

Cornwall Monitoring Report

Cornwall 5 Year Supply Housing Statement

December 2015

2015 Housing Land Supply

1 Introduction

1.1 This report establishes the position as at 1st April 2015 in relation to whether or not there is a five year supply of land for housing in Cornwall. In the absence of an adopted local Plan the supply has been assessed against the councils latest assessment of its full objectively assessed housing need based upon the latest DCLG household projections adjusted to take account of comments made by the Local Plan Inspector in his preliminary findings.

1.2 Cornwall Council has asked the Planning Advisory Service (PAS) to undertake a peer review of its approach and this report has been amended to take into account some of the issues raised. This has included assessing historic delivery in terms of the cumulative performance against relevant targets over the last 15 years, further consideration of the need for additional discounting for large sites, the application of lead in times for outline permissions and consultation on the application of average lead in times and delivery rates with the development industry.

2 Establishing the Five year Requirement

2.1 The Cornwall Local Plan was submitted to the Secretary of State on the 6th February 2015 and the first Public Hearing Sessions ran between 18th and 22nd May 2015

2.2 The Local Plan target before the Inspector at Examination is 47500 homes at 2375 per annum. There are, however, outstanding representations before the examination that propose that the figure should be both higher and lower.

2.3 Cornwall Councils Strategic Housing Market Needs Assessment – July 2013 (SHMNA) identifies that the full objectively assessed housing need is within the range of between 45 900 based on a demographic assessment and 69900 based upon the higher of the two employment led population and household projections. Representations on the local plan put forward a range of figures up to about 100,000 (5000 per annum). The latest DCLG 2012 based Household Projections estimate growth of 44,000 between 2010 and 2030.

2.4 The Local Plan Examination Inspector has issued his preliminary findings following the hearings in May 2015. He has asked the council to make a number of changes to the assumptions around migration and headship rates, upon which the demographic projections are based which, in his words, will result in a small increase in the demographic starting point shown in the SHMNA (45900). He also states that the council should consider whether or not there is a need for any further uplift to enable the provision of further affordable housing. He does not consider there is a need for any uplift to respond to market signals and recommends that the council should apply a 7% uplift to respond to the impact of second homes.

2.5 The Local Plan Examination was suspended whilst the further work requested by the Inspector is undertaken and consulted upon. It is expected that the hearings will reopen in May 2016

2.6 In light of the Inspectors preliminary findings Cornwall Council has undertaken further work to identify a full objectively assessed housing need (FOAN). Using the latest DCLG household projections as a starting point an assessment has been made as to whether an uplift is required to take account of market signals, the impact of second/holiday homes and the effect of economic growth. A further assessment was then undertaken to establish the need for an uplift to take into account any shortfall in affordable housing. The conclusion of this work is that there is a need for 52,500 homes over the period 2010 to 2030. The detailed assessment of the FOAN has been published on the council's website.

2.7 In the interim, until the Local Plan housing requirement is adopted, the council will seek to ensure there is a five year supply of housing against the latest FOAN of 52500 or 2625 per annum. The Inspectors preliminary findings on this matter, do give some greater confidence that this is reasonable.

Completions and the Historic Record of Delivery

2.8 There were 2,702 completions during the year 2014/15. Since the start of the plan period there have been 11,455 completions at an average of 2,295 per year. This represents an under provision of just under 13% when compared to the proposed interim housing requirement of 2625per year or 13125 over 5 years. This produces a shortfall of 1670 in the first 5 years of the plan period. Table 1 below sets out the annual completions achieved since the beginning of the plan period (2010).

Year	2010 Start of plan period	2010/11	2011/12	2012-13	2013-14	2014-15
Completions		2060	2375	2278	2040	2702
Number of homes with planning permission	12943	13518	15097	15520	18978	20380

2.9 Looking at longer term trends, to take better account of the peaks and troughs of the housing market cycle, as advocated by the Planning Practice Guidance, over the last 15 years annual building rates have averaged 2,445 and

over the last 10 years they have averaged 2,468 a year (see Table 3 below). These rates were considerably in excess of the development plan requirement of the time (The Cornwall Structure Plan required 1970 homes per year between 2001 and 2016).

2.10 . The RSS was never adopted and its housing provision was based on what we now know to have been overly optimistic household projections. When announcing its intention to abolish Regional Strategies in 2010, the government advised that local authorities could use the 'Option 1 figures, put forward by County Councils in response to the draft RSS figures, as a basis for assessing requirements. The 'Option 1' figure for Cornwall was 2640 per annum.

2.11 The Secretary of State in his decision on a planning appeal in October 2011 at Treverbyn Road, St Austell (Ref: APPP/D0840/A/10/2130022) where housing requirements and the adequacy of supply was considered at length, concluded (paragraph 17 of the Secretary of State covering letter) that a stronger case could be made for a figure (the then middle option of the Core Strategy (2400 pa)) that is broadly congruent with the Option 1 figure which the Government had indicated might be an appropriate yardstick.

2.12 In order to assess whether or not there has been a persistent record of under delivery, the PPG advocates that a longer term view is taken in order to take account of the peaks and troughs in the housing market cycle. In order to do this, past rates have been assessed on a cumulative basis against firstly the Structure Plan provision (1970 pa) between 2001 and 2006, then against the Cornwall County Council 'Option 1' provision (2640 pa) between 2006 and 2010 and finally against the interim local plan provision since the beginning of the plan period. This is set out in table 2 below.

