construction workforce is composed of people with a wide range of skills and occupations, many (though not all) of which are fairly interchangeable with skills and occupations in other industries; and even within the construction industry, people with the various skills are deployed in a wide range of activities including repair and maintenance of housing, the construction and repair of infrastructure and the construction and repair of commercial and industrial buildings. Consequently, according to ONS figures, the building of new homes occupies less than a quarter of the total construction workforce. Indeed, ONS figures show that even in most of the key trades which form part of the critical path for the construction of a new home, the majority of the skilled workforce (and, in most cases, the great majority) are employed in construction activities other than the building of new homes. This suggests that, if there were a serious shortage of skilled labour in the various trades and professions required for house building, it would in general be possible to meet these demands by raising the wage rates paid to these workers in order to draw them over from other parts of the construction industry – albeit with some consequences for the rest of the industry – until such time as the level of training increased to reduce the shortages.

5.25 Accordingly, I am reasonably confident that skilled labour from within the construction industry is, or could generally become available to meet demand even if rates of build out on large sites, and hence rates of house construction as a whole, were to increase markedly. I am told by some industry participants that they have concerns about the availability of sufficient skilled labour in a few areas for which I do not have adequate data, including groundworkers and site managers; this is an issue I shall need to pursue further over coming months. There is, however, at least one definite exception to the general rule – namely, the supply of skilled bricklayers.

5.26 The official ONS figures show mean hourly pay for bricklayers at a level below the average for all employees across the economy, and also show no growth in the wage-rates for bricklayers during recent years. But this does not reflect the anecdotal evidence, and subsequent investigation has revealed that the reason lies in the fact that a very high proportion – according to some estimates, as many as 90% – of bricklayers are self-employed and are therefore excluded from the ONS figures. I have accordingly obtained information from Hudsons (a company that administers payroll for many thousands of self-employed people, with a large number of bricklayers amongst them). This gives a national average weekly wage for self-employed bricklayers around 60% higher than the ONS figure for employed bricklayers; this is roughly what one would have expected on the basis of the anecdotal evidence of rates 80-100% higher than the ONS figure, once allowance is made for the fact that our anecdotal evidence derives from sites in the high pressure areas only. But, if we take these national figures for self-employed bricklayers rather than the ONS data for employed bricklayers as the guide, then we observe also a rise in bricklayer earnings of over 30% since Q1 2014 – suggesting that the market in this particular set of skills is very much tighter than it was in 2014.



**Wages in the whole economy and freelance bricklayer pay (2014 Q1=100)**

5.27 What makes this current situation concerning for the purposes of my Review is that, in contrast to the situation in most other parts of the construction workforce, the proportion of bricklayers working on the building of new homes appears to be very high. I have not been able to obtain reliable official figures – but, by combining estimates provided by the HBF for the average number of bricklayers required to build a new home with the CITB estimates for the total number of bricklayers in the country at present, and with the relatively reliable data for the number of new homes being constructed, one arrives at the conclusion that more (and perhaps significantly more) than three quarters of all bricklayers are engaged in the construction of new homes. This compares with some 20% of plasterers, 10% of carpenters and 5% of plumbers and electricians who are devoted to the building of new homes. Clearly, the opportunity to bring bricklayers across from other parts of the construction industry to work on newly built homes is restricted.

5.28 This will create a significant biting constraint if the rate of build out on large sites can be increased to the point where, in conjunction with other measures being taken by the Government, the total number of homes constructed each year rises from the present figure of around 220,000 to around 300,000 (in line with government targets). Again using HBF estimates for the average number of bricklayers currently required to build a new home, and allowing for the different types of construction typically involved in flats and houses, and further assuming that there is no rapid short-term change in methods of building, this will require an increase of about 15,000 in the total number of bricklayers, or almost one quarter of the existing size of this particular workforce.

5.29 To achieve such an increase over, say, a five year period by training more bricklayers would require more than doubling existing training levels. While it is encouraging that the Department for Education has established a new fund to increase innovative schemes for construction training, my discussions with those involved in such training lead me to believe that there is no prospect at present of the training providers being able to produce such a change in gear in the required timescale, even if sufficient funding were forthcoming. A far more realistic prospect would be for the providers to increase long-term training to a level at which it was able to provide a replenishment of the bricklaying workforce once that workforce had reached a steady state size roughly one quarter greater than its current size. Obviously, this would require an expansion of only

some 25% compared with current training provision – a realistic ambition over, say, 5 years.

5.30 The inevitable conclusion is that, in the immediate future, if there is not to be either a substantial move away from brick-built homes or a significant requirement for more skilled bricklayers from abroad, and to the extent that modular construction techniques do not sufficiently reduce demand for highly skilled bricklaying, the only realistic method of filling the gap in the number of bricklayers needed to raise production of new homes from about 220,000 to about 300,000, is for the Government and major house builders to work together (specifically *without the current training providers*) on a five year “flash” programme of pure on-the-job training. I therefore urge Ministers to consider now the need for measures to achieve a rapid expansion in the number of bricklayers.

## Alleged intentional “land banking” on the part of major house builders

5.31 Finally, I have considered the allegation that the major house builders are reducing the rate of construction as part of an intentional attempt to “bank land”.

5.32 In one sense, as I have argued, the major house builders are certainly “land banking”: they proceed on a large site, once that site benefits from an implementable permission, at a rate designed to protect their profits by constructing and selling homes only at a pace that matches the market’s capacity to absorb those homes at the prices determined by reference to the local second-hand market. Accordingly, if we can speed up the build out rate of large sites then the amount of land with full planning permission being held by the house builders should reduce. The further question, however, is whether there is or is not also “land banking” in the sense of major builders or others attempting to influence the market by “locking up” land before they seek final implementable permissions to build.

5.33 The reasons for the allegation that there is also this other form of “land banking” are:

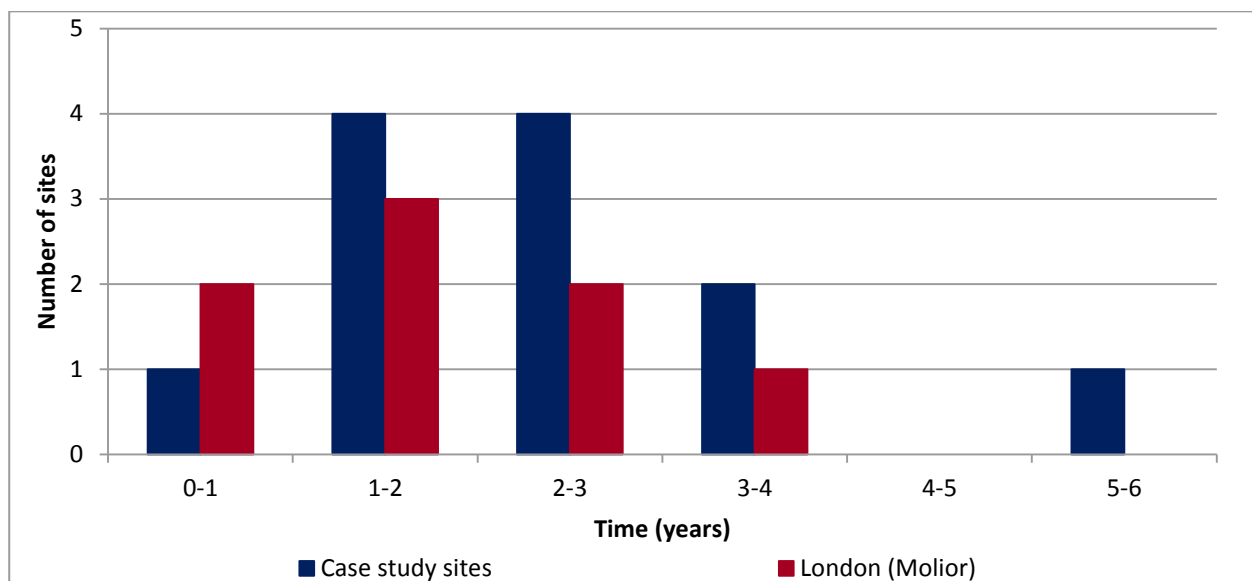
- the large amounts of land ‘held’ under various forms of options and agreements by the major house builders at any one time – often leading to the elapse of a long period between the moment when a piece of land comes under the control of the builder and the moment when it begins to be built out; and
- the fact that land, unlike most assets, does not depreciate, has generally tended to increase in value, and has a ‘real option’ value.

5.34 The most obvious point to make is that the first of these observations – the large amount of land held in one way or another by major house builders – has a plausible explanation. The fact that a major house builder holds large amounts of land, is explained by the fact that the major house builders need to maintain a sustainable business and seek to do this by ensuring that they, rather than their competitors, hold as much of the land on which they will later wish to build as is compatible with their capital constraints. This may well enable them to minimise market entry and thereby enable them to maintain market share while building out at a stately pace; but it does not, in itself, drive slow build out rates. Indeed, if anything, one would expect faster rates of build out to require builders to hold larger supplies of land – since we have been told by market analysts that the stock-market valuations of house builders depend not only on the current annual profits of those



builders but also on the degree to which those profits are made sustainable by the holding of supplies of land that can be developed in coming years. The faster the land is used, the larger the need for a back-up supply of land that can be used in future.

5.35 So compelling is this point, indeed, that I became worried at one stage during our work about the opposite phenomenon: namely, that concerns about sustainability of profits (and hence concerns about more rapid use of land holdings) might actually act as a brake on speed of build out. I was concerned, in other words, that the builders might be reluctant to build out faster, lest this reduce their stock of land holdings to the point where market analysts and their own boards raised concerns about the sustainability of their businesses. I have now concluded that this is not, in fact, likely to be a major concern. I have been assured by both local authorities and industry participants that the percentage of planning applications from promoters and major house builders ultimately receiving approval is now very high (probably higher than the 80% figure for national planning data as a whole). Contrary to some assertions from industry participants, I have also ascertained that (as shown in graph AX15 of Annex A, reproduced below) the variability in the time taken to obtain outline permission for building on the large sites I have seen (and on the range of sites studied by Molior), whilst undoubtedly aggravating and sometimes costly for the major house builders, is actually not so great as to cause problems of business continuity for major house builders with large property portfolios.

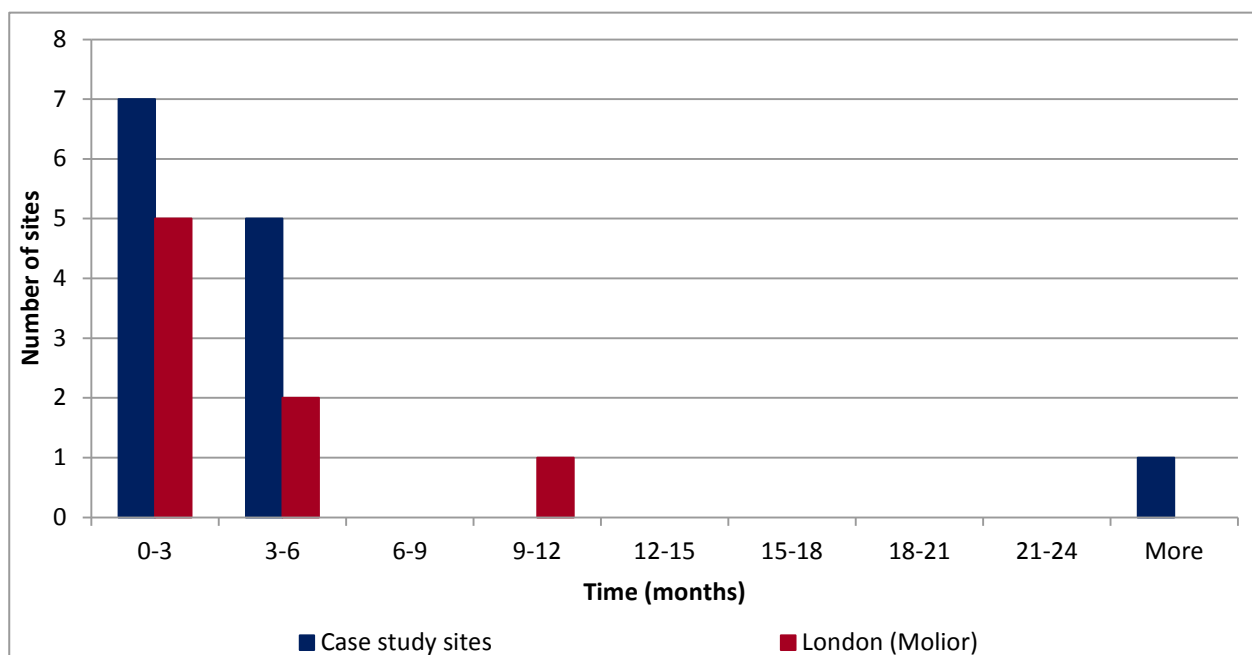


**Stage 1A - Distribution - From application to outline permission granted (Exc. Barking Riverside and hybrid applications)**

5.36 This suggests that major house builders can expect to obtain new additions to their portfolios of land for development within three to four years of making an application in all but the most exceptional circumstances, and typically within two to three years – thereby enabling them to accelerate the rate of build out of current sites without any substantial fear of running down their stock of land supply to levels that would reduce their long-term sustainability. This is in line with the findings of the study conducted by Professor Michael Ball in 2010 for the National Housing and Planning Advice Unit, which showed that – even before performance agreements between developers and local planning authorities

became widespread – around 90% of outline permissions granted were approved within three years of application, and that the median time taken was under 18 months.

5.37 During the course of the Review, I have received a number of representations about the time taken by (and the difficulty involved in) the process of converting an outline permission into the first fully implementable permission on a large site. I am certainly conscious of the very large amount of paperwork (and often the large amount of cost) involved – and this no doubt in part explains the fact that it has, on some of our studied sites, taken several years to convert outline permission into an implementable permission. However, I have not received any indication that such conversion in practice ever fails to occur after whatever delay may arise, and – as shown in graph AX17 of Annex A, reproduced below – the first implementable permission is typically granted within 6 months of the first application for such permission:



**Stage 1C - Distribution - From first detailed application submitted to first detailed permission granted (exc. hybrid applications)**

5.38 This is, of course, reliant on the maintenance of the current strong and effective planning system, and in particular the maintenance of the requirement for local authorities to have an adequate five year land supply. If this requirement were to be relaxed then speeding up the build out of large sites would merely bring forward housing – rather than increase the supply of housing in the long-term – as developers would struggle to replace their stock of land holdings.

5.39 The other allegation – that the ‘real option’ value attaching to the non-depreciating asset of land is inducing the major house builders to engage in “land banking” in the sense of “locking away” land from the market before receiving implementable permissions is (albeit in a slightly less obvious way) equally implausible.

5.40 It is of course true that, although the land market can be highly volatile, land (unlike most assets) does not depreciate, and has generally tended to increase in value across the cycle, and has a ‘real option’ value. By holding rights over land that benefits from (or is

soon likely to benefit from) some form of permission to build houses, the company which holds that land obtains a valuable ability to make profit by building on it at whatever time is thought likely to maximise the profitability of doing so. It would therefore be perfectly possible for financial investors of a certain kind to seek to make a business out of holding land as a purely speculative activity.

5.41 But I cannot find any evidence that the major house builders are financial investors of this kind. Their business models depend on generating profits out of sales of housing, rather than out of the increasing value of land holdings; and it is the profitability of the sale of housing that they are trying to protect by building only at the 'market absorption rate' for their products. I have heard anecdotes concerning land owners who seek to speculate in exactly this way by obtaining outline permission many years before allowing the land to have any real development upon it – and I am inclined to believe that this is a serious issue for the planning system. But it is not one that is consistent with the business model of the major house builders.

## Chapter 6. Next steps

6.1 Interesting as it is to understand why the rate of build out on very large sites proceeds at its current stately pace, this analysis becomes of use only if it leads to action that will accelerate such build out rates. Accordingly, in line with my terms of reference, I shall now move on from analysis to recommendations.

6.2 By the time of the Budget in the Autumn, I shall seek – with the invaluable aid of my expert panel and my team of officials – to put forward policy options for ministers. Clearly, these options will be geared towards solving the particular problem that I have identified as the main cause of the slow build out rates on these sites: namely, the constraints imposed by the market absorption rates for the relatively homogeneous products currently being built on these sites. Clearly, also, in line with my analysis of the causes of the problem, I shall seek to find policy levers that will tend to increase the variety and differentiation of what is offered on these sites. I shall also look at the overall speed at which unconsented land can be converted into new housing on a sustained basis.

