

Reference ID 1118740

Larkfleet Homes

Huntingdonshire Local Plan Examination

Matter 7: Proposed Site Allocations
. St Neots Spatial Planning Area

Issue: Whether the proposed site allocations for the St Neots Spatial Planning Area are justified, effective and consistent with national policy.

Relevant Policies: SEL2 and SN1 – SN6

Questions:

Taking each of the proposed site allocations individually:

- 1) What is the background to the site allocation? How was it identified and which options were considered?
- 2) What is the scale and type/mix of uses proposed?
- 3) What is the basis for this and is it justified?
- 4) What is the current planning status of the site in terms of planning applications, planning permissions and completions/construction?
- 5) What are the benefits that the proposed development would bring?
- 6) What are the potential adverse impacts of developing the site? How could they be mitigated?
- 7) How is the site affected by flood risk? How has this been taken into account in allocating the site? How have the sequential and, if necessary, exception tests been applied?
- 8) What are the infrastructure requirements/costs and are there physical or other constraints to development? How would these be addressed?
- 9) In particular what is the situation with waste water treatment capacity and how would any issues be resolved?
- 10) Is the site realistically viable and deliverable?
- 11) What is the expected timescale and rate of development and is this realistic?
- 12) Is the boundary of the site appropriate? Is there any justification for amending the boundary?
- 13) Are the detailed policy requirements effective, justified and consistent with national policy?

Introduction

1. RPS set out on behalf of Larkfleet Homes in representations to the Proposed Submission Local Plan (**Appendix 1**) how the Plan relies too heavily on concentrated development allocations within the Spatial Planning Areas (SPAs) and in particular on just two large strategic sites (SELs). The anticipated rates of delivery do not appear to have been robustly justified against either national or local delivery rates in formulating the housing trajectory in the Annual Monitoring Report (MON.01).
2. RPS response to Matter 3 Development Strategy, demonstrated how reliance on this strategy, which has been carried over from the existing 2009 Core Strategy, has failed to deliver the homes needed in Huntingdonshire and that greater flexibility is required by allocating more sites for development at different locations. On the basis that the proposed OAN is not an appropriate figure, as set out in evidence previously submitted on behalf of Larkfleet by DLP, it is considered appropriate for the Council to be looking for an additional SEL to ensure there is a comfortable housing supply.
3. In terms of the St Neots SPA, St Neots East (SEL2) is responsible for delivering approximately 3,820 dwellings in addition to 22ha of employment land, a 3ha mixed-use local centre, primary

schools and nursery provision, indoor and outdoor sports facilities, transport infrastructure improvements and strategic green and open space. There are 6 other sites proposed for housing within St Neots (SN1 to S6) and the 7 sites in total are proposed to deliver approximately 4,050 homes, 20% of the overall housing proposal of 20,100 over the plan period.

4. RPS response to Matter 7 focuses principally on SEL2 . St Neots East, and in particular Q11: What is the expected timescale and rate of development and is this realistic?
5. More detailed analysis on the supply and delivery of housing land from these sites is contained within DLP response on behalf of Larkfleet Homes to Matter 12.