2.13 This is a theoretical assessment as the draft RSS option 1 figure was never adopted and only influenced planning decisions for a couple of years, however from paragraph 2.11 above, it is clear that in Cornwall's case the Secretary of State considered a figure that was broadly congruent with the option 1 figure to be an appropriate yardstick at the time. Also the interim Local Plan requirement is indicative and may change before the local plan is adopted. It does show that for the whole of this period the requirement was exceeded and it was not until 2009/10 that the surplus started to reduce which coincided with the fall in building rates as the UK entered recession. Furthermore, were the option 1 figure to be replaced by the lower 2400 per annum preferred by the Secretary of State in his decision in 2011 referred to in paragraph 2.11 above, then the performance in terms of delivery improves.

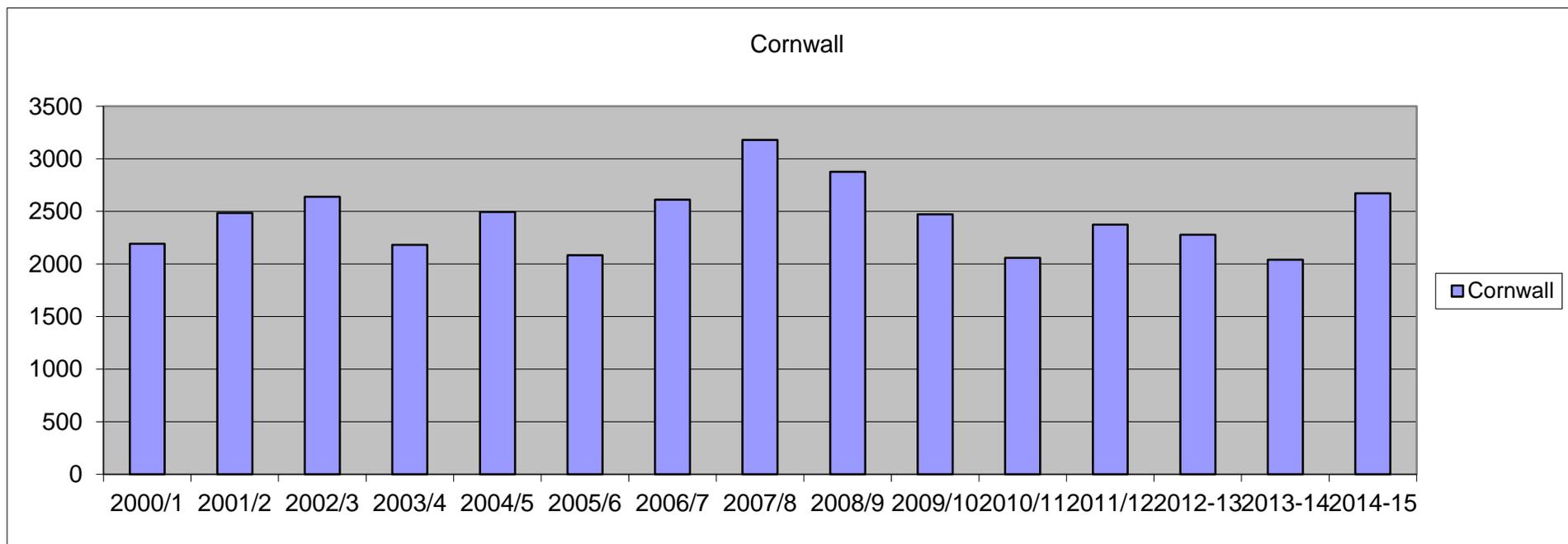
Table 2: Cumulative completions when compared to the cumulative requirements.

Year	Actual Completions	Cornwall Structure Plan (1970pa)	Draft RSS Cornwall 'Option 1' provision (2640 pa)	Interim Local Plan Requirement (2625pa)	Surplus (+) or Shortfall (-)
2001/2	2485	1970			515
2002/3	5124	3940			1184
2003/4	7307	5910			1397
2004/5	9802	7880			1922
2005/6	11886	9850			2036
2006/7	14498		12490		2008
2007/8	17677		15130		2547
2008/9	20554		17770		2784
2009/10	23027		20410		2617
2010/11	25087			23035	2052
2011/12	27462			25660	1802
2012/13	29740			28285	1455
2013/14	31780			30910	870
2014/15	34482			33535	947

2.14 This would suggest that over the longer term building rates have exceeded planned requirements producing a surplus and there has therefore not been any under delivery let alone a persistent record of one. It is therefore appropriate that a 5% buffer is added to the housing requirement for the purposes of assessing the 5 year supply.

2.15 It must be recognised, however, that, in the last 5 years (the first five years of the plan period) completions have averaged just under 2300 per year which is below the 2625 per year interim requirement. However, completions have exceeded the average interim requirement in the last year indicating a return to pre-recession levels of housing growth. This perhaps lends support to the view that looking at the economic cycle as a whole, including the pre-recession peak, the 2010-13 trough and the recent return to growth there has not been a persistent record of under delivery. The recent rate of completions must also be taken within the context of the recent recession with the associated fall in building rates and the fact that the housing requirement is seeking a step change in housing supply as required by the NPPF. Table 1 above also shows that during this period the supply of housing permissions has increased significantly which would suggest that it has been the market rather than a lack of supply that has resulted in relatively low building rates.

