



Chelmsford Local Plan

Examination in Public

Hearing Statement

on behalf of

Croudace Homes

Week 2

Matter 6 – Housing Provision

November 2018

AM-P Ref: 15024



INTRODUCTION

1. This Hearing Statement has been prepared by Andrew Martin – Planning (AM-P) on behalf of Croudace Homes.
2. Croudace controls a total of 77.7 hectares (ha) of land to the north, east and south of Rettendon Place. Just under half of this land (approximately 38.3 ha), to the north and east of the settlement, is designated as “countryside” (rather than Green Belt) and is considered to have potential for development in the foreseeable future.
3. Despite featuring in two of Chelmsford City Council’s (CCC’s) three spatial options at the Local Plan Issues & Options (EB115) stage in 2015, the site was not included as a preferred growth location when CCC published its Local Plan Preferred Options (EB116) in 2017 or its Local Plan Pre-Submission document (SD001) in 2018.
4. This Hearing Statement supplements Croudace’s formal representations from March 2018 and considers the Inspector’s Issues and Questions in relation to Week 2 Matter 6 of the Examination.

MATTER 6 – HOUSING PROVISION

(Q. 54) Strategic Policy S8 identifies the housing requirement for the Plan period as a minimum of 18,515 net new homes (average of 805 dpa). Will it ensure that the Plan meets the full objectively assessed housing needs identified in the SHMA? Will it significantly boost housing supply in accordance with the Framework?

5. As Croudace set out in its representations in March 2018, the Plan has not properly considered the extent to which there are unmet needs from other authorities towards which Chelmsford could contribute. The Housing Market Area has been defined without reference to the extent to which other areas may logically look towards Chelmsford to meet their needs.
6. It is noted that CCC has agreed a protocol with the other Essex authorities on how to assess unmet needs. However, it is not clear how the mechanism set out in that protocol has been incorporated into this Plan, other than the broad suggestion of an early review (see page 3 of the Statement of Common Ground with South Essex Authorities (SOCG10)). In reality this will not address the existing unmet need that has already been identified in South Essex.
7. For example, Basildon Borough Council (BBC), which neighbours Chelmsford to the south, released its Revised Publication Local Plan in October 2018. BBC will be consulting on the document until 17th December 2018, with a view to submitting to the Secretary of State in early 2019. However, paragraphs 6.19-6.20 of BBC’s Plan acknowledges that its objectively assessed housing need (OAHN) for 2014 to 2034 is likely to be circa 19,440 to 19,720 new homes (i.e. 972 to 986 per annum) and that this figure (per annum) does not vary significantly if the new standard methodology is applied. Despite this, paragraph 6.24 of BBC’s Plan only provides for a minimum of 17,791 new homes, resulting in a theoretical unmet need of 1,929 homes in this plan period. To make matters worse, paragraph 6.25 of BBC’s Plan forecasts that only 15,465 of the 17,791 planned new homes are likely to be delivered by 2034, which would create an actual unmet need of 4,255 new homes by 2034.



8. BBC appears to attribute its inability to meet its OAHN to various factors, but most significantly to the heavy Green Belt constraint experienced in the Borough. This Green Belt constraint is common to a number of the South Essex authorities.
9. By defining the Housing Market Area to comprise Chelmsford, Braintree, Colchester and Tendring, CCC has effectively ruled out the consideration of unmet needs from the South Essex authorities, some of which (such as Basildon) are considerably closer to Chelmsford than the likes of Tendring. This is significant because the southern parts of the Chelmsford local authority area contains the closest non-Green Belt land to several of the settlements in Basildon Borough and therefore should have been considered more seriously to meet some of the relatively local unmet needs.
10. With the continued emphasis on protecting the Green Belt in the Revised NPPF, the situation should not be allowed to arise whereby the South Essex authorities are unable to address their full OAHN, yet CCC declines to assist because it defines itself as falling within a different Housing Market Area. Such a situation would clearly undermine Government's objective of significantly boosting housing supply, as set out in both the original and the revised versions of the NPPF. Furthermore, the importance of identifying a set Housing Market Area is likely to diminish with time, as the Revised NPPF expects a more open ended and ongoing approach towards joint working between policy-making authorities, when considering how best to address infrastructure and development needs (paragraph 26).
11. Given the very significant quantum of unmet need (i.e. 4,255 new homes) in Basildon Borough, Croudace would expect to see either:
 - (i) explicit additional housing numbers in CCC's Plan to accommodate for at least part of these unmet needs; or
 - (ii) at the very least a mechanism (perhaps in the form of identified "reserve" land) in CCC's Plan to bring forward additional housing development in the event that these unmet needs are not picked elsewhere in South Essex.
12. Croudace submits that the failure of Strategic Policy S8 to do either of the above currently renders the Plan unsound. This on the basis that it is not "positively prepared" (i.e. should be based on a strategy which seeks to meet objectively assessed development requirements, including unmet requirements from neighbouring authorities), "justified" (i.e. should be the most appropriate strategy when considered against the reasonable alternatives) or "effective" (i.e. should be based on effective joint working on cross-boundary strategic priorities) in accordance with paragraph 182 of the Original NPPF.
13. In order to address these shortcomings, Strategic Policy S8 should be amended to include additional housing numbers to accommodate for at least part of these unmet needs or to include an allowance for reserve land in the event that these unmet needs are not picked elsewhere in South Essex by a certain date. Either of these solutions will likely require additions to Strategic Policy S9 and other consequential amendments of the Plan. Although such changes would likely require formal modifications to the Plan, an update of the SA and a further six-week consultation period, this could be carried out without excessive delay to the process and without the need to send CCC back to an earlier stage of plan preparation.