6.3 But, in constructing policy options, I shall be mindful of the need to ensure that:

- a. they should not jam up the housing market or impair the capacity of the major house builders to continue large-scale construction;
- b. they should not impose undue strains on local authorities whose planning departments are already under considerable strain;
- c. they should help to widen opportunities for people seeking homes;
- d. they should also widen opportunities for those capable of supplying new homes on large sites; and
- e. they should yield the greatest possible likelihood that such sites, as well as being built out more quickly, will in future be places that are beautiful and ecologically sustainable, so that succeeding generations can be proud of them.

6.4 In short, the policies that emerge should not “throw the baby out with the bathwater”.

6.5 Finally, I am conscious, as I embark on the endeavour of identifying policy options which can meet all of these criteria, that we are unlikely to be able to find a single prescription which will be equally applicable in the short, medium and long-term. I shall accordingly be open to the possibility that the policies designed to achieve immediate, short-term improvement in build out rates (while avoiding all of the pitfalls) may be somewhat different in character from those designed to optimise the use of large sites that come forward in future and thereby increase the overall velocity of house building in the long-term.

## Appendix E

### Independent 'Letwin' Review of Build Out Rates – Final Report (October 2018)



# **Independent Review of Build Out**

## **Final Report**

Rt Hon Sir Oliver Letwin MP





# **Independent Review of Build Out**

## **Final Report**

Rt Hon Sir Oliver Letwin MP

Presented to Parliament  
by the Secretary of State for  
Housing, Communities and Local Government  
by Command of Her Majesty

October 2018

CM 9720





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Fry Building, 2 Marsham Street  
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Tel: 0303 444 0000

ISBN 978-1-5286-0844-2

CCS1018834574

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the APS Group on behalf of the Controller of Her Majesty's Stationery Office

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## Executive summary

- This is the Final Report of the Independent Review of Build Out Rates. The Review was commissioned by the Chancellor of the Exchequer at the time of the Budget in Autumn 2017.
- I have worked with the help of a group of independent experts and the support of a dedicated team of officials. My [Draft Analysis](#) was published in June. The Analysis focused on the issue of the build out rate of fully permitted new homes on the largest sites in areas of high housing demand.
- I concluded that the homogeneity of the types and tenures of the homes on offer on these sites, and the limits on the rate at which the market will absorb such homogenous products, are the fundamental drivers of the slow rate of build out.
- This, my Final Report, presents recommendations about ways in which the Government could increase the variety and differentiation of what is offered on these large sites, raise the proportion of affordable housing, and raise the rate of build out.
- I have concluded that the Government should:
  - adopt a new set of planning rules specifically designed to apply to all future large sites (initially those over 1,500 units) in areas of high housing demand, requiring those developing such sites to provide a diversity of offerings, in line with diversification principles in a new planning policy document; and
  - establish a National Expert Committee to advise local authorities on the interpretation of diversity requirements for large sites and to arbitrate where the diversity requirements cause an appeal as a result of disagreement between the local authority and the developer.
- To give the greatest possible chance that the new planning rules for large sites will have an effect in the near-term I recommend that the Government should:
  - provide incentives to diversify existing sites of over 1,500 units in areas of high housing demand, by making any future government funding for house builders or potential purchasers on such sites conditional upon the builder accepting a Section 106 agreement which conforms with the new planning policy for such sites; and
  - consider allocating a small amount of funding to a large sites viability fund to prevent any interruption of development on existing large sites that could otherwise become non-viable for the existing builder as a result of accepting the new diversity provisions.
- To give the greatest possible chance of significant change in the build out rates and quality of large scale development in the longer-term I recommend that the Government should:
  - introduce a power for local planning authorities in places with high housing demand to designate particular areas within their local plans as land which can be developed only as single large sites, and to create master plans and design codes for these sites which will ensure both a high degree of diversity and good design to promote rapid market absorption and rapid build out rates;
  - give local authorities clear statutory powers to purchase the land designated for such large sites compulsorily at prices which reflect the value of those sites once they have

planning permission and a master plan that reflect the new diversity requirements (with guidance for local authorities to press the diversity requirements to the point where they generate a maximum residual development value for the land on these sites of around ten times existing use value rather than the huge multiples of existing use value which currently apply); and

- also give local authorities clear statutory powers to control the development of such designated large sites through either of two structures (outlined in Annex C):
  - a. the local authority could use a Local Development Company (LDC) to carry out this development role by establishing a master plan and design code for the site, and then bringing in private capital through a non-recourse special purpose vehicle to pay for the land and to invest in the infrastructure, before “parcelling up” the site and selling individual parcels to particular types of builders/providers offering housing of different types and different tenures; or
  - b. the local authority could establish a Local Authority Master Planner (LAMP) to develop a master plan and full design code for the site, and then enable a privately financed Infrastructure Development Company (IDC) to purchase the land from the local authority, develop the infrastructure of the site, and promote the same variety of housing as in the LDC model.

# 1 Summary of Draft Analysis

## Aims of the Review

- 1.1 My [terms of reference](#) require me, by the time of the Budget in the Autumn, to “explain the significant gap between housing completions and the amount of land allocated or permissioned in areas of high housing demand, and make recommendations for closing it”.
- 1.2 I published, in June, a Draft Analysis. This focused on the issue of the build out rate on the largest sites in areas of high housing demand for two reasons:
- the ‘build out rate’ on small sites is intrinsically likely to be quicker than on large sites; (to take the limiting case, a site with just one house will take only as long as required to build one unit); and
  - the largest sites are dominated by the major house builders and other major participants in the residential property market, and it is in relation to these major firms that concern has been expressed in some quarters about “land banking” and “intentional delay”.
- 1.3 My aim in the Draft Analysis was to determine:
- what the build out rate on large sites in areas of high housing demand actually is;
  - why the rate of build out on these sites is as it is; and
  - which factors would be most likely to increase the rate of build out on these sites without having other, untoward effects.

## Build out rates on large sites

- 1.4 The quantitative results of my investigation are set out in Chapter 3 of the Draft Analysis, and full data are provided in Annex A of the Draft Analysis.
- 1.5 I found that the median build out period on the large sites I investigated was 15.5 years. To put this another way, the median percentage of the site built out each year on average through the build out period on these 15 large sites was 6.5%. By cross-checking against a Molior data-set for other large sites in London kindly provided by the Mayor, I confirmed that the sites in my sample were not atypical and that, if anything, they were being built out at a faster rate than other large sites. The median percentage annual build out rate for London sites of over 1,000 homes in the Molior data-set was 3.2%.
- 1.6 It is worth restating this point: very large sites will almost always deliver a higher absolute number of homes per year than sites with only a few hundred homes in total; but the proportion of the site built out each year is likely to be small.

## Fundamental explanations

- 1.7 I concluded in the Draft Analysis that the homogeneity of the types and tenures of the homes on offer on these sites, and the limits on the rate at which the market will absorb such homogenous products, are the fundamental drivers of the slow rate of build out.
- 1.8 I also concluded that:
- a. it would not be sensible to attempt to solve the problem of market absorption rates by forcing the major house builders to reduce the prices at which they sell their current,

relatively homogenous products. This would, in my view, create very serious problems not only for the major house builders but also, potentially, for prices and financing in the housing market, and hence for the economy as a whole;

- b. we cannot rely solely on small individual sites. This cannot be a question of “either / or”. We will continue to need more new housing both on smaller sites and on large sites; and
- c. if either the major house builders themselves, or others, were to offer much more housing of varying types, designs and tenures including a high proportion of affordable housing, and if more distinctive settings, landscapes and streetscapes were provided on the large sites, and if the resulting variety matched appropriately the differing desires and financial capacities of the people wanting to live in each particular area of high housing demand, then the overall absorption rates – and hence the overall build out rates – could be substantially accelerated.

### **Other potential constraints**

1.9 Finally, I assessed the extent to which the rate of build out on very large sites might be held back by constraints other than the market absorption rate, if that binding constraint were removed. I looked in particular at the extent to which both start up on site and later build out rates could be affected by:

- lack of transport infrastructure,
- difficulties of land remediation,
- delayed installations by utility companies,
- constrained site logistics,
- limited availability of capital,
- limited supplies of building materials, and
- limited availability of skilled labour.

1.10 I found that more effective coordination between government departments, agencies and private sector operators was urgently required to improve and speed up the delivery of transport and utility infrastructure before the build out could start (and sometimes during the construction period) on large brownfield sites; but I concluded that neither this issue nor any of the other potential constraints were likely to impede the build out rate itself, even if the constraint of the absorption rate was removed – with one exception – namely, the availability of skilled labour.

1.11 On the availability of skilled labour, my conclusion was that an insufficient supply of bricklayers would be a binding constraint in the immediate future if there was not either a substantial move away from brick-built homes, or a significant import of more skilled bricklayers from abroad, or an implausibly rapid move to modular construction techniques. I concluded that the only realistic method of filling the gap in the number of bricklayers required to raise annual production of new homes from about 220,000 to about 300,000 in the near-term, was for the Government and major house builders to work together on a five year “flash” programme of on-the-job training. During the course of preparing this Final Report I have had the opportunity to discuss this further with various stakeholders, including the TUC, and have come to the conclusion that there is an opportunity here to convene tripartite



discussions between (a) the relevant government departments (i.e. the Ministry of Housing, Communities and Local Government (MHCLG), the Department for Business, Energy and Industrial Strategy, the Department for Education and HM Treasury), (b) the major house builders as well as the Construction Industry Training Board, and (c) the trade unions, in order to construct both new models of employment and a new training programme for bricklayers<sup>1</sup>. I recommend that the Secretary of State for Housing, Communities and Local Government should convene such tripartite discussions.

## 2 Setting out the intention

2.1 On the basis of the [Draft Analysis](#), as well as urging Ministers to consider more coordinated provision of infrastructure for large brownfield sites and an urgent programme of training and employment for bricklayers, I concluded that:

*...if either the major house builders themselves, or others, were to offer much more housing of varying types, designs and tenures (and, indeed, more distinct settings, landscapes and street-scapes) on the large sites and if the resulting variety matched appropriately the desires of the people wanting to live in each particular part of the country, then the overall absorption rates – and hence the overall build out rates – could be substantially accelerated; the outcome at which we should aim...is more variety within those sites.*

2.2 Following publication of the Draft Analysis in June, I have received and have reviewed a number of comments from experts and stakeholders. Whilst there were, inevitably, some questions raised about some specific aspects of the Analysis, there appears to have been a broad consensus that the principal conclusions set out in paragraphs 1.4-1.11 are roughly correct. I have consequently relied upon these conclusions about the nature of the problem when devising solutions for the slow build out rates on large sites in areas of high housing demand.

2.3 I have, accordingly, in the second phase of my work sought to find policy levers that will positively increase the variety and differentiation of what is offered on these sites. I have also looked at methods of bringing forward diversified large sites on a sustained basis, to ensure that faster build out rates on such sites provide a long-term, substantial increase in house building rather than just a one-off gain.

2.4 In constructing policy options for achieving these aims, I have been mindful of the need to ensure that new policies:

- a. should not jam up the housing market or impair the capacity of the major house builders to continue large-scale construction;
- b. should not impose undue pressure on local authorities whose planning departments are already under considerable strain;
- c. should help to widen opportunities for people seeking homes;
- d. should also widen opportunities for those capable of supplying new homes on large sites;  
and

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<sup>1</sup> Such a programme could build on and extend the £24m Construction Skills Fund programme currently being run by the Department for Education, which has received bids from industry consortia to establish 20 on-site training hubs and is oversubscribed

- e. should yield the greatest possible likelihood that such sites, as well as being built out more quickly, will in future be places that are beautiful and ecologically sustainable, so that succeeding generations can be proud of them.

2.5 As I indicated in my Draft Analysis, I have been:

*open to the possibility that the policies designed to achieve immediate, short-term improvement in build out rates (while avoiding all of the pitfalls) may be somewhat different in character from those designed to optimise the use of large sites that come forward in future and thereby increase the overall velocity of house building in the long-term.*

2.6 I have concluded in the second phase of my work that increasing diversity (and hence improving build out rates) on large sites in areas of high housing demand will require a new planning framework for such sites (which can apply both to the further development of large sites already under construction and to new large sites that have yet to be allocated or permitted). I have also concluded that, in the future, new large sites that come forward for allocation in areas of high housing demand should be developed through new structures that draw on international experience.

### **3 Increasing diversity: a new planning framework for large sites**

3.1 The new National Planning Policy Framework (NPPF) encourages residential developments to have a mix of tenures, types and sizes which reflect local housing demand (as well as emphasising the importance of good design). The NPPF requires that:

- “the size, type and tenure of housing needed for different groups in the community should be assessed and reflected [by local planning authorities] in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes.” (para 61)
- “where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site...” (para 62)
- “planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.” (para 64)
- to promote a good mix of sites, local planning authorities should, among other things, “work with developers to encourage the sub-division of large sites where this could help to speed up the delivery of homes.” (para 68)

3.2 Clearly, these requirements – and, in particular, the requirement for local authorities to encourage the sub-division of large sites to speed up the delivery of new homes – are likely to promote increasing diversity on the large sites and are therefore to be welcomed. However, most of these requirements were present in the previous version of the NPPF; the addition of a reference to sub-division does not, in itself, provide a sufficient guarantee that the large sites will be significantly more diverse than they have been over recent years, and therefore does not, in my judgement, offer the prospect of significant increases in the rapidity of build out on such sites.

3.3 I therefore recommend that the Government should adopt a new set of planning rules specifically designed to apply to large sites. The purpose of these rules should be to ensure that all sites in areas of high housing demand whose size exceeds a certain threshold are subject to an additional form of planning control that requires those owning such sites to provide a diversity of offerings on the site which are able to address the various categories of demand within the local housing market. This, in turn, should ensure that houses can be built at a greater rate than at present on such sites, because the absorption rate for each category of housing will be complementary, yielding, overall, a greater absorption of housing by the local market as a whole in any given period.

3.4 I envisage that these new rules will in the long-term include:

- certain, limited amendments to primary legislation;
- a small amount of new secondary legislation; and
- a new planning policy document that could be annexed to the NPPF and would deal exclusively with planning policy in relation to large sites in areas of high housing demand.

However, I believe that it may be possible for the Government initially to bring in the new rules through a combination of a Written Ministerial Statement, new secondary legislation and the issuing of the new planning policy document. This could be done well before primary legislation could be taken through the two Houses of Parliament – and I recommend that Ministers should consider using these methods to ensure that the new rules begin to have an effect on the planning system even before they are given full statutory backing.

3.5 In order to ensure that those already in possession of large sites are able properly to plan their way through the transition to the new set of rules without creating any disruption of the process of building homes on such sites, I recommend that an adequate notice period should be given by the Government for the implementation of the new rules. If, for example, the Government decides to adopt my recommendations at the end of 2018, I suggest that it should be made clear to the owners of existing large sites in areas of high housing demand, and to those who are taking such large sites through the current planning system before commencing works, that the new rules governing planning permission for large sites will come into force at the start of 2021, and will therefore govern any permissions granted for large sites on or after that date.

3.6 I recommend that the amendment to primary legislation should:

- define large sites both in terms of a size threshold (which might, for example, be set initially at 1,500 units<sup>2</sup>) and in terms of boundaries (to ensure that a site which is allocated as a single entity in a local development plan qualifies, even if it benefits from a number of different outline planning permissions);
- require local planning authorities, when granting allocations, outline permissions or final planning permissions for any large site or any part of a large site in areas of high housing demand, to comply with the new secondary legislation and the new planning policy relating to large sites – and, in particular, to include within all outline planning permissions for large sites in areas of high housing demand a requirement that ‘housing diversification’ on such sites should be a ‘reserved matter’; and
- establish the principle that all permissions for reserved matters granted in relation to

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<sup>2</sup> I set out, in Annex A to this report, some data which have persuaded me that 1,500 units is a workable definition of a large site.

such large sites should contain diversification requirements in accordance with the new secondary legislation and the new planning policy for large sites.

3.7 I recommend that the new secondary legislation should:

- amend the Town and Country Planning (Development Management Procedure)(England) Order 2015 to include type, size and tenure mix (alongside the current provision for prescription of access, appearance, landscaping, layout and scale) as characteristics that can be prescribed as reserved matters for large sites in areas of high housing demand; and
- require any applicant making an outline planning application for a large site or an application for final permission for a phase of a large site in an area of high housing demand to prepare a diversification strategy, specifying the types of diversity that will be exhibited on that site or in the part of the site to which the application refers.