	2000/1	2001/2	2002/3	2003/4	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10	2010-11	2011-12	2012-13	2013-14	2014-15
Cornwall Total	2193	2485	2639	2183	2495	2084	2612	3179	2877	2473	2060	2375	2278	2040	2702



2.16 . Table 4, below sets out the five year housing requirement with both a 5% and 20% buffer. For the reasons stated above, a 5% buffer is considered appropriate when assessing the adequacy of supply resulting in a five year requirement against a 52,500 target of 14767

Table 4: 5 Year Housing Requirement	
Plan Requirement	52,500 (2,625 pa)
Five Year requirement (2,625 x 5)	13,125
Plus shortfall (13,125 – 11,455)*	1670
Five year requirement plus 5% buffer	15,535
Five year requirement plus 20% buffer	17,754
Five Year requirement	15,535

* The shortfall is the difference between the minimum expected completions since the beginning of the plan period less actual completions. Any shortfall is added to the five year requirement on the basis that it should be made up within 5 years rather than the remainder of the plan period. The buffer (5% and 20%) is then applied to this revised requirement.

3 Calculating the Supply

3.1 To be considered as contributing to the 5 year supply a site must be deliverable and meet the tests of Paragraph 47 and footnote 11 of the NPPF.

3.2 Planning Practice Guidance states that sites with planning permission and local plan allocations can be considered deliverable. It also says that where there are no constraints other sites without planning permission or that are not local plan allocations may be considered as deliverable. In all cases robust evidence must be produced to demonstrate deliverability. There are currently no adopted local Plan allocations, however a number are being considered through the Site Allocations element of the Local Plan.

3.3 The following outlines the methodology for demonstrating the deliverability of firstly sites with planning permission and then other sites that are considered wholly or in part deliverable within the next 5 years. A detailed

trajectory is included in Appendix 1 which sets out the available supply from each source on a site by site basis.

Planning Permissions

3.4 As at 1st April 2015 there was planning permission for 20,074 homes. As shown in Table 1 above and Table 6 below, this supply has increased once again from last year and is a significant increase in the available supply when compared to the start of the plan period.

3.5 For the purposes of assessing deliverability, sites with permission have been broken down into sites below 10 units (small sites) and larger sites of 10 units or more.

Small sites 1-9 units.

3.6 Previous work across Cornwall based on sites granted permission in 2005 established that 82% of such sites were developed within 5 years, This resulted in an 18% discount rate for non-delivery within 5 years being applied to current permissions. This was based upon information from four of the six former districts on permissions granted in one year that were developed within 5 years.

3.7 As we are now 5 years into the plan period it is possible to use more robust data to check whether this is still the case. As at April 2010 there was planning permission for 4649 homes on small sites. In fact 4232 homes were built on small sites in the following five years (table 5 below), which is equivalent to 90% of all commitments and represents 846 per year. This shows that so far the 18% discount for small sites is overly cautious and that one of 10% may be more appropriate. This can be continually monitored and amended each year if trends change. As at 1st April 2015 there was planning permission for 4388 homes on sites below 10 units. A 10% discount for non-delivery within 5 years has been applied to these permissions to give an estimated yield from this source of 3953 dwellings over 5 years (Table 6 below).

2010/11	2011/12	2012/13	2013/14	2014/15	Total
748	924	875	859	826	4232

Large Sites 10+ units

3.8 Previous housing land assessments included information obtained from developers to establish when they expected sites to commence development and at what annual rate they expected to deliver them. Where developers were not able to be contacted then informed views of officers were sought. Due to the considerable number of sites in Cornwall and the fact that the number of sites is increasing, this approach delayed the publication of the annual housing land

supply statement. In addition, it has been suggested at planning appeals that the views of developers may be overly optimistic in many cases. As a result Cornwall Council have undertaken some analysis of average lead in times (from when planning permission is granted to when the first dwelling is completed) and average delivery times based on an analysis of sites granted permission on or after April 2010 together with those sites that were under construction in 2010. The detailed methodology is included in Appendix 2. The results show that for sites of 10 – 50 dwellings the average lead in time from permission being granted to delivery of the first dwelling is 2.5 years and the average delivery rate from then on is 39 dwellings per year. For sites of between 50 and 99 dwellings the lead in time is 2 years and average delivery is 30 dwellings per year. For larger sites of 100 or more dwellings, the average lead in time is 1.5 years with 35 dwellings completed per year thereafter. The survey was based upon activity during a period of recession and build rates in particular are likely to be on the conservative side. This will be continually reviewed and the assumptions revised as appropriate.