14. Croudace submits that the land to the north and east of Rettendon Place is ideally situated to cater for part of Basildon's unmet OAHN. Rettendon Place is located less than 1.25 miles from the Basildon Borough boundary and provides the closest opportunity to accommodate large-scale development beyond the outer edge of the Metropolitan Green Belt.
15. Rettendon Place is designated as a "Service Settlement" and contains a primary school, nursery, village hall, recreation ground, church and existing bus services. However, Rettendon Place would benefit from well-planned growth to the north and east of the settlement, which could:
 - a. deliver new homes to address local market and affordable housing needs;
 - b. facilitate new facilities, services and public open space to serve the settlement and enhance its overall sustainability;
 - c. accommodate growth without any need to release Green Belt land; and
 - d. provide planning contributions towards off-site infrastructure improvements.
16. Further details of Croudace's proposals for a sustainable new development at Rettendon Place can be found in the Planning Promotion Document appended to its Week 1 Matter 5 Hearing Statement. The Planning Promotion Document serves to demonstrate that not only can the site accommodate in the region of 450 to 715 new homes, a local centre, public open space and education land, but that a first phase of circa 150 new homes could be delivered in the first five years of the plan period.
17. The allocation or identification of the site could therefore help to address part of the unmet OAHN from Basildon and also help to bolster CCC's five-year housing land supply.
18. Although Rettendon Place has not been included in CCC's preferred spatial strategy thus far, there are failings with the Plan's SA which likely contributed to this decision. Not only does the SA fail to assess Rettendon Place as a "reasonable alternative" (contrary to the advice contained in the PPG), but there are wider issues with how the SA has failed to present the appraisal of other sites in a transparent manner – issues which CCC only acknowledged after Croudace had already submitted its Week 1 Hearing Statements.

(Q. 60) In relation to the five-year housing land supply (5YHLS): ...

- c. Is the identification of a 7.7 year housing land supply by the Council in EB065 justified and based on robust evidence of housing supply?***
- d. Overall, will the housing provision have a reasonable prospect of delivering a 5YHLS at the point of adoption of the Plan?***
19. Croudace considers that the figures presented in EB065 and EB063 are not robust or consistent with national guidance. These documents claim that 6,396 dwellings will be deliverable in the five year period from 2018 to 2023, equating to a 7.7 year housing land supply. However, by complying with the latest Government guidance this figure straight away falls to 6.16 years – even without a more detailed site-by-site assessment of build out rates, some of which may be overly optimistic.