3.8 I recommend that the new planning policy document should set out the diversification principles that are to apply to all planning decisions relating to such large sites in areas of high housing demand in future. The precise drafting of these principles will of course require considerable thought and detailed consultation with all interested parties. However, as a starting point for such consideration and consultation, I suggest that these principles might be roughly as follows:

- “All large housing sites above 1,500 units must strive to achieve sufficient housing diversity to support the timely build out of the site and high quality development. Housing diversity includes housing of differing type, size and style, design and tenure mix. It also includes housing sold or let to specific groups, such as older people’s housing and student accommodation, and plots sold for custom or self-build.
- “To achieve diversification of the site, the applicant should ensure each phase has regard to diversification requirements. Good design both of housing itself and of streetscape and landscape should be a feature of all new development on large sites. To diversify the site offer, large sites should deliver varying design styles, in accordance with local design codes.
- “As a minimum, each phase should draw housing from each of the following categories:
  - differing tenures: The NPPF requires a minimum 10% housing for affordable home ownership. On large sites in areas of high housing demand (i.e. areas with high ratios of median house prices to median earnings) the expectation should be that the proportion of affordable housing as a whole will be high. Affordable rented housing should be provided alongside affordable home ownership on each phase. Offsite contributions to affordable housing on large sites should not be sought. Build to rent developments should also be considered as part of the tenure diversity of the phase;
  - house type and size: house types and sizes across a phase must contain a meaningful range of types, sizes and styles. It is not acceptable for each phase to deliver only one or two housing types; and
  - housing for specified groups and custom build: these housing types can contribute significantly to housing diversity. Each phase should deliver housing of this type to serve local needs.

- “As part of achieving diversification, the applicant should consider the extent to which it is viable for the applicant themselves to commission and take market risk on differing types of housing within the diversity of the site’s offerings. To the extent that the applicant finds that it is not viable or is not desirable to take such market risk in relation to different types of housing within the site, the applicant should set out the methods by which the relevant parts of the site will be sold to other parties more able to take such market risk.”
- 3.9 I am conscious that the principles set out in paragraph 3.8 involve judgements rather than being simple matters of fact. There will consequently be scope for disagreement about whether a particular applicant has made a genuine effort to provide sufficient diversity to address multiple markets simultaneously and hence to increase the overall absorption rate and build out rate. Accordingly, in order to minimise recourse to appeal or litigation, I recommend that the Government should establish a National Expert Committee.
- 3.10 The primary purpose of this Committee should be to arbitrate on whether any application that causes a disagreement between the local planning authority and the applicant (and consequently comes to appeal) satisfies the diversification requirement, and is therefore likely to cause high build out rates.
- 3.11 The secondary purpose of the Committee would be to offer informal advice to any developer or local planning authority that was considering a large site application. I recommend that the Housing Secretary should guide local planning authorities to consult the National Expert Committee before approving any such large site application in an area of high housing demand.
- 3.12 I envisage that the Committee might be modelled on the Quality Review Panel established by the London Legacy Development Corporation in respect of new development in the Olympic Park – and I would expect to see nominations to this Committee coming from bodies such as the Royal Institute of British Architects (RIBA), the Royal Institution of Chartered Surveyors (RICS), the Royal Town Planning Institute (RTPI), the Chartered Institute of Housing (CIH), the National Housing Federation (NHF), the British Property Federation (BPF), the large house builders, the small house builders (through the Federation of Master Builders (FMB)), the estate agents, the mortgage lenders, the institutional investors in the private rented market, and those involved in custom-build, self-build and specialised housing provision (e.g. for students, keyworkers, and the elderly) as well as representatives of local government.
- 3.13 I provide in Annex B further details on the intended operation, costing and financing of this National Expert Committee, and on the criteria I would expect the Committee to apply when judging diversification strategies proposed by applicants for planning permission on large sites. As indicated in Annex B, I recommend that the Committee should have access to experts with detailed local knowledge in relation to the consideration of specific large sites.
- 3.14 I am conscious also that, even if the new planning framework for large sites is introduced fairly rapidly through a Written Ministerial Statement as well as secondary legislation and changes to planning policy, it will apply only to large sites receiving outline permissions from 2021 onwards – and will not, therefore, have any effect on the dozens of large sites in areas of high housing demand that have or will have received an outline permission before 2021 and that will be in the course of construction for many years after 2021.
- 3.15 In order to maximise the chance of the new framework having a productive effect on these existing sites from 2021 onwards, I recommend that Ministers should seek to provide

incentives for the house builders to accept changes to their existing site plans. I believe that this can be done through Ministers introducing – as part of the forthcoming public spending review – conditions to any government funding available either to house builders or to potential purchasers on large sites, which would make the receipt of such funding dependent upon the site being developed in conformity with the new planning policy and new secondary legislation for large sites. This would involve builders on large sites signing new Section 106 agreements under which, in return for continued receipt of government funding for themselves or their purchasers, they would undertake to develop the remainder of the site in accordance with the new diversity rules. In some cases, this might require local authorities also to change the final permissions given for later phases of site development; in other cases, it might require the grant of new outline permission.

- 3.16 I am aware that there may, in some exceptional circumstances, be existing large sites which will not be viable under the new arrangements that I am recommending. This could occur if they either fail to benefit from the existing suite of government funding as a result of the conditionality that I have suggested in paragraph 3.15, or if they accept requirements for diversification in a new Section 106 agreement that conforms with the new planning policy. For example, the viability of a particular large site might already be in question due to heavy infrastructure or remediation costs unanticipated at the time when the original outline permission was granted and when land purchase values were set. To guard against any interruption of development on such sites (which would obviously be counterproductive from the point of view of the overall rate of house building), I recommend that Ministers should also consider (as part of the spending review) allocating a fraction of whatever would otherwise be the total funding made available by government in support of house building to a new large sites viability fund administered by Homes England.
- 3.17 Naturally, if and when large builders in possession of large sites had accepted a Section 106 agreement for a particular site in return for continued eligibility to receive government funding in relation to that site, the new Section 106 agreement – including the diversity requirements contained in it – would be binding and enforceable. I have taken legal advice on whether any legal issues are likely to arise in relation to this process, and I am, as a result, confident that the voluntary transaction that I am proposing will prove to be lawful.

## **4 Increasing diversity: a new development structure for large sites in the future**

- 4.1 The new planning rules that I have recommended in section 3 are intended to apply to the granting of new outline permissions for all sites of over 1,500 units in areas of high housing demand, regardless of where in the country they lie and regardless of whether they have or have not yet been allocated in a particular local authority's local plan. In all such sites, increased diversity can – for the reasons set out in my analytical report – help to increase the speed of build out. Planning rules that encourage diversity will accordingly also encourage more rapid development.
- 4.2 However, in relation to large sites that have yet to be allocated within a local authority's local plan, I believe that it is possible and desirable to go one step further. I recommend that the Government should, as part of the new primary legislation, introduce a power for local planning authorities to designate particular sites within their local plans as sites which can be developed only as single large sites and which therefore automatically become

subject to the new planning rules for large sites<sup>3</sup>. In addition, I believe that the local planning authority should be empowered to specify, at the time of designation, strong master-planning requirements including a strict design code as well as landscaping and full and specific infrastructure requirements.

- 4.3 I recognise, of course, that designation at the time of allocation of such sites as being land that can be developed only under the new large site rules (and hence new master plans and design codes) will mean that the land value of those sites is not raised as far above the alternative use value as would be the case if a site were allocated in a local plan and subsequently obtained outline permission under our current rules. (Above all, the requirement for a high level of affordable housing within the diversified portfolio will tend to ensure that land values on these sites are significantly lower than they would be if these sites were given outline permission without such high requirement for affordable housing.)
- 4.4 To ensure that a reasonable balance is struck between promoting the public interest through increased diversity and faster build out rates on the one hand, and proper recognition of the value of the land on the other hand, I recommend that the Housing Secretary (when issuing updated viability guidance alongside the new planning framework) should guide local planning authorities towards insisting on levels of diversity that will tend to cap residual land values for these large sites at around ten times their existing use value. In the case of agricultural land, for example, this might result in values of around £100,000 per acre – perhaps as little as 5% of the current residual development value of a straightforward site with unconstrained development permission and no major infrastructure requirements in an area of high housing demand.
- 4.5 I believe that these steps will increase the power of local planning authorities to ensure that large sites within their areas are properly diversified, and will therefore tend to increase rates of development on those sites. Moreover, I believe that there would be scope for Homes England to provide substantial support for those local authorities which have allocated large sites (of over 1,500 homes). This could involve Homes England providing both funding and expertise that enables the local authority to build the capacity required for the establishment of suitable master plans, design codes and Section 106 agreements. This, in turn, would maximise the chances of such sites being developed in the spirit of diversification, fine design and commensurately rapid build out. However, planning rules are by their nature passive and reactive. They can prevent things from happening (if they are properly enforced); but they can only do a very limited amount to encourage applicants to follow the spirit of the rules and hence to achieve fully the outcomes the rules have been created to achieve. A system for large sites which depends exclusively on new planning rules (even when reinforced by new rules on designation and allocation and by the building of new capacity in relevant local authorities through support from Homes England) is therefore unlikely to provide the full extent of the diversity (and hence the full gain in build out rates) that we seek. The developers of the sites in question will still have significant commercial incentives to optimise their own profits by “arguing down” the level of diversity at one stage or another of the planning and development process.
- 4.6 To enable local authorities to move beyond the use of planning rules and to play a more active role in ensuring the diverse and rapid development of large sites that have yet to be allocated in areas of high housing demand, I recommend that the new primary legislation should also give local authorities explicit statutory powers to draw on precedents in England and on

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<sup>3</sup> The purpose of designating sites in this way will be to ensure that landowners cannot reduce the planning applications for such sites to just below 1,500 units and thereby avoid having to comply with the diversity requirements in the new planning rules for large sites.



models of development which are entirely familiar in much of continental Europe.

- 4.7 It is a feature of Mayoral Development Corporations (MDCs), New Town Development Corporations (NTDCs) and Urban Development Corporations (UDCs) that these bodies can develop major new brownfield and greenfield sites in ways calculated to produce liveable new towns and city neighbourhoods that benefit from a wide diversity of housing to match the particular circumstances of local markets.
- 4.8 These bodies are able to buy land on the basis of the value which such land would have in the absence of the development scheme. They are fully staffed and have the resources to commission proper masterplans that respond appropriately to the characteristics of the site and can be accompanied by detailed and enforceable design codes; in this way they can make the architecture of the site and the landscape and infrastructure of the site internally consistent, congenial and convenient for the inhabitants. Finally, they have the capacity to raise finance, to invest in appropriate infrastructure (including major infrastructure) and thereby to provide well-prepared terrain (or even serviced plots) which major builders, small and medium-sized builders, private rental institutional investors, housing associations, providers of student accommodation, providers of accommodation for the elderly, custom-builders, and self-builders can all use to enter the housing market on the site.
- 4.9 Accordingly, MDCs, NTDCs and UDCs constitute suitable vehicles for demonstrating the benefits that properly planned and coordinated diversity on large sites can bring in terms of accelerated build out rates. I recommend that the Government, working with Homes England, should encourage the creation of further MDCs, NTDCs and UDCs, and should in future use the considerable leverage that Homes England has over these bodies to ensure that all such development corporations not only comply with the new planning rules that I have recommended in section 3 but also go beyond this to create, proactively, models of well-planned diversity on the large sites that they own and control. At the same time, I recommend that Homes England should itself go beyond mere compliance with the new planning laws and proactively create models of well-planned diversity on the large public sector sites that it is developing on behalf of the taxpayer.
- 4.10 However, unlike their counterparts in most continental European countries, non-mayoral local authorities in England do not (without obtaining special permission from the Housing Secretary) currently have statutory vehicles capable of governing the development of large sites in areas of high housing demand. Clearly, if we are to see in future the greatest possible well-planned diversity on these sites, it would make abundant sense to empower local authorities to establish a new form of development vehicle which could perform this role in England as their counterparts so often do elsewhere in Europe.
- 4.11 I therefore recommend that, in addition to the changes in planning rules identified in section 3, and in addition to the allocation rules suggested in section 4.2-4.4, one further amendment to primary legislation should make it possible in future for a local planning authority (or a group of local planning authorities) in an area of high housing demand to establish a new form of development vehicle to develop the site through a masterplan and design code which increases the diversity and attractiveness of the offerings on site and hence its build out rate.
- 4.12 I can envisage two possible structures for such a development vehicle:
- a. the local authority could use a Local Development Company (LDC) to carry out this development role by establishing a master plan and design code for the site, and then bringing in private capital through a non-recourse special purpose vehicle to pay for the

land and to invest in the infrastructure, before “parcelling up” the site and selling individual parcels to particular types of builders/providers offering housing of different types and different tenures; or

- b. the local authority could establish a Local Authority Master Planner (LAMP) to develop a master plan and full design code for the site, and then enable a privately financed Infrastructure Development Company (IDC) to purchase the land from the local authority, develop the infrastructure of the site, and promote a variety of housing similar to that provided by the LDC model described above.

I provide a more detailed description of both of these structures in Annex C.

- 4.13 Under either of these variants, the development vehicle will of course be subject to the jurisdiction of the local planning authority (or authorities) in relation to all planning matters. I recommend that, in areas of the country where there are both primary and secondary authorities, local planning authorities seeking to establish LDCs or LAMPs should be strongly encouraged by MHCLG to involve both levels of local government in order to ensure that critical public interests in relation to large sites (such as the provision of transport infrastructure, schools and health and social care) are built in to the master planning of such sites from the beginning.
- 4.14 I recommend that, under either structure, the LDC or LAMP should be enabled to apply for a small amount of seed funding to enable it to hire dedicated and qualified staff. I believe that the relatively small amount of funding required to cover the costs for the master planning of diversified large sites can conveniently be top-sliced out of the existing MHCLG Land Assembly Fund (following a change in the Government’s remit for this fund). Amounts disbursed to successful LDCs or LAMPs would be repaid once development finance had been raised for the site in question so that only one initial injection from the Land Assembly Fund would be required. I recommend that applications to the fund should be judged and disbursements from the fund should be made by Homes England.
- 4.15 I note that Homes England is establishing a new team that would be well suited to providing advice to LDCs or LAMPs as they begin their work; this is an immensely welcome development. Further support from Homes England can take a range of forms including capacity building, brokering relationships, help with hiring the management of the LDC or LAMP, provision of technical expertise on planning, master planning, land assembly, infrastructure, viability and commercial arrangements including procurement frameworks. In some cases, Homes England might also be able to provide access for the LDC or IDC to the various funds it administers in relation to housing. I note, also, that RIBA has provided a powerful illustration of the way in which such LDCs or LAMPs can ensure rapid development while creating beautiful and ecologically sustainable places; I strongly welcome the fact that their report is being published simultaneously with my own report.
- 4.16 As with MDCs, NTDCs and UDCs, I believe that local authorities using either of these vehicles should – through the primary legislation – obtain clear Compulsory Purchase Order (CPO) powers over large sites that they have designated in the way described in section 4.2. I believe that it would also make sense to consider the possibility of giving local authorities such CPO powers in relation to large sites that have been allocated in their local plan in the past but which have not obtained outline permission after a long period has elapsed. I have received representations suggesting that this could be a good way of unlocking such sites – as well as providing a way to ensure that they are developed in a diverse, rapid and well-designed manner.

- 4.17 Because the residual open market value for land with development permission subject to the stringent large site diversity planning rules will be significantly lower than present values for land with development permission that does not contain such stringent diversity requirements, the full difference between this residual land value and the unconstrained gross development value of the land will be available to contribute towards the cost of infrastructure, the cost of affordable housing and the opportunity cost associated with other forms of diversification.
- 4.18 The LDC or LAMP may well wish, as part of its master plan, to require the establishment of a community land trust to provide and manage some or all of the shared ownership properties and affordable rented properties on the site in a way that keeps properties with these tenures available in perpetuity – for example through provisions ensuring that owners of shared ownership properties would sell to the community land trust whatever proportion of the freehold they held when leaving the property at its then open-market price so that the property could then be resold by the community land trust on a shared ownership basis to the next occupier. Such mechanisms might also be used to protect particular parts of the landscape within the site.
- 4.19 In determining the proportion of the site to be sold to differing types of housing provider under the master plan, the LDC or LAMP will need to be guided by the characteristics and absorption rates of the various markets in its local area. The overall aim of the LDC or LAMP will be to foster the building of the greatest possible number of new homes at the fastest possible rate consistent with financial viability and fulfilment of its master plan and design code, as well as with the fostering of a successful community. The LDC or LAMP will therefore wish the master plan to provide as much land for open market sale and private rented use as those particular markets can absorb in any given period; and it will also need to assess the local demand for other forms of housing (such as custom-build, self-build, student accommodation, keyworker accommodation and various forms of accommodation for the elderly). It will, in addition, need to come to a view about the maximum proportion of the site that can be sold or given to housing associations and / or to community land trusts in order to provide as much affordable accommodation on the site as is consistent with the viability of private financing for development of the site infrastructure. In other words, the LDC or LAMP will become a vehicle for assessing and seeking to meet market demand in the particular locality across a wide range of types and tenures.