3.9 This methodology was consulted upon for 6 weeks between the 27th July and the 7th September 2015 with members of the SHLAA panel and members of the Cornwall Developers Forum. This consisted of over 80 members of the housebuilding industry and their agents. There was a limited response and these are included as Appendix 3 together with the councils response in Appendix 4

3.10 The sample of sites only analysed sites with full planning permission. Additional work has therefore been undertaken to establish the average time between the granting of outline permission and the approval of reserved matters. This showed that the average time between granting an outline permission and the approval of reserved matters ranges from 20 months for sites 10-49; 21 months for 50-99; and 24 months for 100+. These additional lead in times have been added to the lead in times for full permissions to give the following lead in time from outline permission to completion of 4.2 years for sites of 10-49; 3.75 years for sites 50-99 and 3.5 years for sites of 100 or more.

3.11 It should be noted that this approach in some cases has resulted in the detailed trajectory, showing that some outline permissions granted some time ago as delivering homes in the next year. In these cases the delivery has been pushed a further year to the maximum of 3 years to approval of reserved matters as is usually included in conditions. It is also important to note that these assumptions are average rates and therefore whilst in some individual cases site delivery might appear optimistic this will be countered by others being overly pessimistic. Should attempts be made to challenge the delivery on some individual sites as being overly optimistic then this would produce an unbalanced view of delivery on a county wide basis as it would have to be countered by adjusting sites that under estimate delivery and lead in times.

3.12 There are a number of large sites over 500 dwellings where it is likely that there will be more than one developer developing the site at one time either on one site with permission or as often happens sites are split into separate planning units and developed separately by different developers. In the case of sites with permission there are four sites over 500 units. The delivery rates have been increased to 70 per year in these cases to reflect the likely increased delivery from these sites. This is possible without affecting the average delivery assumptions as there were no examples of delivery from such large sites used in the sample that produced the average rates.

3.13 A further assessment has been undertaken to identify whether there are any sites with permission that for various reasons there is clear evidence that they will not be delivered within 5 years. A number of sites with a valid permission have been excluded on this basis. This amounts to a reduction of 306 dwellings.

3.14 The following table sets out the number of dwellings expected to be delivered within 5 years when applying the average lead in times and delivery rates and through a further deduction of those 'stalled' sites that whilst they have a valid permission are considered unlikely to deliver any dwellings within 5 years.

Table 6 - Expected delivery within 5 years from sites with planning permission		
Source	Total number of homes with permission	Number expected to be delivered within 5 years
Small sites (1-9) with permission	4388	3,953
Large Sites (10+) with permission	15,992	10,842
	20,380	14,795

3.15 This process has resulted in the total yield from planning permissions on sites of 10 or more being effectively reduced by over a third to allow for non-delivery within 5 years by applying average lead in times, delivery rates and the exclusion of some sites that are currently considered undeliverable.

3.16 There is no evidence available as to the proportion of sites with planning permission historically that never get developed, however, it is not considered that any further discount is necessary as the aim is to ensure that sufficient land is available that is capable of being developed within 5 years and as such the figures have already been discounted for non-delivery within 5 years to allow for this.

3.17 What is clear from table 1 above is that numerically (before any discount for non-delivery within 5 years) there was planning permission for 12943 homes in 2010, whereas in fact 11455 homes were built in the following 5 years. Therefore numerically 90% of the supply in 2010 actually translated into completions five years later. On this basis the reduction of the current supply of planning permissions from 20380 to 14795 represents a significant reduction for non-delivery within 5 years.

3.18 The application of any further discount for non-implementation is not considered appropriate as the supply from planning permissions has effectively already been discounted by over 25% for non-delivery within 5 years.

Other Sources

3.19 The Planning Practice Guidance clearly states that sites other than Local Plan Allocations or sites with planning permission may be included in the 5 year supply where there are no significant constraints to overcome. The following sources have therefore been assessed in terms of whether there are deliverable sites that can be included within the 5 year supply.

i) Large Sites granted planning permission in principle subject to the signing of a section 106 agreement

3.20 The following schedule identifies those sites granted planning permission that are awaiting the signing of a S106 agreement. In these cases the average lead in times have been increased by between 3 to 12 months based on an estimate in each case of when the S106 is likely to be signed following discussions with officers. Then the same average lead in times and build rates have been applied as for outline and full permissions for this size of site in accordance with the methodology in appendix 2.

Site	Total capacity	Dwellings assessed as deliverable within 5 years	Comment
Broadmoor Farm, Saltash PA14/02447	1060	46	Outline permission granted subject to S106 by Strategic Planning Committee 20/11/2014. Delivery based on more than one developer delivering 70 per year with a 4 year lead in time.
Maiden Green Farm,	515	93	Full planning

Truro PA14/00703			permission approved subject to S106 by Strategic Planning Committee 5/3/2015. Delivery based on average rate of 35 per year with a two year lead in time
Willow Green Farm, Truro PA13/10454	434	26	Outline permission granted subject to S106 by Strategic Planning Committee 5/3/2015. Delivery based on average rate of 35 per year with a four year lead in time
Jolly Park, Pelynt PA12/10700	130	26	Outline permission granted subject to a S106 Delivery based on 35 per year with a four year lead in time.
West of Kilburn, Fraddon PA14/00882	20	20	Outline permission granted subject to a S106 in June 2015. S106 signed in October 2015 Delivery based on 20 in year 5 with a 4 year lead in time
Pollards Field Greenbottom, Truro PA14/03065	78	10	Outline permission granted subject to S106 by Strategic Planning Committee 15/1/2015. Delivery based on average rate of 35 per year with just over a four year lead in time.
St Lawrences Hospital, Bodmin	175	23	Outline permission granted subject to S106 by Strategic Planning Committee 12/2/2015. Delivery based on average rate of 35 per year with just under a four year lead in time
Total	2412	244	

ii) Sites identified in the SHLAA granted permission since April 2015

3.21 There are a number of SHLAA sites which have been included where planning permission has been granted after April 2015. The inclusion of these sites are justified on the basis that although new permissions granted since April have not been included as a general rule as the housing land supply position must be based on an annual assessment, these sites can be included in their own right as SHLAA sites without permission prior to April and their inclusion is then borne out by the subsequent grant of permission. The average lead in times and delivery rates has been applied to the date when permission was granted.