Policy SEL2 . St Neots East

6. The proposed St Neots East Strategic Expansion is located to the East of the Town, and it is separated from it by the East Coast Main Line railway track. The site is currently in agricultural use for the growing of crops. The site is dissected by Cambridge Road (B1428) that links the town to the A426, that incorporates the eastern boundary of the southern part of the site.
7. There are two current planning applications that relate to the development of the proposed allocation. Outline planning application 13/00388/OUT relates to the northern section of the site (Loves Farm East) and Hybrid planning application 17/02308/OUT (Wintringham) relates to the southern section of the site.
8. Application 13/00388/OUT is for the development of up to 1020 dwellings, up to 7.6has of mixed uses including a nursery/crèche (use class d1), public house (use class a4), hotel (class c1), care accommodation (use class c2) and employment uses (use class b1), connections with loves farm, on-site roads and pedestrian/cycle routes, open space and other related infrastructure.
9. Application 17/02308/OUT is for 1) Application for outline planning permission for development of a mixed use urban extension to include; residential development of up to 2,800 dwellings (C3), up to 63,500 sqm of employment development (B1-B8), District Centre including shops, services, community and health uses (A1-A5, D1 & D2), Local Centre (A1-A5), Temporary Primary School, Two Permanent Primary Schools, open space, play areas, recreation facilities and landscaping, strategic access improvements including new access points from Cambridge Road & A428, associated ground works and infrastructure. All matters reserved with the exception of means of access; and 2) Application for full planning permission for the construction of new roads, hard & soft landscaping, creation of SUDS and all associated infrastructure and engineering works including creation of haul routes.
10. A previous planning application 13/00178/OUT that related to the southern section of the site was refused by the Council on 25th April 2016. The application was refused for two reasons: that the proposal would not have provided the maximum reasonable level of affordable housing (40%) and that there was no agreed planning obligation to ensure that the provision of necessary infrastructure and mitigation. An appeal was submitted against the Council decision but was withdrawn in advance of the scheduled Public Inquiry.
11. The Council anticipates that 3,820 homes will be delivered within the Plan period, with delivery rates expected to rise across the SEL to a maximum of 435 dwellings per annum (dpa) between 2020/21 and 2023/24 and with an average level of completion of 294dpa across the 13 years

- it anticipates the development to be completed in. RPS is not aware of any tangible evidence to demonstrate that this rate of delivery is realistic.
12. Having regard to past local rates of delivery, the only comparable (and available) large strategic site developed recently in Huntingdonshire is Loves Farm, St Neots. Evidence submitted by RPS to the HELAA consultation in November 2017 and conducted by DLP (**Appendix 2**) shows that the average annual build out of this site was 154dpa over a 10 year build out period. RPS observes that the number of outlets at any one time during build out varied from one to five, but averaged three. There were eight developers in total during the 10 year period, indicating that the annual average rate per developer was only 20dpa.
 13. Whilst the number of housebuilder outlets may increase to four or five at St Neots SEL, this number of outlets is unlikely to be sustained throughout the plan period. Even allowing for up to 50dpa per developer, this would only result in 250dpa if five outlets were in operation. This level of development is unlikely to be sustained throughout the plan period due to site phasing, periods needed to obtain additional consents, infrastructure implementation and absorption rates.
 14. RPS maintains that the Council's delivery rate assumptions for St Neots SEL are significantly higher than those which have previously been achieved locally but also substantially higher than national delivery rates on similar sized sites, as referenced in the Lichfield's Start to Finish document (November 2016). This report, which considered seventy large sites suggested that the average annual build out of large sites (over 2,000 dwellings) was 170 dwellings per annum. This is clearly some way away from the Council's anticipated delivery rates at St Neots SEL. The Lichfield report also states that the maximum annual delivery rate any site had achieved was 321dpa but that the site had only delivered at this rate for three years. (p14). The highest rate achieved over a longer period was 268dpa.
 15. The recently published (June 2018) Draft Analysis of the Independent Review of Build Out Rates undertaken by the Rt Hon Sir Oliver Letwin MP supports the view that the Council's anticipated trajectory for this site is unrealistic. The draft demonstrates that of the sites investigated the Median percentage of the site built out each year was 6.5%. The draft also identified a clear, negative, relationship between the size of the site and the percentage of the site built out each year.
 16. The draft explains that the fundamental driver of build out rates appears to be the absorption rate, the rate at which newly constructed homes can be sold into the local market without materially disturbing the market price. The draft states that *“there is, however, a crucial assumption lying behind the method of valuation (residual land value): 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 takes 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.”* (RPS emphasis).
 17. If the Council's projections for St Neots are correct, and 4,050 are built within the plan period, this would equate to an increase in the number of houses by approximately 30% (the 2011 census data shows there are approximately 13,000 houses in St Neots presently). Although

the draft analysis does not specify a level where a market would be regarded as flooded it is considered that a 30% increase in the number of houses within the town would be significant and that whilst this would not be a barrier to the development coming forward in principle, it is considered that the scale of development proposed is unlikely to come forward in the timescales anticipated by the Council, and that in particular the level of completions anticipated for this site will not materialise.