## Annex A: Size threshold

### The number of large sites in England

I have investigated the number of sites over different size thresholds.

#### England (excluding London)

The best available evidence from a national study of large sites suggests that there are 92 sites in England (excluding London) that have an outline planning permission at present for more than 1,500 homes.

The following table breaks these down by site size:

Lower limit	Upper limit	Site count
1,500	2,999	50
3,000	4,999	27
5,000	7,499	9
7,500	9,999	3
10,000+		3

These sites have an average (mean) size of 3,327 units and a median size of 2,500. In total, these 92 sites cover 306,084 units.

#### London

5 sites in London of over 1,500 units were used as case studies in the Draft Analysis. The Molior database used in the Draft Analysis shows a further 10 sites of above 1,500 units with permission building out in London as of May 2018.

This suggests a total of 15 sites currently developing above the 1,500 unit threshold in London. In total, these sites account for around 87,000 units.

#### Conclusion

We can as a result estimate that there are approximately 107 sites of above 1,500 units in England with permission for approximately 393,000 units.

A threshold of 1,500 units for large sites accordingly seems sensible as a way of ensuring that the changes have a noticeable effect on building rates as a whole, while also ensuring that the National Expert Committee is not overwhelmed in the early years of its work. The sample in my Draft Analysis suggests the current average build out rate is equivalent to at least 15.5 years. If there are 107 sites, this implies that approximately 7 such sites are brought forward each year, accounting for approximately 25,000 units on these sites. Even if build out rates doubled from the current rate suggested by the sample in my Draft Analysis, this implies that around 14 sites above the threshold would be brought forward each year.

## **Annex B: Operation of National Expert Committee**

This Annex sets out in greater detail how I envisage the National Expert Committee (referenced in paragraph 3.9 of my Final Report) to work in practice.

In my Report, I propose that the Committee should provide impartial and independent expert advice on the diversification proposals for new residential development as part of the appeals process. I recommend, in particular, that the expertise of the Committee should be sought in situations where that right of appeal has been exercised as a result of a disagreement between the applicant and the local planning authority about whether the diversity proposed as part of the site master plan will facilitate the maximum rate of build out consistent with the viability, beauty and liveability of the development. In the event of such an appeal, the Planning Inspectorate (PINS) should be expected to use the views of the Committee to help inform its decision, and this should be reflected within the Inspector's Report.

### Structure

- a. I recommend that the new body should be established as an Expert Committee – a non-statutory body of independent specialists, which would be administered and resourced by MHCLG and would be a non-classified government entity; Ministers would make appointments to the Committee. There are a number of benefits to this structure:
- b. the Expert Committee will not require a new statutory framework under which to operate. This is proportionate to the frequency with which I anticipate this Committee will meet (c. 5 times a year);
- c. the Expert Committee and its advice will be transparent. It will be established with clear terms of reference and a framework which will protect its independence, set out the length of terms for panellists and put in place robust reporting arrangements. The panellists will be supported by a secretariat. The chair of the Committee will be responsible for reporting to Ministers and to the Department's executive team;
- d. the Expert Committee will fit within the existing appeals process. The Expert Committee will not have the authority to make decisions; instead its advice will inform the decision of Ministers – in this case the Housing Secretary as the ultimate authority on planning appeals. I propose that PINS, acting on behalf of the Housing Secretary, should be required to consult the Expert Committee on receipt of an appeal where an applicant and local planning authority disagree on the extent of the diversity proposed for an application; and
- e. Ministers will appoint the core group of panellists as standing members, acting on nominations from bodies such as RIBA, RICS, RTPI, CIH, the NHF, the BPF, the large house builders, the small house builders (through the FMB), the estate agents, the mortgage lenders, the institutional investors in the private rented market, and those involved in custom-build, self-build and specialised housing provision (eg for students, keyworkers, and the elderly), as well as representatives of local government. The Expert Committee may, in addition, draw on ad-hoc members to provide additional insight – in particular, it may draw on local expertise, such as that of an estate agent or planning consultancy.

### Fees

Given the frequency with which the Committee would meet, I would expect the panellists to be willing to provide their expertise on a voluntary basis, as many of those involved with design review panels currently do.

### Financing

The administrative costs of the Committee would be financed from within the Department's budget. This would include a small amount of reimbursement of travel and subsistence costs for Committee members, and a small secretariat function (1-2 FTE), which can likely be absorbed within existing Departmental capacity.

### Criteria

In terms of assessing diversification, I envisage that the Committee will consider the impact that different tenures, housing types and sizes, designs, and specialised housing can have on the build out rates of a large site in a particular locality by catering to the specific market demands of that area.

The Committee should consider three questions:

- a. will the masterplan's diversification strategy lead to building homes of suitably varied tenure, type, size, design and specialisation?
- b. do the diversified homes address the different local housing demands?
- c. if correctly implemented, will the diversified plan and the accompanying master plan and design code cause the rate of build out to be as great as possible, consistently with the viability, beauty and liveability of the development?

## **Annex C: Alternative development structures for large sites**

I recommend in sections 3 and 4 of this report that all sites over a certain size threshold (1,500 units) should be subject to a new planning regime which ensures far greater diversity than we typically see on such sites at present.

Some local authorities may wish simply to apply the new planning regime for large sites without taking any further proactive steps to control the development of such sites. (In such cases, I strongly recommend that local authorities should be compelled by the new planning regime to develop and promulgate a full master plan and design code for each such large site before granting outline planning permission, and to ensure that the master plan is consistent with the principles of the new planning regime.)

However, for reasons outlined in section 4 of this report, I believe it would be wise also to give local authorities clear statutory powers to go beyond this and to play a more active role in the control of such large sites.

As described in paragraph 4.12, I envisage that such a role could be played through either of two structures:

- a. the local authority could use a Local Development Company (LDC) to carry out this development role by establishing a master plan and design code for the site, and then bringing in private capital through a non-recourse special purpose vehicle to pay for the land and to invest in the infrastructure, before “parcelling up” the site and selling individual parcels to particular types of builders/providers offering housing of different types and different tenures; or
- b. the local authority could establish a Local Authority Master Planner (LAMP) to develop a master plan and full design code for the site, and then enable a privately financed Infrastructure Development Company (IDC) to purchase the land from the local authority, develop the infrastructure of the site, and promote a variety of housing similar to that provided by the LDC model described above.

If a local planning authority opts for the LDC model (model A), I envisage that the process would be as follows:

1. A local authority designates an area within its local plan as suitable only for development as a large site. Hence, the new planning regime for large site diversity applies to it, and the open market residual value of the land within it is reduced accordingly.
2. The local authority establishes a LDC, whose first task is to develop a master plan and full design code for the site.
3. The LDC applies for planning permission for the designated site, under the large site diversity planning regime, using its master plan and design code as the basis for the application.
4. The local authority either agrees voluntarily with the landowner(s) of the site to purchase the designated land at its (reduced) open market residual value or decides to exercise CPO powers to purchase at this value.
5. The LDC establishes a competitive process in which private sector providers of debt, mezzanine and equity bid to provide finance for purchase of the land from the local



authority and for investment in the site infrastructure required under the master plan and design code. Under the new primary legislation, such finance would need to be provided through a non-recourse special purpose vehicle: in other words, the providers of debt and equity would be taking the full financial risk associated with investment of the land purchase and in the development of the infrastructure, and would have no recourse whatsoever to taxpayer support of any kind in the event that the special purpose vehicle becomes insolvent, whether due to changes in market circumstances or otherwise. Manifestly, the pricing of the investment in terms of the expected return will reflect this absence of recourse to taxpayer support.

6. The structure of the competition is that the winning bidder is the bidder willing to accept the lowest cost of capital (i.e. lowest profit margin) on the amounts invested in the non-recourse special purpose vehicle.
7. The LDC covenants to pay the investors – through the special purpose vehicle – all amounts raised from sale of parcels of land on the site up to the point at which the investors have received the return on capital specified in their winning bid. In addition, the local development company covenants to pay the investors a share of amounts above this level (to give the private financiers of the special purpose vehicle an incentive to develop the infrastructure in a financially efficient manner subject to the constraints imposed by the master plan). Any surplus revenue remaining in the local development company after the investors have been remunerated may be used by the local development company either for improvement or maintenance of the site itself or for other community purposes as directed by the local authority.
8. The closing of (a) the land-purchase by the local authority from the original land owner(s) and (b) the back-to-back purchase of the land from the local authority by the local development company through its privately financed non-recourse special purpose vehicle is simultaneous, to avoid any financial exposure for the local authority. At the simultaneous closing, the contractual covenant in 7 above is also simultaneously executed.

The local development company continues in existence for the duration of the development of the site, to monitor both fulfilment by the special purpose vehicle and its contractors of the infrastructural requirements of the design code and master plan, and fulfilment by the builders/providers of particular plots of the plot-specific elements of the design code and master plan.

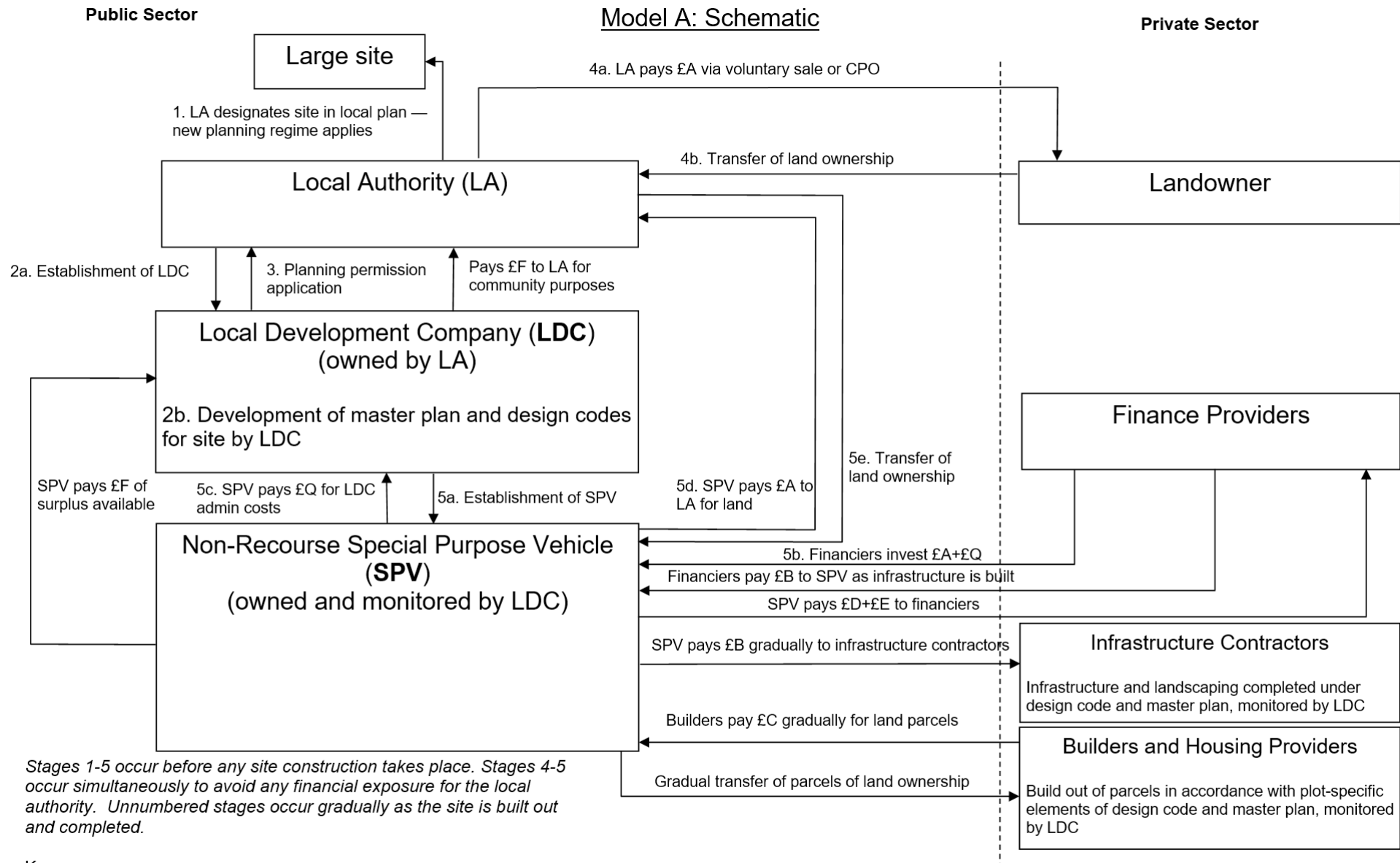
If a local authority opts for the LAMP/IDC model (model B), I envisage that process would be as follows:

1. A local authority designates an area within its local plan as suitable only for development as a large site. Hence, the new planning regime for large site diversity applies to it, and the open market residual value of the land within it is reduced accordingly.
2. The local authority establishes a Local Authority Master Planner (a LAMP) to develop a master plan and full design code for the site.
3. The LAMP applies for planning permission for the designated site, under the large site diversity planning regime, using its master plan and design code as the basis for the application.
4. The local authority either agrees voluntarily with the landowner(s) of the site to purchase the designated land at its (reduced) open market residual value or decides to exercise CPO powers to purchase at this value.

5. The local authority establishes a competitive process in which wholly privately financed Infrastructure Development Companies are eligible to bid to buy the land from the local authority. The structure of the competition is that the initial purchase price for the land is pre-determined to be the price set in step (4) above plus a stipulated amount representing the local authority's costs in establishing and running the LAMP. The winning bidder is the bidder whose Infrastructure Development Company is willing to accept the lowest capped cost of capital (i.e. lowest profit margin) on the amounts invested in purchasing the site and developing the infrastructure of the site. All bidders must agree (as a contractual covenant) to:
  - a. develop the infrastructure of the site in a way that fully implements the LAMP master-plan in full, and to extract only the capped cost of capital for such infrastructure specified in the winning bid;
  - b. sell plots of land within the site to types of builder/owner specified in the master plan; and
  - c. in each such sale of each such plot, covenant with the acquiring builder/owner to build out that plot in accordance with the requirements of the master plan and of the design code.
6. The winning bidder also covenants to pay the local authority a set proportion of any net revenue that remains following (a) completion of the work on the infrastructure of the site, (b) sale of the plots on the site to the builders/owners, and (c) extraction of the capped cost of capital. (This is to ensure that the local authority and the local community benefit from any surplus value in the land that arises from market circumstances during the development of the site, while also giving the private financiers of the Infrastructure Development Company an incentive to develop the infrastructure in a financially efficient manner subject to the constraints imposed by the master plan.)
7. The closing of (a) the land-purchase by the local authority from the original land owner(s) and (b) the back-to-back purchase of the land from the local authority by the Infrastructure Development Company is simultaneous, to avoid any financial exposure for the local authority. At the simultaneous closing, the contractual covenant in (5) and (6) above is also simultaneously executed. Thereafter, the contractual covenant remains attached to the land, and is therefore inherited as an obligation by anybody that purchases either the Infrastructure Development Company or the land that it holds.
8. The LAMP continues in existence for the duration of the development of the site, to monitor both fulfilment by the IDC of the infrastructural requirements of the design code and master plan, and fulfilment by the builders/providers of particular plots of the plot-specific elements of the design code and master plan.

I am advised by HMT Classification experts that, principally due to the level of control exercised by the local authority in the public interest in either of these models, the development bodies concerned (i.e. in model A, the Local Development Company, or, in model B, the Infrastructure Development Company) will or may be classified as public sector entities and hence be on public sector balance sheets. Whilst it will obviously be for Ministers to decide whether this constitutes an obstacle, I do not myself regard this as in any way material, since – in both models – the entire financial risk of the infrastructure development will be taken by private financiers without any recourse whatsoever for the taxpayer under any circumstances whatsoever, and the entire financial risk associated with the building of all the housing will be taken by the private sector

builders and by the other housing providers on the site, also without any recourse whatsoever to the taxpayer under any circumstances whatsoever. Neither model need or should involve any form of implicit or explicit guarantee or letter of comfort which will in any way diminish the absolute liability of the private finance vehicles, regardless of market circumstance – and it is my proposal that private finance, under either model, should be raised (and should be permitted by the statutory framework to be raised) only on the basis of such explicit lack of recourse under any circumstances to taxpayer support of any kind.