Table 8: SHLAA sites granted planning permission since April 2015		
Site (SHLAA ref in brackets)	Total Capacity	Dwellings assessed as deliverable within 5 years
Trethosa Road St Stephen (S369) PA15/01403	36	16
Churchtown Farm Saltash (S679b) PA14/11376	25	25
Fore Street Breage (S755) PA14/00597	20	20
Trewannack Helston(U0015) PA14/07450	340	38
Withnoe, Launceston (S725) PA14/08752	129	113
Hillside east Taphouse (S715) PA15\01393	26	26
Holmbush Road St Austell (S454) PA13/09195	190	43
Mount Crescent, Par (S727) PA14/01614	43	43
Tregony Road Probus (S726) PA13/09823	90	82
Fore Street, Goldsithney (S935)PA14/07964	18	18
Total	978	424

iii) Cornwall Land Initiative Sites

3.22 The Cornwall Land Initiative sites are 11 sites predicted to bring forward a total of 296 units, all of which are likely to be developed within five years. Three of the sites have been granted planning permission since April 2015. Details of these sites can be found within the Council's Housing Trajectories. These sites are being actively promoted by the Council, are available now and are suitable for development, furthermore they have a variety of developer commitment in the form of signed contract with a clause aiming for development of the sites

within five years, and as a result we are confident that these sites are viable and will come forward and as a result are included within the five year supply calculation.

iv) Sites proposed in the emerging Site Allocations DPD

3.23 A site allocations DPD is currently being prepared that allocates sites to meet the housing requirement in some of the main towns in Cornwall. A considerable amount of work has been undertaken in assessing options for sites and preferred sites have been identified. The intention is that this element of the Local Plan will be published and Submitted in the spring of 2016. It cannot currently be given much weight and as such the yields from most of the allocations have not been included in the five year supply. However some sites are progressing in advance of this element of the local plan and these have been listed in the following table together with the justification as to why they are likely to deliver some housing within 5 years.

Table 9 Local Plan Allocations that are progressing in advance of the Local Plan			
Site	Total Capacity	Yield in 5 years	Justification
Priory Road Urban Extension, Bodmin	750	70	Site has now been granted planning permission subject to the signing of a S106 since April. Delivery based upon 70 per year with 4 year lead in time
Halgavor urban Extension, Bodmin	705	70	Cornwall Council owns part of the site and has recently acquired some additional land within the site. The site has been identified as a priority for the Council's emerging housing programme and will be seeking to bring forward an application. Anticipate 35 in year 5. Furthermore, the majority of the remaining land is within a single ownership and they have appointed planning consultants, who have engaged within the Council to bring forward a masterplan for the site. Their intention is to bring forward an application for the first phase of their site within the next 18 months (35 dwellings in year 5)
Hillhead, Falmouth	220	35	The site is within single

			ownership, who is a known land agent / developer. The site has already been masterplanned and pre-application discussions have been held between the land owner and the Town Council / Cornwall Council members. Furthermore, the owner has held a public consultation exercise on his proposals for the site. It is expected that the landowner will submit a planning application in 2016. (35dph from year 5)
Falmouth North	260	35	The Site is within single ownership and has already been subject to a significant amount of masterplanning by the landowners' consultants. The owners have also entered into pre-application discussions with Cornwall Council, which has resulted in favourable feedback. The intention of the land owner is to submit a planning application in 2016. (35dph from year 5)
Kergilliack, Falmouth	216	35	The allocation forms part of a larger development area, which has already been permitted. The remaining land is partly owned by Cornwall Council (the frontage of the site). The Council are working with a developer, who is currently coming forward with a scheme. Due to cash flowing of related projects by Falmouth School (the current occupier of the land), there is an urgency to progress the outline permission for the site. Pre-application discussions are about to commence (Oct-15), with an outline application submitted in early 2016. (35dph from year 5)
Trevassack, Hayle	519	70	An application for part of the proposed urban extension has already been submitted (PA15/03787), for 148 dwellings. At the time of writing it was about to be determined, but it already

			had Town Council support and no major objections from other statutory consultees. A decision is expected before the end of 2015. (35dph from year 4)
Bosnoweth urban extension	219	70	Since identification of the site as part of the urban extension process, the land owner has secured outline planning permission for 219 dwellings (PA15/01314). Plus the land owner / applicant's agent verbally indicated that they were undertaking further noise impact assessments work which they anticipated would support the delivery of more dwellings within the site, but this has yet to be reviewed by Cornwall Council (35dph from year 4)
Withnoe Urban Extension, Launceston	280	35	The land owner has instructed consultants to bring forward a scheme on their land and a national housebuilder is also on board to take forward a scheme. Members are supportive of the site area coming forward. (35 in year 5)
Trewhiddle, St Austell	460	70	The Trewhiddle urban extension has recently been subject to a planning application for a mixed use scheme, which incorporates 460 dwellings. The application has been to committee and it was decided that authority be delegated to the Head of Planning to approve the application and that it be referred to the National Planning Casework Unit (NPCU) for approval as it exceeded the threshold that required referral for retail development. Subject to a positive outcome, Cornwall Council will be working with the applicant regarding the reserve matters application in early 2016 (35 dph from year 4)
Total	3629	490	