20. This is because the Government's Planning Practice Guidance (PPG) confirms at reference 3-036 that sites with outline planning permission, permission in principle or those allocated in a development plan can only be considered "deliverable" where there is clear evidence to demonstrate that housing completions will begin on site within 5 years. Such evidence may include: a statement of common ground confirming the developers' delivery intentions, start date and build out rates; or, a hybrid planning permission for large sites which links to a planning performance agreement that sets out the timescale for conclusion of reserved matters applications and discharge of conditions. The significance of this guidance was highlighted in the recent Woolpit Appeal Decision (ref. APP/W3520/W/18/3194926), which saw Mid Suffolk District Council's five-year land supply reduced from 5.39 to 3.4 years.
21. At the time of writing, there appears to be 1,284 dwellings included in CCC's five-year supply which do not meet the PPG's requirements for a "deliverable" site. This is based on an initial review of EB063 and includes site references 28, 280, 281, 300, 301, 302, 303, 310, 312, 315, 316 and 317. Removing the contribution of these sites from the five-year supply results in a total of 5,112 dwellings being deliverable in the period 2018 to 2023 – equivalent to no more than a 6.16 year housing land supply.
22. Furthermore, there is uncertainty as to how future five-year housing land supply figures will be calculated. The Revised NPPF confirms that its policies apply immediately for development management purposes (see paragraph 212), yet the Government is currently consulting on changes to its standard methodology (see "*Technical consultation on updates to national planning policy and guidance*" (October 2018)). In the case of Chelmsford, it is not clear whether the Local Plan's OAHN, the 2014-based household projections, the 2016-based household projections or some other new data will be used to assess five-year housing land supply at the development management stage. Therefore CCC should be mindful of the possibility that its five-year supply could be calculated in future based on the 2014 household projections, rather than the lower OAHN figure contained in the Plan. The 2014-based household projections could result in an annual housing requirement of 976 dwellings^A, which including a 5% buffer would equate to 5,124 dwellings over a five-year period. Set against the maximum supply of 5,112 dwellings identified in paragraph 20 above, this equates to a 4.998 year housing land supply – even without a more detailed site-by-site assessment of build out rates, some of which may be overly optimistic.
23. More generally there are also deliverability matters to consider, given that a notable proportion of CCC's projected housing supply is orientated around the City itself. Any given urban area or housing market will involve a natural market absorption rate ceiling, beyond which the market will struggle to deliver. Whilst it is difficult to identify precisely where that ceiling sits, there is a case to be made that CCC is more likely to achieve its Local Plan targets if growth is distributed to a variety of locations and includes greater housing diversity – a key theme of Sir Oliver Letwin's Independent Review of Build Out Rates (October 2018). Croudace has already identified in paragraph 7 above that there is a significant quantum of unmet housing need in Basildon Borough, need which the southern parts of the Chelmsford local authority area (beyond the Metropolitan Green Belt) would be well located to address. Addressing unmet needs in the southern part of Chelmsford would have no direct bearing

^A The 2014-based projections forecast an increase of 6,677 households (i.e. 81,249 – 74,572) in Chelmsford from 2018 to 2028, i.e. 668 households per annum. An adjustment factor of 0.46125 is calculated based on a local affordability ratio of 11.38 and the following formula $((11.38 - 4) / 4) * 0.25$. This results in a housing need of $((1 + 0.46125) * 668) = 976$ dwellings per annum.



on the delivery projected to take place in and around the City itself, yet would ensure that the Plan has a more diversified and resilient housing supply, that maximises the likelihood of needs being met in a timely fashion.

SUMMARY

24. Croudace is promoting a sustainable new development on 38.3 ha of land to the north and east of Rettendon Place. Although this featured in two of the three spatial options in the Local Plan Issues & Options document (EB115), the site is not included in the current Local Plan Pre-Submission document (SD001).
25. Croudace raised concerns in their March 2018 representations, concerns which have been expanded on in this Hearing Statement. These relate to:
 - Strategic Policy S8 – which fails to have regard to unmet housing needs in South Essex, particularly Basildon Borough where Green Belt constraint will result in a very significant shortfall of least 4,255 new homes by 2034.
 - CCC's five-year housing supply (as set out in EB065 and EB063) – which is not as healthy as CCC claims, when the PPG's requirements for a "deliverable" site are applied to Five-Year Site Schedule (i.e. EB063).
26. In order to address these shortcomings, Croudace proposes that Strategic Policy S8 should be amended to include additional housing numbers or reserve land to accommodate at least part of Basildon's unmet needs, with the land to the north and east of Rettendon Place providing the closest opportunity to accommodate large-scale development beyond the outer edge of the Metropolitan Green Belt. This should ensure that the Plan is positively prepared, justified, effective and consistent with national guidance – in accordance with paragraph 182 in the NPPF.
27. Croudace has also raised other concerns with the Plan, which will be highlighted in a separate hearing statement to be submitted in due course.