**Key:**

£A: Price of land at open market residual value under new planning regime.

£Q: Administrative costs of LDC.

£B: Cost of adding infrastructure to site.

£C: Revenue from sale of land parcels.

£D: £A + £B + £Q + interest/profit margin specified in private investor bids.

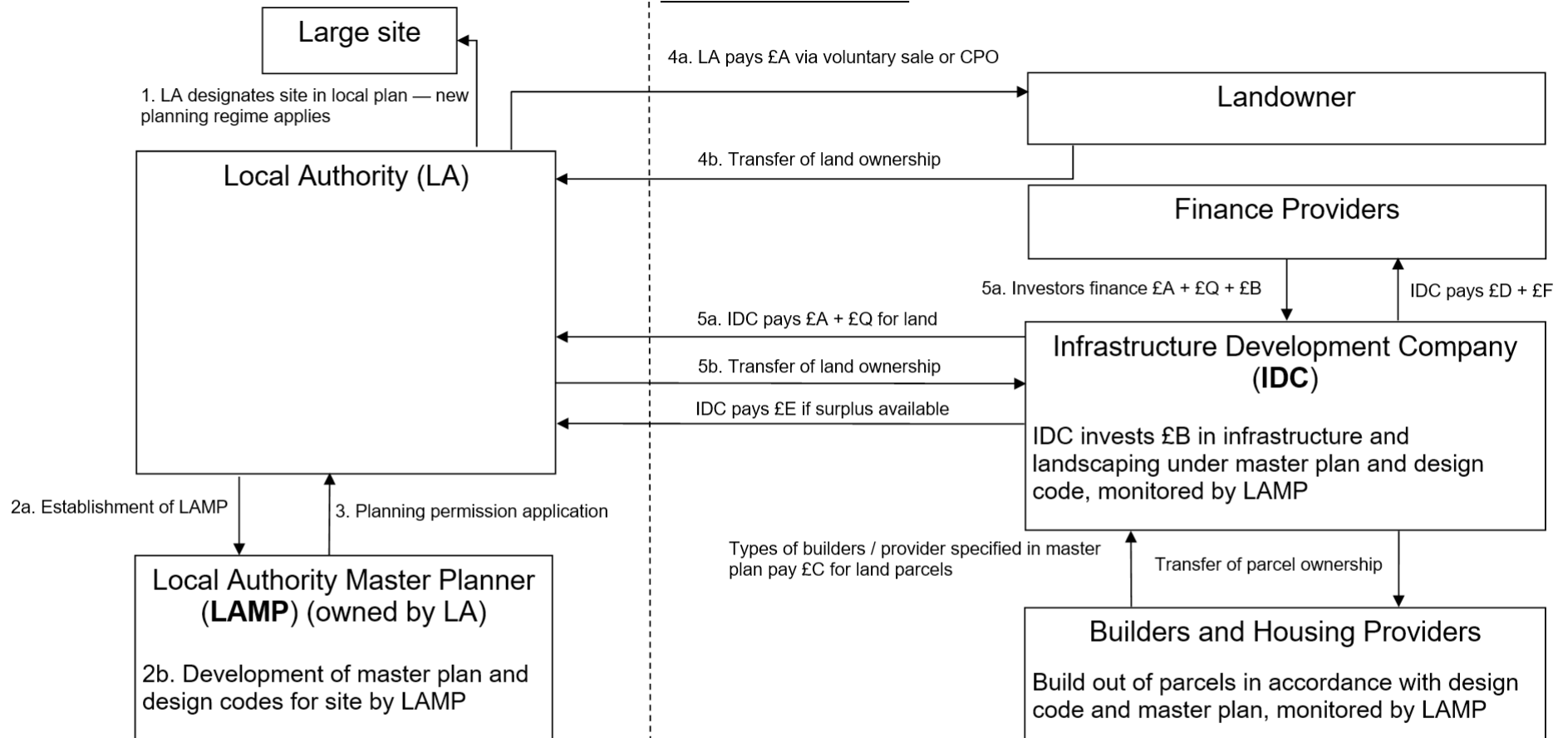
£E: Investor share of any additional surplus revenue available [i.e. investor share of (£C-£D)].

£F: Remaining public sector share of any additional surplus revenue [i.e. public sector share of (£C-£D)].

**Public Sector**

**Model B: Schematic**

**Private Sector**



*Stages 1-5 occur before any construction starts. Stages 4 and 5 occur simultaneously to avoid any financial exposure for the local authority. Remaining stages occur gradually as site is built out.*

**Key:**

£A: Price of land at open market residual value.

£Q: Administrative cost of running LAMP.

£B: Cost of adding infrastructure to site.

£C: Revenue from sale of land parcels.

£D: £A + £Q + £B + interest/profit margin specified in private investor bids.

£E: Public sector share of any additional surplus revenue available [i.e. Public sector share of (£C-£D)].

£F: Investor share of any additional surplus revenue available. [i.e. Investor share of (£C-£D)].









CCS1018834574

ISBN 978-1-5286-0844-2

## Appendix F

### Thanet District Council Annual Monitoring Report 2018 (Extracts only)

Thanet District Council

# Thanet Local Plan

Annual Monitoring Report 2018



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## **1. Introduction**

The Localism Act requires every local planning authority to prepare reports containing:

- (a) The implementation of the local development scheme
- (b) The extent to which policies set out in the local development documents are being achieved

The Local Planning Regulations 2012 specify additional requirements for authorities monitoring reports:

- identifying the annual target for additional dwellings in the local planning authorities area
- details of any neighbourhood development orders or plans that have been made
- reporting of Community Infrastructure Levy receipts
- actions taken to co-operate with other local planning authorities, the county council or other prescribed bodies in accordance with the 'duty to co-operate'

### **What is included in this Annual Monitoring Report**

This monitoring report includes the following:

1. The extent to which policies in the following Local Development Documents are being achieved over the period April 2017 – March 2018:

- Thanet Local Plan 2006
- Cliftonville Development Plan Document 2010

2. Monitoring of the implementation of the Local Development Scheme

3. Details of Neighbourhood Development Orders or Plans that have been made, and any key stages reached

4. Actions taken to co-operate with other Local Planning Authorities, the county council and other prescribed bodies in accordance with the 'duty to co-operate' over the period April 2017 – March 2018

## **2. Extent to which policies in LDDs are being achieved**

### **Monitoring and Performance of policies contained within the Thanet Local Plan 2006**

The indicators being monitored in this report for the Thanet Local Plan 2006 are divided into the following areas:

Economic Development and Regeneration

Housing

Town Centres and Retailing

Heritage

Sport and Recreation

Countryside and Coast

Nature Conservation

Environmental Protection

### **Monitoring and Performance of policies contained within the Cliftonville Development Plan Document 2010**

The following policies are being monitored for the Cliftonville Development Plan Document 2010:

CF1 Community Facilities

CF2 Development Contributions

CF3 Training Facilities

CF4 QEQM Hospital Margate

CF5 Margate Cemetery

CF6 New Education Site

## Monitoring and Performance of policies contained within the Thanet Local Plan 2006

### Economic Development & Regeneration

The relevant saved policies include:

- EC1 - Land Allocated for Economic Development
- EC2 - Kent International Airport
- EC4 - Airside Development Area
- EC5 - Land at and East of the Airport Terminal
- EC6 - Fire Training School
- EC7 - Economic Development Infrastructure
- EC8 - Ramsgate Waterfront
- EC9 - Ramsgate New Port
- EC10 - Margate Old Town and Harbour
- EC12 - Retention of Employment Sites

#### Overview

Take up of employment land continues to be slow, and the need for and location of employment land is being reviewed through the new Local Plan.

The total employment floorspace,(B1-B8), developed during the current reporting year was 10,578m<sup>2</sup>. None of the development resulted in the net loss of employment land to other uses.

#### Indicators in relation to Economic Development and Regeneration

The following indicators relate to economic development and regeneration.

##### **Indicator 1 – Economic activity rates Gross Value Added (GVA per head) in Thanet District**

Relevant Policies: An objective of the Local Plan Strategy (no specific policy).

Target: Increase by 2.5% by 2009 and match Kent average.

Source: [www.kent.gov/research](http://www.kent.gov/research)

##### **Monitoring and Comments**

The latest GVA data available is for 2016. Figure 1 below shows that the GVA per Capita has risen at a similar rate to the GVA for Kent. Since 2006 Thanet's GVA increased from £13,037 per capita to £15,220 (16.8% increase). However, the Thanet figures are still significantly lower than the Kent average.

##### **Target not met**

Whilst this target point has passed, it continues to be an aspiration to close the gap between the Kent and Thanet GVA. At this current time Thanet's figures remain significantly lower than the Kent average despite showing a 16.8% increase since 2006



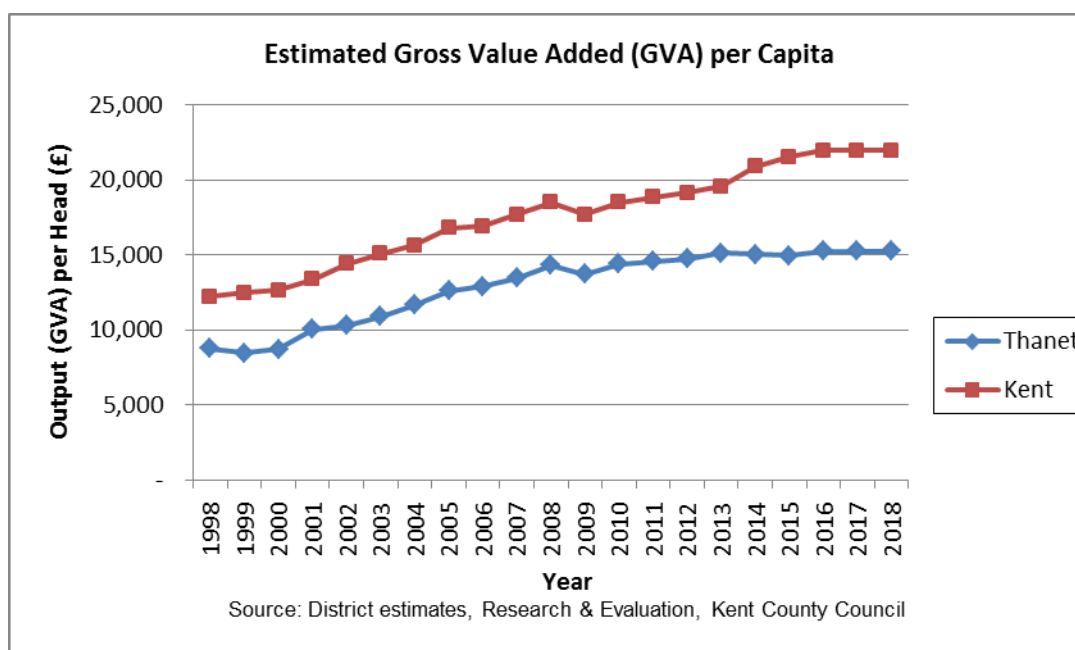


Figure 1 - Estimated Gross Value Added (GVA) per Capita

## Indicator 2 – Proportion of allocated employment land taken up

Relevant Policies: Local Plan Policies EC1 & EC4.

Target: 75% take-up during plan period (2011).

### Monitoring and Comments

The Commercial Information Audit is carried out annually in conjunction with Kent County Council. Table 1 below shows the land allocations in the draft Local Plan 2018 and Table 2 shows the land take-up from 2006 to 2017/18. Estimated floor space is based on ratio of 3,500m<sup>2</sup>/ha.

During the current reporting year there has been some development completed at Manston Business Park and some is currently under construction which once completed, will be reported in the next AMR. A total of 46 units (1.16ha) for B2 use have been completed this year. A further 45 units are under construction this year.

The total area of the remaining developable 4 sites allocated is 49.5 hectares. Eurokent Business park is now covered by a planning permission TH11/0910 and figures are included in planning permission land.

Between 1998 – 2017 48.49 hectares has been developed. A new target for take-up will be set as part of the local plan process.

**Target not met – The need for employment land is currently being reviewed through the new Local Plan.**

# Thanet Local Development Framework – Annual Monitoring Report

**Table 1 – Employment land allocation (Hectares)**

Manston Business Park	42
Eurokent Business Park (now covered by planning permission)	0
Thanet Reach Business Park	6.5
Hedgend Industrial Estate	1
<b>Total available land 2015/16</b>	<b>49.5</b>

**Table 2 – Area (hectares) of completions occurring on *allocated* employment land**

	Manston Park	Eurokent Business Park	Thanet Reach	Hedgend	Manston Road	Total
2017/18	1.16ha (4140m <sup>2</sup> )					1.16
2016/17	2.6ha (9,040m <sup>2</sup> )					2.6
2015/16					Site removed from employment allocation.	0
2014/15						0
2013/14	0.01		0.02			0.03
2012/13						0
2011/12						0
2010/11	0.2					0.2
2009/10						0
2008/09	7.50	5.10				12.60
2007/08	0.92					0.92
2006/07	5.26	3.50 (leisure)	0.76			9.52
2006			0.76			0.76
2005	1.43					1.43
2004		0.23				0.23
2003		4.46				4.46
2002				1.78		1.78
2001				0.46		0.46
2000		2.50	1.75			4.25
1999						0
1998	8.09					8.09
Total						48..49 Ha

### Indicator 3 – Amount of floorspace developed for employment by type on all sites in District

Relevant Policies: Local Plan Policies EC1 & EC4.

Target: 19,750 m<sup>2</sup> per annum A2-B8 floorspace on allocated sites. Based on annual target to deliver 75% of allocated land (263,330 m<sup>2</sup> x 75% = 197,497.5 m<sup>2</sup> / 10 (years) = 19,750 m<sup>2</sup>).

#### Monitoring and Comments

During the reporting year 4,140m<sup>2</sup> was completed on EC1 and EC4 allocated sites.

Table 3 below shows total floorspace (m<sup>2</sup>) development completed each year from 2005 on all sites. In 2017/18 floorspace totalling 10,578m<sup>2</sup> was developed for employment purposes (excluding A2 use).

**Target not met**

<b>Table 3 – Floorspace developed (gross) for employment by type (all sites in District)</b>				
	A2/B1 m <sup>2</sup>	B2 m <sup>2</sup>	B8 m <sup>2</sup>	Total A2/B1-B8 m <sup>2</sup>
Completed 2017-2018*	1067	1470	8041	10,578
Completed 2016-2017*	4,048	8,547	1,942	10,557
Completed 2015-2016	670	8,102	1,600	10,372
Completed 2014-2015	3,227	2,884	2,594	8,705
Completed 2013-2014	3,032	1,230	210	4,472
Completed 2012-2013	786	1,210	1,998	3,994
Completed 2011-2012	1,490	1,730	549	3,769
Completed 2010-2011	342	300	2,144	2,786
Completed 2009-2010	1,156	343	144	1,643
Completed 2008-2009	16,731	523	4,765	22,019
Completed 2007-2008	4,269	150	3,875	8,294
Completed 2006-2007	3,860	1,889	13,031	18,780
Completed 2005-2006	3,523	9,797	4,585	17,905

\*A2 Use excluded from figures

<b>Table 3a – The amount &amp; type of completed employment floorspace (gross &amp; net) 2017/18</b>					
	B1a	B1b	B1c	B2	B8
Gross Gain	507	55	505	1,470	8,041
Gross Loss	-772	0	-223	-350	-6,530
Net	-265	55	282	1,120	1,511

Due to the way we collect our information we have not been able to calculate variation between gross external and gross internal floorspace.

**Indicator 4 – Losses (hectares and %) of employment land in (i) defined employment/regeneration areas and (ii) local authority area**

Relevant Policies: Local Plan Policy EC12 (protects certain identified sites).

Target: 100% retention on safeguarded employment sites.

**Monitoring and Comments**

The 2006 Local Plan safeguards certain sites for employment use. During the current reporting year development was completed on one site within EC12 land. This was for a change of use on Westwood industrial estate from light industrial (B1c) to dance and fitness studio (D2). This application was granted as this site has been identified in the draft Local Plan as a site for more flexible uses.

**Target met**

**Indicator 5 – Amount of employment land lost to residential development**

Relevant Policies: Local Plan Policy EC12 (protects certain identified sites).

Target: No safeguarded employment land lost to residential development.