4 Conclusions

4.1 The following table brings together the different sources of supply that are considered deliverable within 5 years. The housing supply of 16,249 identified in table 9 below represents a 5.25 years supply when assessed against the interim housing requirement of 15,535, set out in Table 4 above after applying a 5% uplift for non-delivery.

Table 10: Housing Supply		
Source	Total Capacity	Capacity deliverable within 5 years
Small sites with planning permission	4388	3953
Large sites with planning permission	15992	10842
Sites awaiting the signing of a S106 agreement	2412	244
SHLAA sites granted permission since April	978	424
Cornwall land Initiative Sites	296	296
Local Plan Site Allocations	3629	490
Total available supply	27695	16249

4.2 The NPPF requires local planning authorities to identify a five year supply of deliverable housing sites against its housing requirements. Currently, Cornwall Council can demonstrate a 5.25 years supply. However, it is considered that further work is required to increase the supply of sites that are deliverable within 5 years and so the following actions are proposed in an attempt to improve the position:

- 1) Undertake a detailed analysis of shlaa sites upon which pre application discussions have been undertaken or where an application has been submitted to see whether there is robust evidence to suggest that any sites are likely to contribute to supply within 5 years.
- 2) Under take a call for brownfield sites, including seeking detailed information on deliverability with a view to including them on a brownfield register. This call for sites has now been undertaken and the results are being considered by the SHLAA panel.

Appendix 2 - Cornwall Housing Trajectory Lead-in and Delivery Rates (2015)

Background

Historically, the Cornwall Housing Trajectory five year forecasts have been calculated through contacting developers of individual sites to obtain their forecast delivery rate. This approach has typically only achieved developer responses on approximately half the sites on the trajectory, requiring the other sites to have an alternative approach applied to provide five year forecast figures.

Due to the level of resource required to contact all the developers, often with little success, it was considered appropriate to investigate whether a more efficient and meaningful approach be developed to forecasting housing delivery.

Methodologies

Lead-in and Delivery Rates

Using data contained within the Cornwall Housing Trajectories between 2010 and 2014, research has now been undertaken to determine an average:

- Lead-in time - the time lapse between a development being granted planning permission and completion of the first dwelling; and,
- Delivery rate - the time taken from completion of the first dwelling to completion of the final dwelling.

Lead-in time and delivery rates have been calculated for sites of 10-49 dwellings, 50-99 dwellings, and sites consisting of over 100 dwellings, to take account of differing characteristics across the range of development sizes.

Sites chosen from the 2010 - 2014 Housing Trajectories, were done so on the basis of having full planning permission approved, the site being identified as being under construction (on any of the four years trajectories) and with a date on the system for the first completed dwelling. Originally, only sites with approval obtained on or after 1 April 2010 were included, but this did not provide a very large sample of larger developments achieving final completion.

It was therefore decided to include sites which were identified as under construction in the 2010 trajectory, even if they had planning granted prior to 1 April 2010. Sites were excluded if we had no notification of a first completion, and where our records showed an anomaly between the planning approval, first and final completion dates. The sample sizes this approach produced are shown in the table below.

The annual delivery rate is calculated based on a 253 day year, to exclude weekends and bank holidays when developments would typically not be expected to be progressing. The results are shown in the table below. The average annual delivery rate for sites of 50-99 dwellings came up as 43, however it was considered that this average was skewed by one site within the

sample having a significantly higher delivery rate than the rest of the sample. It was agreed this site should be excluded from the calculations, resulting in the average for sites of 50-99 dwellings being 30 per year.

Site size (dwellings)	No. of sites in sample	Average Lead-in time			Average annual delivery rate (dwellings)
		weeks	months	years	
10-49	78	132	30.4	2.54	39
50-99	26	111	25.6	2.13	30
100+	17	81	18.6	1.55	35

Lead-in from Outline to Reserved Matters/Full Approval

A number of sites included in the trajectory have outline planning permission, so, in addition to Lead-in time from full approval to start of delivery, it was considered appropriate to investigate an average time for outline permissions to gain reserved matters/full permission.

As with full application Lead-in time and delivery rate calculations, an average was calculated for sites of 10-49 dwellings, 50-99 dwellings, and sites consisting of 100+ dwellings.