18. Without tangible evidence to demonstrate otherwise, RPS are firmly of the view that the delivery of housing within the St Neots SEL will be delivered over a much longer period of time and that this is likely to extend beyond the plan period
19. Furthermore, the reliance on a single largescale allocation on the edge of St Neots could impede the consistent supply of housing. The findings of a report by the HBF on larger development schemes in August 2015 entitled *Responding to demand; Understanding private housing supply* indicated that when development is concentrated on a few large sites this stifles the market-responsiveness of supply. This is supported by the findings within the draft Letwin analysis.
20. Furthermore, the inability of the Plan to deliver at the rates anticipated is supported by the past delivery record of Huntingdonshire. Loves Farm achieved 20 dwellings per annum per developer and Land at Riverside Mill (PA Ref 03/02792FUL) delivered an average of 23 dwellings per annum per developer.
21. The rates proposed by the Council are extremely optimistic and considerably in excess of the average annual national build rate for sites of over 2,000 dwellings, which is only 171 dwellings.
22. As referenced in the RPS response to Matter 3 Development Strategy, a significant amount of infrastructure is required within the District and anticipated from the Council's SELs as set out in the Council's Infrastructure Delivery Plan (IDP) (INF.01); Infrastructure Schedule (June 2017) (INF.02) and IDP Addendum Report (December 2017) (INF.03).
23. For St Neots East, Table 3 of the Council's Infrastructure Schedule (INF.02 Page 29) identifies that the costs of some essential priorities are not known, including Highways Infrastructure (SEL SN1, SN8, SN18 and SN19). The IDP Schedule (INF.02) acknowledges on page 2 that there are several schemes where the costs are currently unknown and that the tables are therefore likely to show understated costs. Even where costs are known, in the vast majority of cases (20 of the 22 critical and essential priorities listed) for the St Neots East SEL, there is no identified funding, so therefore this will impact on delivery of the infrastructure as well as on delivery of housing. For St Neots East SEL, this unknown funding includes £23,375,000 to provide a 5.5 FE Secondary School (821 Places) (SEL SN5), £3,024,000 to provide additional changing room facilities (SEL SN9), £1,771,000 to provide additional grass pitch provision (SEL SN10), £1344,00 to provide 9.6 Bowling Greens (SEL SN11), £1,524,565 for new community facilities (SEL SN21) and £948,600 to provide additional GP surgeries (SEL SN6). The cost and the uncertainty about the delivery of infrastructure is likely to have a consequential impact on the delivery of housing.
24. The Council envisages that St Neots East will come forward from 2018/19 onwards, as referenced in the Council's Housing Land Supply Position (August 2017) (MON02) (page 28). However, as stated above planning permission has not yet been granted for either the northern or southern parcels of the SEL (the Council anticipate that the Southern part of the site will come forward first). The housing element of both planning applications is only being considered

in Outline. Even if outline planning permission is granted, there are clearly additional steps that will need to be taken prior to the commencement of development including the submission and approval of Reserved Matters and Discharge of Condition applications.

- 25. The planning history of this site is also relevant to its likely delivery. Application 13/00178/OUT was refused by the Council in 2016, 3 years after the application was submitted, as the applicant at that time argued that the development would only be viable if approximately 3% Affordable Housing was provided. The Committee report for applications 13/00388/OUT and 17/02308/OUT state that due to concerns over the viability of the developments the level of affordable housing currently being proposed is 28% and 25% respectively. Both applications have been presented to Committee, where the resolution was supported that delegated authority is given to the Head of Development Management, in consultation with the Executive Member with responsibility for Planning, the Chairman of the Development Management Committee and the Chairman of the S106 Advisory Group, to finalise the planning conditions and terms of the S106 agreements. There are no prescribed timescales for this work to be completed and given the scale of the developments and the number and size of the likely financial contributions it is likely that there will be a significant delay before the S106 agreements are finalised and the decision notices issued.
- 26. Based on the above it is considered highly unlikely that the St Neots SEL will deliver housing within the timeframes envisaged by the Council.

Appendix 1: RPS Representation to Proposed Submission Local Plan February 2018.

Appendix 2: DLP Report on Deliverability of potential new settlement sites in Huntingdonshire November 2017