**Monitoring and Comments**

There were no losses on safeguarded employment sites for residential purposes.

**Target met**

## Housing

The relevant saved policies include:

- H1 - Residential Development Sites
- H2 - Dwelling Supply
- H3 – Phasing
- H4 - Windfall Sites
- H6 - Residential Development Site – Westwood
- H7 - Residential Development & Amenity Site – Minster
- H8 - Size & Type of Housing
- H10 - Areas in Special Need of Attention
- H11 - Non Self-Contained Residential Accommodation
- H12 - Retention of Existing Housing Stock
- H14 - Affordable Housing Negotiations on Housing Sites
- H16 - New Agricultural Dwellings

During this monitoring year 1<sup>st</sup> April 2017-31<sup>st</sup> March 2018 the Council has produced the a draft Local plan 2018 (submitted for examination October 2018). The figures used in this AMR relate to the draft housing requirement of 17,140 in the draft Local Plan 2018 which uses a base date of April 2011. The housing requirement of 17,140 has been identified in the latest Strategic Housing Market Assessment (SHMA) September 2016 and the Council is seeking to meet this requirement through the local plan process via a stepped approach as set out below.

Year bands	2011-6	2016-21	2021-26	2026-31
Requirement	1555 (already delivered)	4,500	5,500	5,585

### Requirement to provide a 5-Year Supply of Deliverable Land for Housing

The National Planning Policy Framework (NPPF) advises that local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide five years' worth of housing against their housing requirement with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land.

To be considered deliverable, sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years. The methodology for calculating 5 year supply and the results are set out at Annex 3.

#### 5 Year Supply of Housing Land April 2018/19 to March 2022/23

The estimated 5 year supply of deliverable housing sites is 5364. This is the total capacity shown in Annex 3. This 5 year supply can be increased to 5949 when allowances for windfalls and empty homes brought back into use, are included.

The district has historically had a high windfall allowance and based on evidence from 2008/9 to 2014/15 relating to small windfalls of less than 10 units, there is an average annual windfall rate of 225 units a year. To avoid any potential double counting this rate is discounted for the first 3 year of the 5 year supply. Therefore an allowance of 450 units for windfalls is included in the 5 year supply.

The per annum rate for bringing empty properties back into use where they have been

vacant for more than 4 years has been calculated at 27 units pa – 135 for a 5 year period. This is a conservative estimate as during 2016/17, and 2017/18 89 and 91 properties have been brought back into use respectively– see indicator 13.

### Housing Trajectory

Actual and predicted dwelling delivery is informed by an annual housing land study (Housing Information Audit) which takes account of existing planning commitments (allocations and permissions). The annual strategic requirement between 2006 – 2011 was based upon the 2009 South East Plan. The annual strategic requirement from 2011 is being determined through the new Thanet Local Plan. The following graph shows the housing trajectory for Thanet and relates to the requirement in the draft Local Plan (2018) of 17,140.

In the year 2017/18 the annual housing information audit shows that 238 additional dwelling units were completed in Thanet. Over the last 10 years, annual completions have averaged 424 (net) units.

The total estimated residential land supply identified for the 11 year period 2018-2031 for the district is 15,834 units (planning permissions and site allocations).

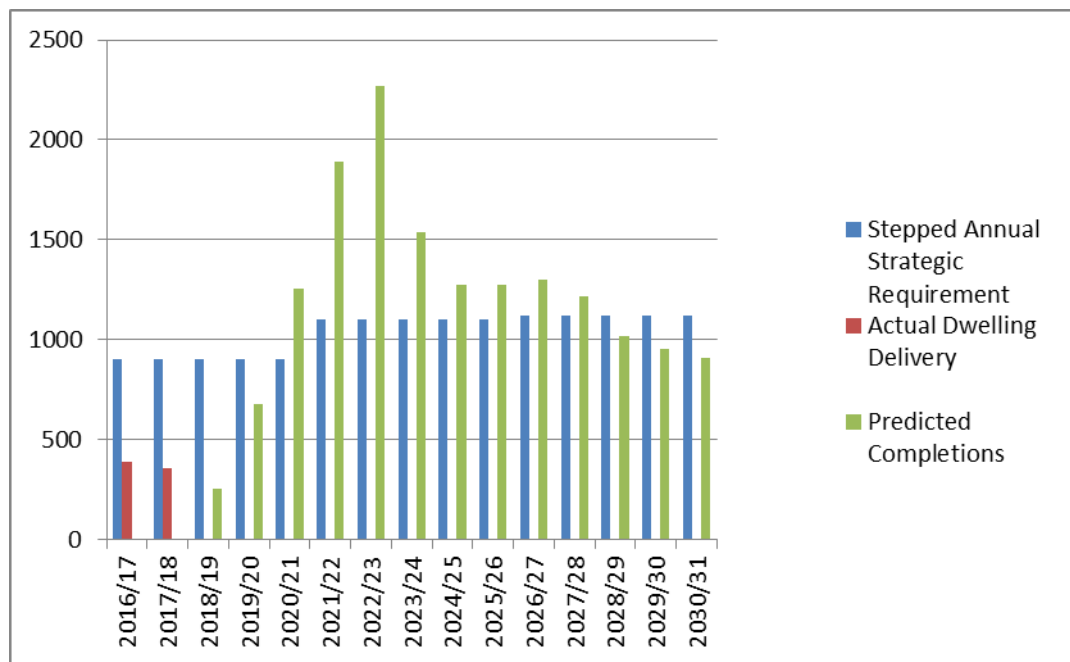


Figure 2 - Housing Trajectory

### Past Delivery of Housing

The actual completion of new homes between 2006 and 2011 exceeded the planned rate. The reduction in completions since 2011 reflects the economic slowdown experienced nationally. In this reporting year completions stood at 238, showing an increase over the previous years.

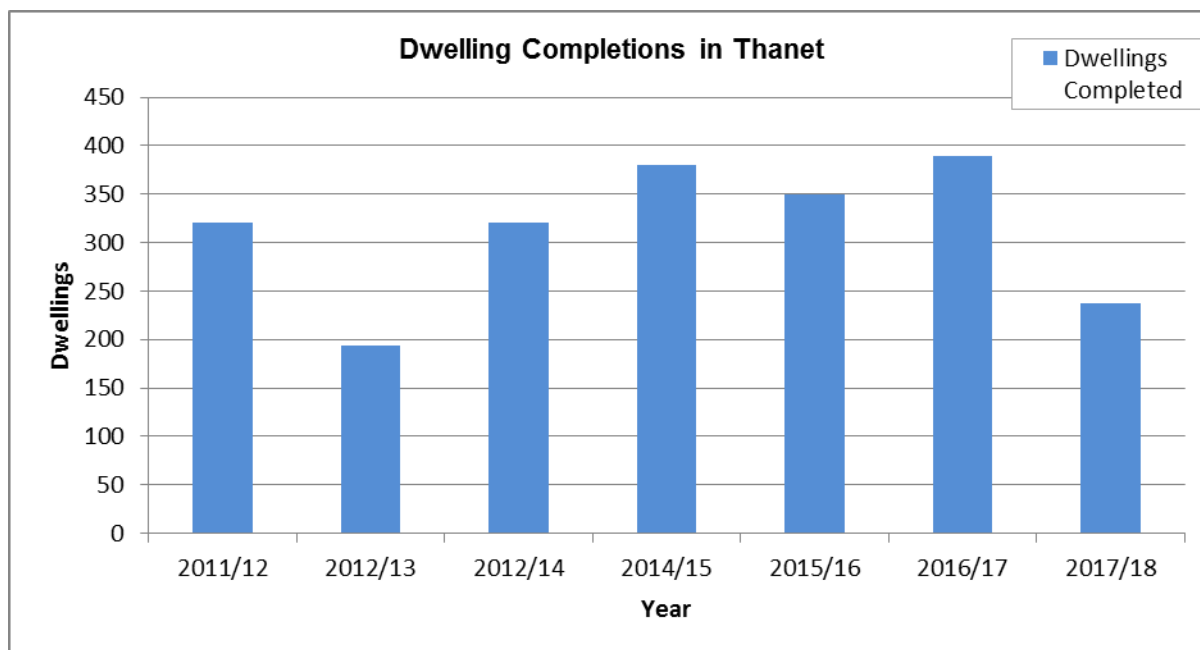


Figure 3 - Dwelling Completions in Thanet

#### Indicator 6 – Net additional dwellings over previous years

##### Monitoring and Comments

5494 net additional dwellings were completed over the period 2006/07 to 2017/18.

**2006 – 2011 Target met and exceeded. Current reporting year – no adopted target established.**

#### Indicator 7 – Net additional dwellings for the reporting year

##### Monitoring and Comments

There were 238 new dwellings delivered during the current reporting year. This is a decrease on last year's figure.

**No Target established.**

#### Indicator 8 – Projected net additional dwellings up to 2031

##### Monitoring and Comments

From 2018-23 5949 dwellings are projected to be delivered. Over the remaining planning period to 2031 a further 9885 dwellings are phased for development. The overall target and future housing land supply is being reviewed through the new Local Plan.

### Indicator 9 - % of new & converted dwellings completed on previously developed land

Relevant Policies: Local Plan Policy H1.

Target: The adopted Local Plan target is for 70% of new dwellings to be provided on previously developed land.

#### Monitoring and Comments

The percentage of new and converted dwellings completed on previously developed land in the reporting year was 78.57%. The target in the 2006 Local Plan was 70% which has been exceeded by 8.57%. Percentages achieved for previous years are shown in Figure 4 below.

**Target exceeded**

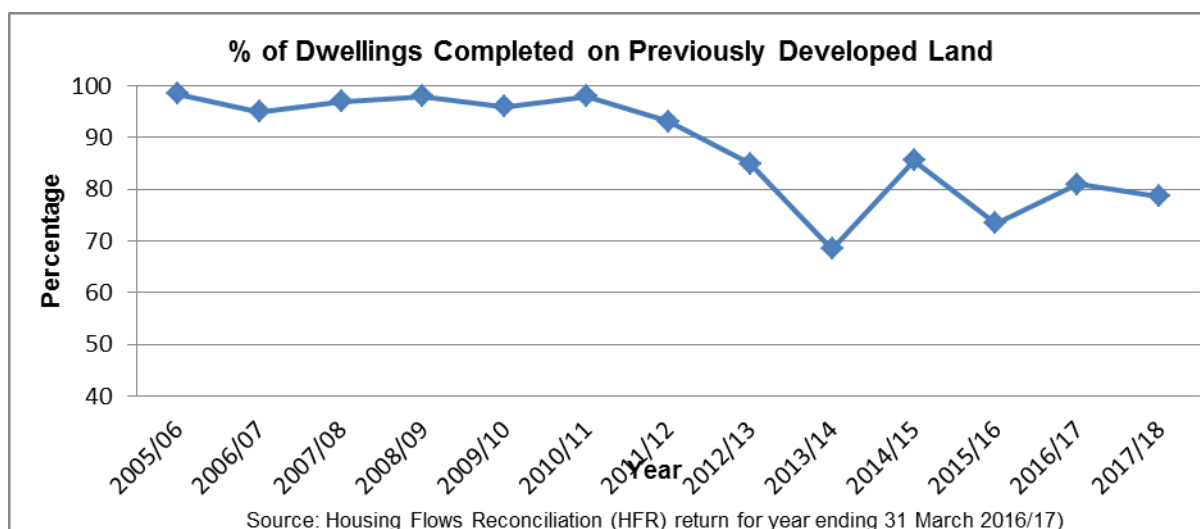


Figure 4 - Percentage of dwellings completed on previously developed land

### Indicator 10 – Net densities achieved on completed housing sites over 10 units

Relevant Policies: Local Plan Policy H1.

Target: Minimum average density of 35 dwellings per hectare net in any 1 year.

#### Monitoring and Comments

The average density on site of 10 or units that were completed during the monitoring year was 45.6 units per hectare. This figure excludes those larger sites where completions have occurred over a number of years.

**Target met**

### Indicator 11 - % of new housing sites 15 or more units net or 0.5 hectares where provision is made for an element of affordable housing

Relevant Policies: Local Plan Policy H14.

Target: 100% of all such sites.



### Monitoring and Comments

During the monitoring year there were 9 eligible sites granted permission which are set out in the table below. However, out of the 9 only 6 made a contribution on site. A further two application made a financial contribution towards off-site affordable housing as viability was an issue. Only one site did not make a contribution as viability was an issue.

**Target not met**

Applications granted that were eligible for affordable housing contributions

Permitted application number	Postal address	PROPOSAL	Total units	Affordable Housing contribution
15/0250	Land North of Haine Road Broadstairs and West of Nash Road Margate Phase 5 Margate	Application for approval of access, appearance, landscaping, layout and scale pursuant to condition 1 of F/TH/12/0964, for the development of Phase 5 (part) of a mixed use urban extension comprising residential use, open space, associated infrastructure and new access.	469	118 affordable housing units
15/0187	Flambeau Europlast Ltd, Manston Road, Ramsgate, CT12 6HW	Outline application for the redevelopment of the existing site for up to 120 dwellings including access, following demolition of existing buildings	120	Viability was raised as an issue and at affordable housing financial contribution was made towards off-site affordable housing provision in Ramsgate.
17/0726	Land North of Haine Road Broadstairs and West of Nash Road Margate Phase 3C Margate	Mixed use urban extension comprising: residential use (Class C3), community facilities (Class D1), commercial and employment uses (Class A1-A5, B1 and D2) and associated infrastructure including a new link road associated alterations to existing junctions and new access arrangements	97	26 affordable housing units
17/1485	Land At New Haine Road Ramsgate	Reserved matters application for the approval of access, layout, scale, landscaping and appearance for the erection of 54 dwellings (Phase 1) pursuant to outline planning permission OL/TH/11/0910 for mixed-use development	54	5 affordable housing units

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Permitted application number	Postal address	PROPOSAL	Total units	Affordable Housing contribution
16/1715	Land South Of Manston Road Adjacent To The Beacon (Former Car Storage Site) Manston Road Ramsgate	Outline application for 48 dwellings including access with all other matters reserved	48	14 affordable housing units
16/0654	66 Monkton Road Minster Ramsgate	Outline application with some matters reserved including access, for the erection of 36 dwellings with construction of new access from Monkton Road, associated new internal access roads, drainage and landscaping (reserved)	35	11 affordable housing units
17/1159	Westcliff House 37A Sea Road Westgate On Sea CT8 8QW	Erection of 4 storey front/side and rear extension with balconies, 3rd floor front/side and rear extensions with terraces, 3 storey rear extension with balconies along with alterations to fenestration following removal of fire escape to facilitate conversion into 27No 2 bed apartments and 4No 1 Bed apartments with associated parking and new pedestrian access	31	Viability was raised as an issue and at affordable housing financial contribution was made towards off-site affordable housing provision
16/1473	Land South Of Briary Close, Margate	Application for outline planning permission for the erection of up to 24no. dwellings including details of access	24	7 affordable housing units
17/0842	64 Edgar Road Margate	Change of use and extension of former residential home (use class C2) along with the erection of a 5 storey building to create 16No 2 Bedroomed and 2No 3 Bedroom apartments and associated works	15	Should have provided 5 units but viability was identified as an issue – no provision made.

## ANNEX 2 Figures used in housing trajectory

Table of Figures used in calculating the 2016 housing trajectory

	Year	Annualised Strategic Requirement	Actual Dwelling Delivery	Predicted Completions
2006 Adopted Local Plan	2006/07	375	651	
	2007/08	375	606	
	2008/09	375	726	
	2009/10	375	520	
	2010/11	375	889	
2015 Preferred Options Local Plan	2011/12	600	320	
	2012/13	600	194	
	2013/14	600	321	
	2014/15	600	380	
	2015/16	600	350	
2018 draft Local Plan	2016/17	900	389	
	2017/18	900	238	
	2018/19	900		256
	2019/20	900		676
	2020/21	900		1257
	2021/22	1100		1889
	2022/23	1100		2267
	2023/24	1100		1538
	2024/25	1100		1276
	2025/26	1100		1275
	2026/27	1117		1297
	2027/28	1117		1219
	2028/29	1117		1018
	2029/30	1117		956
	2030/31	1117		910

## ANNEX 3 Methodology applied in estimating 5 year deliverable housing land supply

Specific tests for assessing a 5 year supply were introduced in the government's planning policy statement on housing ('PPS3') this has since been replaced by the National Planning Policy Framework which has the same requirements.