Sites were taken from the 2015 Housing Trajectory which had an identified planning status of Reserved Matters. This produced a sample of 57 sites, two of which were excluded due to being unusual cases. (In one example an outline permission granted in the 1960's was kept alive by the implementation of a reserved matters application for construction of the access. Over 50 years later the reserved matters application was subsequently approved. The second example involved an outline permission granted in the 1990's that was continually renewed before reserved matters was granted over 10 years later.) The dates at which outline and reserved matters approvals were given for these sites were then identified and a lead-in time between the two permission dates calculated. This produced the following results:

Site size (dwellings)	No. of sites in sample	Average Lead-in time	
		months	days
10-49	27	20	608
50-99	7	21	638
100+	21	24	730

These lead in times are then added to those for Full permission above to give a total lead in time between granting outline consent and the first completion.

Lead-in from Reserved Matters/Full Approval to S106 Finalisation

Seven sites have planning applications approved in principle while the S106 arrangements are being finalised. This can be an additional delay to delivery starting. For each application the views of the case officer were sought as to

when they expected the S106 to be signed by. The lead in times and delivery rates were then applied from this date.

						Date by which the S106 is expected to be signed
Broadmoor Urban Extension	Saltash	Saltash	Cornwall Gateway	PA14/02447	1060	by 31/12/15
Maiden Green	Truro with Threemilestone	Kenwyn	Truro & Roseland	PA14/00703	515	by 31/12/15
Willow Green	Truro with Threemilestone	Kenwyn	Truro & Roseland	PA13/10454	434	by 30/11/15
Jolly Park, Jubille Hill	Rural	Pelynt	Liskeard & Looe	PA12/10700	130	by 30/11/15
Land West of Kilburn, Fraddon	Rural	St Enoder	CHINA CLAY	PA14/00882	20	Signed on 19/06/2015
Pollards Field, Green Bottom	Chacewater	Kenwyn	Truro & Roseland	PA14/03065	78	by 31/12/15
St Lawrences Urban Extension	Bodmin	Bodmin	Bodmin	PA14/09274	175	by 31/12/15

Ms Gemma Arthur
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Strategy, Economy, Enterprise & Environment
Cornwall Council
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7 September 2015

EP ref: 6412-L009

By post and e-mail to: gemma.arthur@cornwall.gov.uk

Stephen Harris
T: 01625 442 786
stephenharris@emeryplanning.com

Dear Ms Arthur

Re: Cornwall Housing Trajectory Lead-in and Delivery Rates

Emery Planning is instructed by Wainhomes South West Ltd to submit representations on the above on their behalf.

Background

Paragraph 3-023 of the PPG states: *"the advice of developers and local agents will be important in assessing lead-in times and build-out rates by year."*

We understand that historically, the Cornwall Housing Trajectory five year forecasts have been calculated through contacting developers of individual sites to obtain their forecast delivery rate. However, the Council found that this approach typically only achieved developer responses on half the sites on the trajectory. As a result, the Council is investigating an alternative approach based on average lead-in times and build rates. The Council has invited comments from the development industry in Cornwall by Monday 7th September 2015.

We agree that the Council should investigate the alternative approach using average lead-in times and build rates. In our view, simply relying on the comments of those promoting sites on face value, risks the possibility of inflated build rates as those promoting sites may be "talking up" delivery. Indeed, a number of recent appeal decisions have advised against such an approach. One such example is an appeal decision regarding land between Iron Acton Way and North Road,

Engine Common, Yate (South Gloucestershire, PINS ref: APP/P0119/A/12/2186546), where the Inspector states at paragraphs 24 and 25:

"In the very competitive house building industry, I would be unsurprised if house builders / developers sought to gain an advantage over a rival by either 'talking up' the delivery rates from an allocated / preferred site in order to retain the support of a Council and / or cast doubt on the predicted delivery rates of a competitor so as to make another site in the same area appear 'less deliverable'.

The Council appears unquestioning of some of the delivery rates provided by house builders / developers on sites that it has argued would deliver housing within the next five years. Its predictions make little, if any, allowance for the effects of competition from different sales outlets operating in close proximity to one another. Furthermore, the rates used by the Council in its assessment take no account of a reduction in completions on some sites following an initial 'spike' in sales caused by pent up demand".

Therefore the approach of applying average lead in times based on the actual lead in times and deliver rates over the last 4 years is supported. We do have a few more general points to raised which may assist.

Lead-in times and delivery rates

The list of the sites that were assessed has not been provided but as it is a factual exercise one when permissions were issued and there were first completions on site then we accept the figures. We also not that were there have been notable exceptions, which have skewed the results, then this has been accounted for and excluded from the results.

A possible refinement of the exercise would be to review the average annual delivery rates in the individual sub-markets within Cornwall as identified in the SHMA. This is because it may not be appropriate to apply a standard authority-wide delivery rate to all areas. Paragraph 3-033 of the PPG states that an assessment of the local delivery record should be taken into account. This may or may not alter the results materially but it may be an approach that could be monitored going forward.

Finally, care should be taken in calculating average delivery rates if certain circumstances have meant an unusually high level of completions on sites in any one year. For example, 2014/15 was the last year of the HCA funding and we have found that in other authority areas, this has led to a higher than usual amount of completions on individual sites for that year.

Application of Rates

Whilst we support the use of applying any average lead-in times and delivery rates, site specific circumstances should also be taken into account. It is important for a trajectory to be realistic and a judgement should be made for each site as to whether it is deliverable or not. If it is not deliverable, then the average rates should not be applied. If it is deliverable then the average rates should be applied, however if there are site specific issues then these should also be taken into account.