The Framework states that Local planning authorities should:

- use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, including identifying key sites which are critical to the delivery of the housing strategy over the plan period;
- identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of housing against their housing requirements with an additional buffer of 5% to ensure choice and competition in the market for land.
- identify a supply of specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15;
- for market and affordable housing, illustrate the expected rate of housing delivery through a housing trajectory for the plan period and set out a housing implementation strategy for the full range of housing describing how they will maintain delivery of a five-year supply of housing land to meet their housing target; and
- set out their own approach to housing density to reflect local circumstances.

To be considered **deliverable**, sites should be

- available now;
- offer a suitable location for development now; and
- be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable.

Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans.

To be considered **developable**, sites should be

- in a suitable location for housing development; and
- there should be a reasonable prospect that the site is available and could be viably developed at the point envisaged.

The estimated 5 year supply of deliverable housing sites = 5949

This comprises:

- the total capacity in the schedule (pp46-49)
- plus sites with planning permission (under construction or not started)
- a windfall allowance discounted for the first 3 years of the 5 year period
- an allowance for empty homes (more than 4 years) brought back into use at 27 units a year.

**Procedure for estimating 5 year supply:**

The key steps in the procedure were as follows

1. Prepare a list featuring all uncompleted housing sites with extant planning permission and sites allocated in the preferred option local plan (2015). The list was derived from the annual Housing Information Audit (HIA).
2. Estimate whether sites are considered deliverable within the 5 year period to March 2021, and if so what capacity would be deliverable within that period. As far as practical the deliverability of estimated site capacity was assessed taking account of:
  - Physical problems/limitations (e.g. existing uses, buildings on site).
  - Any doubts regarding intention to develop/sell in short term (e.g. where the consent was old).
  - Economic viability/market capacity constraints (e.g. whether the area is already saturated by flats etc).

## 5 Year Supply of Deliverable Housing Land

Allocated sites in the Revisions to Preferred Option Local Plan (2017) that contribute to the 5 year supply

Site address	Total allocated	Phasing 2018/19	Phasing 2019/20	Phasing 2020/21	Phasing 2021/22	Phasing 2022/23
Westwood	1450	0	50	150	150	150
Birchington	1600	0	50	100	100	150
Westgate	2000	0	50	100	100	150
Manston Green	0	0	0	0	0	0
land at Manston Court Road / Haine Road new	1200	0	50	80	80	110
South of Canterbury Rd, Ramsgate	27	0	0	0	10	17
Land south east of Brooke Avenue, Westbrook	34	0	0	0	14	20
Land at Haine Rd & Spratling St, Ramsgate	100	0	0	20	40	40
Land off Nash/Manston Rds, Margate	250	0	30	70	80	70
Land west of Old Haine Road, Ramsgate	250	0	0	20	60	100
land adjacent to former Manston Allotments Manston Road Ramsgate	80	0	0	20	30	30
land at Manston Road & Shottendane Road	550	0	0	0	30	60
Queen Arms Yard, Margate	24	0	0	0	0	24
Cottage Car Park, New Street, Margate	32	0	0	0	0	0
Margate Town Centre, (south of New Street, Margate)	27	0	0	0	0	0
Adjacent to 9 Minnis Road, Birchington	11	0	0	0	0	0
End of Seafield Road	16	0	0	0	16	0

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Site address	Total allocated	Phasing 2018/19	Phasing 2019/20	Phasing 2020/21	Phasing 2021/22	Phasing 2022/23
Adjacent to 8 Chapel Place, Ramsgate	6	0	0	0	0	0
Adjacent to 21 Royal Road & 9 Townley Street	18	0	0	0	0	0
ro 7_10 Marine Gdns - 5 Dwellings	6	0	0	0	0	0
Gas Works Boundary Road, Ramsgate	96	0	0	0	30	50
Land at Wilderness Hill and Dane Road	14	0	0	0	0	14
79-85 High Street, Ramsgate	10	0	0	0	5	5
Gas Holder Station, Addington Street ,Margate	22	0	0	0	11	11
WW Martin, Dane Park Road, Ramsgate	14	0	0	0	7	7
10 Cliff Street, Ramsgate	11	0	0	0	0	11
Complete Car Sales, Willsons Road, Ramsgate	10	0	0	0	0	10
38, 38a and 42 St Peters Road, Broadstairs	5	0	0	0	0	5
Units 1-4 Monkton Place Ramsgate	5	0	0	0	0	5
Highfield Road, Ramsgate	25	0	0	0	10	15
Fort Hill, Arcadian		0	0	0	0	0
Furniture Mart, Booth Place, Grotto Hill	9	0	0	0	0	9
Eurokent, New Haine Rd, Ramsgate	0	0	0	0	0	0
Laleham School, Northdown Park Road, Margate	0	0	0	0	0	0
Land at Victoria Road & Dane Rd, Margate	35	0	0	0	10	15
Haine Farm, Haine Road, Ramsgate	35	0	0	0	15	20

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Site address	Total allocated	Phasing 2018/19	Phasing 2019/20	Phasing 2020/21	Phasing 2021/22	Phasing 2022/23
Land of Northwood Road, Ramsgate	45	0	0	0	20	25
Dane Valley Arms, Dane Valley Road, Margate	13	0	0	0	7	6
Builders Yard, The Avenue, Margate	10	0	0	0	0	10
1 Thanet Road, Margate	5	0	0	0	0	5
Land at Waterside Drive, Westgate	12	0	0	0	0	12
Suffolk Avenue, Westgate	14	0	0	0	7	7
r/o Cecilia Road, Ramsgate	23	0	0	0	0	0
Margate Delivery Office, 12-18 Addington Street	10	0	0	0	0	0
Ind Units, Marlborough Rd, Margate	10	0	0	0	5	5
Former Newington Nursery & Infants Nursery & Infants	49	0	0	0	20	29
Gap House School, 1 Southcliff Parade, Southcliff Parade,	10	0	0	0	5	5
Foreland School, Lanthorne Rd, Lanthorne Rd,	14	0	0	0	7	7
Thanet Reach Southern Part	80	0	0	0	20	40
Manston Road Industrial Estate (2 sites north & south)	0	0	0	0	0	0
Part of Pysons Road	26	0	0	0	10	16
Magnet and Southern, Newington Road, Ramsgate	8	0	0	0	0	8
Shottendane Farm, Margate	8	0	0	0	8	0
Lanthorne Court Broadstairs	56	0	0	0	20	36
Former Club Union Convalescent home, north of	24	0	0	0	10	14



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Site address	Total allocated	Phasing 2018/19	Phasing 2019/20	Phasing 2020/21	Phasing 2021/22	Phasing 2022/23
Reading Street Broadstairs						
Tothill Street Minster	250	0	30	60	60	50
Land south side of Foxborough Lane	35	0	0	0	10	25
Land at The Length, St. Nicholas	25	0	0	0	10	15
Land at Manor Rd, St Nicholas	34	0	10	10	14	0
Land at Walter's Hall Farm, Monkton	18	0	0	0	9	9
Builders yard south of 116-124 Monkton Street, Monkton	20	0	0	0	10	10
Site "A" South side of A253, Cliffsend	65	0	0	20	22	23
Land north of Cottington Rd (west of Beech Grove)	40	0	0	0	20	20
South side Cottington Rd, Cliffsend.	30	0	0	15	15	0
Rear of 59-65 Harold Rd	9	0	0	0	0	0
Adj to 60 Harold Rd and rear of 40-56 Harold Rd	14	0	0	0	0	0
Adj to 14 Harold Rd	10	0	0	10	0	0

**Sites with Planning Permission 31<sup>st</sup> March 2017**

(Not started and under construction)

<b>Application Number</b>	<b>Postal Address</b>	<b>Total extant units (ie NSor UC)</b>	<b>Phasing 2018/19</b>	<b>Phasing 2019/20</b>	<b>Phasing 2020/21</b>	<b>Phasing 2021/22</b>	<b>Phasing 2022/23</b>
03/1200	Pleasurama Amusement Park Marina Esplanade Ramsgate	107					
04/0700	Royal Sea Bathing Hospital Canterbury Road Margate	100		20	30	30	20
05/0018	St Georges Hotel Eastern Esplanade Margate	87					
05/0158	The Forge The Length St Nicholas At Wade	1	1				
06/0177	10-14 Vicarage Crescent Margate	5			4	1	
08/0929	2 & 3 St Mary's Road Boadstairs	7	7				
08/1367	47 Lanthorne Road Broadstairs	2	1	1			
10/0041	10-14 Vicarage Crescent Margate	2			2		
10/0248	Cliff Cottage Herschell Road Birchington	5			5		
10/0573	Former Police Station Cavendish Street Ramsgate	82					
11/0540	Land Rear Of 19 To 23 Harold Road And 9 To 15 Albion Road Margate	3			3		
11/0602	31 High Street Minster Ramsgate	2		1	1		
11/0615	19 High Street Margate	1			1		
11/0910	Land At New Haine Road (Eurokent) Ramsgate	496			50	50	50
12/0005	31 High Street Minster Ramsgate	2		2			
12/0158	16 The Vale Broadstairs	3				3	
12/0210	Former Allotment Gardens Manston Road Ramsgate	64					

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Application Number	Postal Address	Total extant units (ie NSor UC)	Phasing 2018/19	Phasing 2019/20	Phasing 2020/21	Phasing 2021/22	Phasing 2022/23
12/0270	Land At 34 To 36 Bellevue Road And 25-27 Bellevue Avenue Ramsgate	5		5			
12/0473	2 Westcliff Terrace Mansions Pegwell Road Ramsgate	1			1		
12/0537	167 Pegwell Road Ramsgate	5			3	2	
12/0707	169-171 Pegwell Road And Land Rear Of 2-6 & 16 Downs Road Ramsgate	8			4	4	
12/0765	Land Adjacent 30 And 32 High Street And 9 Cavendish Street Ramsgate	2			2		
12/1003	Land Rear Of 122 Grosvenor Place Margate	1	1				
13/0072	51 Central Road Ramsgate	2	2				
13/0132	The Acorn Inn 6 Park Lane Birchington	2			2		
13/0147	Land Adjacent St Mildreds Church Plumstone Road	1	1				
13/0254	33 Belmont Road Ramsgate	3	3				
13/0656	Naldera Cliff Promenade Broadstairs	1	1				
13/0694	Bown Of London 1 Archway Road Ramsgate	11		11			
13/0701	19-21 Harbour Street Ramsgate	2	2				
13/0787	Land Adjacent To 39 High Street Minster Ramsgate	1	1				
13/0887	Land Adjacent 71 Eaton Road Margate	3		3			
13/1013	30 Dalby Square Margate	3		3			
13/1023	Garage Block 34-36 St Peters Road Broadstairs	6			6		
13/1046	19 Arthur Road Margate	4		4			
14/0050	Land East And West Of, Haine Road, Ramsgate	785				30	83

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Application Number	Postal Address	Total extant units (ie NSor UC)	Phasing 2018/19	Phasing 2019/20	Phasing 2020/21	Phasing 2021/22	Phasing 2022/23
14/0087	Garages Adj 82-90 Chichester Road Ramsgate	3	3				
14/0091	Garages Adjacent 34 Prince Andrew Road Broadstairs	2	2				
14/0093	Garages Adjacent To 1 Norman Road Broadstairs	2	2				
14/0096	Garages At Kingston Close Ramsgate	9		9			
14/0118	Land Adjacent Haine Lodge Spratling Lane Ramsgate	6	2	2	2		
14/0178	Land Between 26 And 30 Princes Gardens Margate	1	1				
14/0241	Land Adjacent 4 Oakdene Road Ramsgate	1		1			
14/0242	Land Rear Of 1 To 7 Coronation Close Broadstairs	3		3			
14/0244	Garage Block Prince Andrew Road Broadstairs	3	3				
14/0252	Garages Adjacent 70 And 72 Perkins Avenue Margate	2	2				
14/0320	Land North Of Haine Road Broadstairs And West Of Nash Road Margate Phase 4	204			50	50	50
14/0480	8-12 High Street Broadstairs	12		6	6		
14/0518	Laleham School Northdown Park Road Margate	70		10	20	20	20
14/0616	36-42 Marine Terrace Margate	3	3				
14/0636	Former Builders Yard Rear Of 28 High Street Broadstairs	4		3	1		
14/0639	Land West Of 33a Alexandra Road Broadstairs	5		2	3		
14/0698	4 Bellevue Road Ramsgate	1	1				
14/0837	1 Knights Avenue Broadstairs	2	2				
14/0847	140 King Street Ramsgate	6		3	3		

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Application Number	Postal Address	Total extant units (ie NSor UC)	Phasing 2018/19	Phasing 2019/20	Phasing 2020/21	Phasing 2021/22	Phasing 2022/23
14/0880	Rear Of 37 Palm Bay Avenue Margate	1	1				
14/0934	Land Rear Of 31 Royal Road Ramsgate	1		1			
14/0976	2a Park Road Ramsgate	8	4	4			
14/1024	47 Dumpton Park Drive Ramsgate	12		6	6		
14/1051	38-40 Eaton Road Margate	2		2			
14/1066	Lord Nelson 11 Nelson Place Broadstairs	5	5				
14/1085	Sopers Yard Store King Street Margate	25			12	13	
14/1115	135 Minnis Road Birchington	1		1			
14/1146	23 Mayville Road And Land To Rear Broadstairs	4	4				
15/0020	Jentex Oil Depot Canterbury Road West Ramsgate	56					
15/0029	Mount Lavina 195 Canterbury Road Birchington	2	2				
15/0087	139-141 High Street Ramsgate	6		6			
15/0097	49-50 Hawley Square Margate	9			9		
15/0098	10 Effingham Street Ramsgate	2			2		
15/0142	Cambay Lodge 91 Kingsgate Avenue Broadstairs	9	9				
15/0185	62 High Street Minster Ramsgate	0	0				
15/0187	Flambeau Europlast Ltd, Manston Road, Ramsgate, Ct12 6hw	120				10	30
15/0202	1 Godwin Road Margate	2		2			
15/0207	40-46 Sweyn Road Margate	6		6			

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Application Number	Postal Address	Total extant units (ie NSor UC)	Phasing 2018/19	Phasing 2019/20	Phasing 2020/21	Phasing 2021/22	Phasing 2022/23
15/0237	270 Northdown Road Margate	1	1				
15/0238	4 Wrotham Road Broadstairs Ct10 1qg	2		2			
15/0246	Land Adjacent To 5 Westfield Road Margate	1		1			
15/0250	Land North Of Haine Road Broadstairs And West Of Nash Road Margate Phase 5	469				50	50
15/0278	44 Canterbury Road Margate	13	13				
15/0291	41-43 Victoria Road Margate	8		4	4		
15/0299	16-22 Godwin Road Margate	12					
15/0305	59 Sweyn Road Margate	1		1			
15/0310	Garages To Rear Of 55 Newington Road Ramsgate Kent	2	2				
15/0348	42 Chatham Street Ramsgate	1			1		
15/0373	The Lodge Canterbury Road Margate	7	7				
15/0431	Land Adjacent To 34 St Mildred's Avenue, Ramsgate	1	1				
15/0532	Land Adj To 12-14 Fort Road Margate	8			4	4	
15/0537	Cliffsend Farm Cottages Cliffs End Road Ramsgate	31			10	10	11
15/0566	50 High Street Margate	1	1				
15/0571	161 High Street Ramsgate	9	4	5			
15/0646	Land Adjacent 4 Alma Cottages Station Road Birchington	1		1			
15/0648	39 - 41 High Street Margate	3		3			
15/0699	145 Canterbury Road Margate	0					

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Application Number	Postal Address	Total extant units (ie NSor UC)	Phasing 2018/19	Phasing 2019/20	Phasing 2020/21	Phasing 2021/22	Phasing 2022/23
15/0770	Land Rear Of Manor Hall And Heritage Park Manor Road St Nicholas At Wade	17		5	5	7	
15/0788	Westwood Lodge Poorhole Lane Broadstairs	151			20	50	50
15/0809	9 Western Esplanade Broadstairs	1	1				
15/0827	123 Margate Road Ramsgate	1		1			
15/0854	4c York Street Ramsgate	0	0				
15/0917	98 - 100 Albion Road Broadstairs Kent	4		2	2		
15/0956	Land Adjacent Holy Trinity School 99 Dumpton Park Drive Broadstairs	28				10	18
15/0961	8 Westleigh Road Westgate On Sea	5	5				
15/1064	101 High Street Broadstairs	2	2				
15/1110PN	Bartletts Farm Cottage Potten Street St Nicholas At Wade Birchington	2	1	1			
15/1127	G And W Gardner Building And Decorating Contractors 85 Dane Road Margate	3			1	2	
15/1156	Land At Booth Place Margate Kent	5			2	3	
15/1256	Land At Redhouse Farm Manston Court Road Margate	40			10	20	10
15/1261	8 Beach Avenue Birchington	11			5	6	
15/1293	Land Rear Of 33 Summerfield Road Margate	4	2	2			
15/1297	Lvor Thomas Amusements Limited 100 Grange Road	4	4				
15/1303	St Lawrence College College Road Ramsgate	166			20	30	50
15/1335	Thalasa Cliff Road Birchington	0	0				

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Application Number	Postal Address	Total extant units (ie NSor UC)	Phasing 2018/19	Phasing 2019/20	Phasing 2020/21	Phasing 2021/22	Phasing 2022/23
16/0066	144 Grange Road Ramsgate	1		1			
16/0084	Little Barn Callis Court Road Broadstairs	2	2				
16/0092	Land Adjacent Old Bungalow Egbert Rd Minster	1		1			
16/0104	Crown And Sceptre The Street Acol Kent	3	2	1			
16/0140	47 Albert Road Ramsgate	1		1			
16/0171	Land Rear Of 1a Minster Road Ramsgate	1		1			
16/0194	6 Albion Place Ramsgate	1		1			
16/0214	Land Rear Of 10 To 16 St Mildreds Avenue Ramsgate	1	1				
16/0224	E Saunders Ltd 241 Northdown Road Margate	2		2			
16/0236	Land Adjacent 28 Princess Anne Road Broadstairs	2	2				
16/0280	45 - 51 Sea Road Kent Westgate On Sea	29	29				
16/0284	Kingsgate Newsagents Parwood George Hill Road Broadstairs	1		1			
16/0300	Land Adjacent 2 Shaftsbury Street Ramsgate	1	1				
16/0315	171 Westwood Road Broadstairs	1		1			
16/0340	(Land Adj To) 62 Princess Margaret Avenue RAMSGATE	0					
16/0377	125 Southwood Road Ramsgate	6			3	3	
16/0383	79 High Street Ramsgate Kent Ct11 9rj	3		3			
16/0412	125 Canterbury Road Westgate On Sea	13	6	7			
16/0424	Sheridans Cliff Road Broadstairs	14		5	9		



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16/0465	39a High Street Ramsgate	1		1			
16/0502	Bradford House 74 Ellington Road Ramsgate	1	1				
16/0512	Land Rear Of 25 To 27 Buckingham Road Margate	1	1				
16/0517	Land Rear Of 18 Saxon Road Westgate On Sea	1		1			
16/0536	7 Grange Road Broadstairs	1		1			
16/0540	46 Canterbury Road Margate	1	1				
16/0545	101- 103 High Street Margate	2		2			
16/0568	58 Park Road Ramgate	1	1				
16/0611	36 Grange Road Ramsgate	1		1			
16/0638	Land Adjacent 2 Linden Avenue Broadstairs	1		1			
16/0647	Shottendane Nursing Home Shottendane Road Margate	11			11		
16/0654	66 Monkton Road Minster Ramsgate	35			10	10	15
16/0718	Cliff Cottage Coastguard Cottages Pegwell Road Ramsgate	1				1	
16/0733	White Stag 70 Monkton Street Monkton	4		2	2		
16/0746	5 Ramsgate Road Broadstairs	1		1			
16/0758	Land Adjoining 3 Northumberland Avenue Margate	3	1	2			
16/0759	Land Rear Of Orchard House 17 Church Street Broadstairs	5		2	3		
16/0800 PN06	Hoo Farm 147 Monkton Road Minster	2		2			
16/0835	5 Chatham Street Ramsgate	1	1				

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16/0837	9 Augusta Road Ramsgate	0	0				
16/0842	Land Rear Of 10 Freemans Road Ramsgate	1		1			
16/0856	Haine Lodge Spratling Lane Ramsgate	1		1			
16/0890	The Last House Westcliff Gardens Margate	-1		-1			
16/0934	43 Star Lane Margate Kent	12		6	6		
16/0948	Albion Cafe 10 Kent Place Ramsgate	1	1				
16/0952	131- 137 King Street Ramsgate	18			18		
16/0967	Land Adjacent 15 Southall Close Minster	12		6	6		
16/0974	98 King Street Ramsgate	10			10		
16/0993	Land Rear Of 6 To 8 Parkwood Close Broadstairs	3		3			
16/1020	1 Dellside Wayborough Hill Minster Kent	1	1				
16/1037	51 Carlton Avenue Broadstairs	1		1			
16/1047	Land At Junction Of Sowell Street Broadstairs	2		2			
16/1067	22-23 Marine Terrace Margate	4			4		
16/1091	1 Booth Place Margate	1		1			
16/1101	Land Adjacent To 191 Ramsgate Road Broadstairs	1	1				
16/1102	Land Rear Of 13 And 15 Albion Street Broadstairs	1		1			
16/1105	Land Rear Of 24 Devon Gardens Birchington	1		1			
16/1109	Land On The East Side Of Leicester Avenue Margate	5		5			

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Application Number	Postal Address	Total extant units (ie NSor UC)	Phasing 2018/19	Phasing 2019/20	Phasing 2020/21	Phasing 2021/22	Phasing 2022/23
16/1151	7 Paragon Ramsgate	2		2			
16/1157	23a Canterbury Road Margate	1		1			
16/1160	Disused Railway Line College Road Margate	10		5	5		
16/1203	48 Foads Hill Ramsgate	1	1				
16/1209	31 Grosvenor Place Margate	1			1		
16/1232	Mizuri Norman Road Broadstairs	1		1			
16/1239	Land Adjacent 61 Northdown Road	1	1				
16/1240	Land Adjacent 12 To 14 Fort Road Margate	0					
16/1241	41 Crescent Road Ramsgate	1		1			
16/1289	5-6 Mansion Street, And 5-7 Fort Road, Margate, Kent	11			5	6	
16/1290	Thornton Bobby Ltd 240 - 242 Northdown Road Margate Kent	10			7	3	
16/1295	102 Park Avenue Broadstairs	0		0			
16/1299	10 Sparrow Castle, Margate	1		1			
16/1322	15 - 16 The Broadway Broadstairs	1		1			
16/1354	40 Canterbury Road West Ramsgate	1		1			
16/1361	7 Arthur Road Margate	1		1			
16/1387	2-6 Station Approach	2		2			
16/1403	59 Camden Road Broadstairs	1		1			
16/1407	Post Office 22-23 Cecil Square Margate	1	1				

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16/1418	Yard Rear Of 8 Arnold Road Margate	3			3		
16/1471	17 Parsonage Fields Monkton	1		1			
16/1473	Land South Of Briary Close, Margate, Kent	24			5	10	9
16/1517	Barn Owls Preston Road Ramsgate	1		1			
16/1551	28 Ethelbert Crescent Margate Kent	2			2		
16/1579	Disused Railway Line Between Nash Court Gardens And Nash Road Margate	7			7		
16/1628	Land Adjacent 84 Tivoli Road Margate	1		1			
16/1629	93 Victoria Road Margate	1		1			
16/1636	The Paddock Hengist Road Birchington	5	5				
16/1638	18 Artillery Road Ramsgate	-1		-1			
16/1641	Land Adjacent 34 Brooke Avenue Margate Kent	1		1			
16/1648	11 Northdown Road Broadstairs	1	1				
16/1650	Land Adjacent To 11 Northdown Road Broadstairs	1	1				
16/1681 PN05	Building Adjacent To Sheriffs Court Farm Sheriffs Court Lane Minster	1	1				
16/1705	Garages Adjacent Pikes Lane, Susses Street Ramsgate	8			8		
16/1715	Land South Of Manston Road Adjacent To The Beacon (Former Car Storage Site) Manston Road Ramsgate	48				10	20
16/1716	Garage Block Between 108 And 110 Clements Road Ramsgate	2		2			
16/1756	Rear Of 44 Canterbury Road Margate Kent	3	3				

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Application Number	Postal Address	Total extant units (ie NSor UC)	Phasing 2018/19	Phasing 2019/20	Phasing 2020/21	Phasing 2021/22	Phasing 2022/23
16/1766	Land Adjacent To Mallisden Haine Road Ramsgate Kent	5	5				
17/0004	72 High Street Margate	1		1			
17/0029	Land Adjacent Apple Garth, Green Road Birchington	1	1				
17/0127	Bown Of London 1 Archway Road Ramsgate	3	3				
17/0149	3 North Avenue Ramsgate Kent	-5		-5			
17/0195	Land Adjacent 12 To 14 Fort Road Margate	3		3			
17/0209	51 Central Road Ramsgate Kent	4	4				
17/0212	5 Beach Houses Royal Crescent Margate Kent	3		3			
17/0223	4 St James Avenue Ramsgate Kent	0		0			
17/0253	42 Crescent Road Birchington Kent	1	1				
17/0257	Land Adjacent Wild Thyme Bramwell Court Minster	1		1			
17/0270	32 Ramsgate Road Margate Kent	-1	-1				
17/0286	49 - 50 Hawley Square Margate	9				9	
17/0295	Plots 5, 6 And 7 Youngs Nursery Arundel Road Ramsgate	3		1	2		
17/0303	9 Augusta Road Ramsgate Kent	1	1				
17/0305	Land Rear Of Ashbre Manor Road St Nicholas At Wade Birchington	2		1	1		
17/0307	10 Chandos Road Broadstairs Kent	2		2			
17/0314	Land East Side Of Summer Road St Nicholas At Wade	6			6		
17/0321	Court Stairs Country Club Pegwell Road Ramsgate	14		7	7		

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17/0364	Margate Royal British Legion Club Legion House 18 St Johns Road Margate	4			4		
17/0400	46 St Mildreds Road Westgate On Sea Kent	2		2			
17/0403	46 Hereson Road Ramsgate Kent	-1		-1			
17/0415	Winchmore Guest House 8 Grosvenor Place Margate Kent	4		4			
17/0447	The Yard St Annes Gardens Margate Kent	3			3		
17/0454	32 Sea View Road Broadstairs Kent	0		0			
17/0497	3 Northumberland Avenue Margate	3		3			
17/0507	Cadet Centre Willsons Road Ramsgate	5	5				
17/0544	Land Rear Of 10 To 16 St Mildreds Avenue Ramsgate Kent	1	1				
17/0572	Green Lawns 16 Sowell Street Broadstairs	3		3			
17/0617PN03	6 Shakespeare Passage Margate	1		1			
17/0621	5 Clifton Gardens Margate Kent	1		1			
17/0650	Malvern Hotel And The Blues Grill 29 Eastern Esplanade Margate Kent	1		1			
17/0715	16/16a Cuthbert Road Westgate On Sea Kent	1	1				
17/0726	Land North Of Haine Road Broadstairs And West Of Nash Road Margate Phase 3C	97			20	30	30
17/0768	Land Adjacent 49 Manston Road Ramsgate Kent	1		1			
17/0788	3-4 Chatham Place Ramsgate Kent	8		8			
17/0792	3 Carlton Avenue Broadstairs Kent	7		7			
17/0829	Haine Lodge Spratling Lane Ramsgate	1		1			

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17/0834	Former Nurses Home Royal Sea Bathing Hospital 38 Canterbury Road Margate	1	1				
17/0842	64 Edgar Road Margate	15		15			
17/0852	Land Rear Of 15 Victoria Avenue Westgate On Sea Kent	1	1				
17/0892	85 Dane Road Margate Kent	2			2		
17/0903	124 High Street Ramsgate Kent	1		1			
17/0916	Garages Between 22 And 26 Nash Court Gardens Margate	1		1			
17/0931	Post Office 48 High Street Ramsgate	2			2		
17/0941	18 Western Esplanade Broadstairs	5		5			
17/0973	3 Augusta Road Ramsgate Kent	-1	-1				
17/0991	160a Northdown Road Margate Kent	1				1	
17/1005	Land Adjacent 4 Victoria Road Margate	1		1			
17/1008	12 Weigall Place Ramsgate	4		4			
17/1020	7 First Avenue And 2 Eastern Esplanade Margate	5			5		
17/1026	Public Conveniences Westbrook Promenade Margate Kent	1		1			
17/1047	The Forge Bedlam Court Lane Minster Ramsgate	1		1			
17/1054	Land Adjacent 7 Southwood Gardens Ramsgate Kent	1		1			
17/1064	16 Harold Road Birchington Kent	1	1				
17/1065	Land Rear Of 154 Grange Road Ramsgate Kent	1		1			
17/1079	83 Sea Road Westgate On Sea Kent	1		1			

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17/1081	62 Princess Margaret Avenue Ramsgate Kent	2		2			
17/1090	27 Elm Grove Westgate On Sea Kent	1		1			
17/1100	7 Arklow Square Ramsgate	-1	-1				
17/1112	17 Upper Dumpton Park Road Ramsgate Kent	3			3		
17/1115	Barclays Bank 107 Station Road Birchington	1	1				
17/1124	44 Royal Esplanade MARGATE Kent M	0	0				
17/1125	7 - 9 Addington Road Margate Kent	12		6	6		
17/1127	14 The Parade Margate	2			2		
17/1138	Land Rear Of Walters Hall Oast Monkton Street Monkton Ramsgate	1		1			
17/1159	Westcliff House 37A Sea Roadwestgate On Sea	31		10	10	11	
17/1176PN03	53 Canterbury Roadmargate	2	2				
17/1205	7 Roman Road Ramsgate	1	1				
17/1216	Primark 46a - 48 High Street Margate Kent	11			5	6	
17/1219	59 - 61 High Street Margate	9		9			
17/1231	Fard Industries Limited 237 Ramsgate Road Margate	14			14		
17/1237	33 Beresford Gardens Margate	7	7				
17/1245	26 - 27 Marine Terrace Margate	7		7			
17/1257	61 Norfolk Road Margate Kent	1		1			
17/1271	Emmanuel Church Victoria Road Margate	1			1		



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17/1291	Former Builders Yard Rear Of 28/30 High Street Broadstairs Kent	2			2		
17/1313	1 Ethel Road Braodstairs	1		1			
17/1319	Land At 57 59 61 63 And 67 Eaton Road Margate Kent	6		3	3		
17/1324	10 Birds Avenue Margate	1		1			
17/1359	Homebasics 25 - 27 Queen Street Ramsgate	1		1			
17/1366	156 King Street Ramsgate	1		1			
17/1426	174 Canterbury Road Margate Kent	1	1				
17/1485	Land At New Haine Road Ramsgate	54			10	20	24
17/1515	2 - 4 Arthur Road Margate Kent	3		3			
17/1535	78 Canterbury Road Margate Kent	0		0			
17/1554	21 The Retreat Ramsgate	1		1			
17/1581	2a Addington Street Ramsgate Kent	-1	-1				
17/1610	7 Westbrook Road Margate	3		3			
17/1616	Safari House Haine Road Ramsgate Kent	7	7				
17/1652	157 Grange Road Ramsgate	1		1			
17/1664	Stone Cottage Haine Road Ramsgate	1		1			
17/1670	Land Adjacent 89 St Johns Avenue Ramsgate	1		1			
17/1691	White Lodge 44 - 46 Madeira Road Margate	9		4	4	1	
17/1699	146 Northdown Road Margate	1				1	

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Application Number	Postal Address	Total extant units (ie NSor UC)	Phasing 2018/19	Phasing 2019/20	Phasing 2020/21	Phasing 2021/22	Phasing 2022/23
17/1703	Lagny Plumstone Road Ac Birchington	1			1		
17/1704	7 Wellington Crescent Ramsgate Kent Ct11 8jl	2	2				
17/1708PN03	Grummant Heating And Plumbing Services Limited 109 Grange Road Ramsgate	1	1				
17/1729	The Knot 20 Beach Road Westgate on Sea	10	10				
17/1736	43 Fitzroy Avenue Birchington	1		1			
17/1755	6 No Foreland Road Broadstairs Kent	8		2	3	3	
17/1772	145 Canterbury Road Margate	1		1			
17/1779	3 Royal Esplanade Margate Kent	1		1			
17/1782	63 - 65 King Street Ramsgate	1		1			
17/1790	Basement And Ground Floor Flat 10 Adrian Square Westgate On Sea Kent	1		1			
18/0027	38 Sweyn Road Margate Kent	-3		-3			
18/0057	Euro Parts 188 Northdown Road Margate	2		2			
18/0074	1-3 Alma Rd Ramsgate	1		1			
18/0098	Cedarholme Eppe Bay Avenue Birchington Kent	0		0			
18/0150	38 Rockstone Way Ramsgate	1		1			
18/0158	29 King Street Ramsgate	2			2		