From our experience on undertaking similar assessments, factors which may impact on lead-in times and delivery rates are as follows:

- whether the site is on brownfield or greenfield land;
- any site specific constraints to overcome e.g. contamination, flood risk, topography;
- whether there are specific obligations, which need to be undertaken before development can take place;

- as above, a consideration of the local delivery record in the specific sub-market; and
- whether or not there are other housebuilders in the area with competing sites, which may affect delivery rates.

In terms of applying an average lead-in time to those sites with outline planning permission, specific circumstances should also be taken into account. This includes:

- whether or not the site is in control of a housebuilder;
- if it is not, whether the site is currently being marketed;
- if it is being marketed, how long has it been on the market (i.e. is there a realistic prospect that a housebuilder will control the site within a realistic timeframe); and
- if the site is not in control of a housebuilder or being marketed, whether or not the site is being prepared for sale (e.g. demolition of buildings, provision of access, etc).

In terms of applying a standard lead-in time to sites that are currently awaiting the signing of a S106, these sites do not have planning permission. Therefore, in accordance with paragraph 3-031 of the PPG, the Council will need to provide "robust, up to date evidence to support the deliverability of sites". In doing so, we recommend that the Council carefully considers how long the S106 is realistically expected to take taking into account the size of the site, the details to covered by the legal agreement and viability.

In light of the above we propose that when a draft trajectory has been prepared that it is circulated to the Developers Forum for comment.

This concludes our representations. However, should you require any further information, please do not hesitate to contact me.

Yours sincerely
Emery Planning

Stephen Harris BSc (Hons), MRTPI
Director

Cc - Client

Appendix 3b

Email from Jon Sawyer

Our scheme at Heartlands is a little different so doesn't provide the best test of these figures. Across the UK generally (as we're a national developer) we'd be expected sales (and therefore delivery) at around 4 sales per month going forwards, against an average over the last few years of just below 3. The latter figure supports the numbers you're using but obviously the predicted sales figure is higher than your figures. So by using data from a market slow down period you might be understating your figures. I don't think that in itself means they're wrong but I'd suggest you run a few scenarios on your pace of delivery figures equivalent to say 10% 20% and 30% increase in pace of delivery on your figures (and maybe ask other developers what they think the rate of increase would be). If you fill that gap I think you'd have a credible approach. By the way my instinct is the time to get through planning etc won't change as the market picks up
Good luck
Cheers

Dear Gemma

Further to your e-mail your proposals as generic lead in times and delivery rates seem reasonable obviously specifics on individual sites may vary and you would need to contact respective landowners and developers directly.

Regards Sue



Sue Green
Planning Manager – Local Plans

Home Builders Federation Ltd
c/o 80 Needlers End Lane, Balsall Common, Warwickshire CV7 7AB

Appendix 4 - Cornwall Council Response to comments on the Housing lead in times and build rates methodology.

Emery Planning	
Support using average lead in times and delivery rates	Support welcomed
Average delivery rates could be reviewed in individual sub markets within Cornwall as it may not be appropriate to apply a standard rate to all areas.	Whilst it is recognised that the housing market may vary to some degree across Cornwall, the approach is to apply an average rate across Cornwall and apply it to an assessment of 5 year supply for Cornwall. To sub divide the average rates that will be higher in some areas and lower in others would over complicate the process and would probably add little to the overall assessment
Care should be taken that building rates may have been unusually high in any one year due to for example 2014/15 being the last year of HCA funding	Building rates are likely to overall have been lower than average over the last five years and therefore if anything the average rates applied are likely to be on the cautious side rather than overly inflated by completion rates in the last year.
Before applying average delivery rates a judgement should be made for each site to assess whether or not it is deliverable and if not average rates should not be applied	The PPG advises that sites with planning permission should be considered deliverable unless there is clear evidence that sites will not be delivered within five years. The council has excluded those sites with planning permission which it considers are not deliverable within 5 years.
Specific circumstance should be applied to sites with outline permission	The council accepts this point and has amended the methodology to include an additional lead in time for sites with outline permission.
In terms of applying lead in times and delivery rates to sites awaiting the signing of a S106 these sites technically do not have permission therefore the Council will need to provide robust evidence to support its deliverability including how long it will realistically be before the S106 is signed	The council has included an additional lead in time for these sites to allow for the additional time for the S106 to be signed. These sites have been granted permission subject to the signing of a S106 agreement and are therefore suitable for inclusion
It is suggested that a draft trajectory is circulated to the developers forum for comment	Suggestion is noted. A summary of the trajectory will be included as a modification to the local plan and as such will be consulted on. The detailed trajectory that supports the summary

	will also be published along with the five year supply statement once the council has made a decision on the proposed local plan requirement. The council will invite comments from the developers forum on the trajectory at this time.
J Sawyer (national developer) Based on our own predicted sales figures you may be understating your figures as they are using data from a market slow down period.	It is accepted that the delivery rates may well be understated as they are based on data during the market slow down. We will monitor building rates and amend our assumptions if necessary.
HBF The generic lead in times and delivery rates seem reasonable. Obviously specifics on individual sites may vary.	Noted.