Hearing Statement for
Stellican Ltd

RUNNYMEDE 2030 LOCAL PLAN
EXAMINATION HEARINGS
STAGE 2, MATTERS 8-11

January 2019

Our Ref: HJOA/18-00239
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INTRODUCTION

1.1 This Hearing Statement has been prepared by Rapleys on behalf of Stellican Ltd. and covers the following matter for Stage 2 of the examination of the Runnymede 2030 Local Plan:

- Matter 8 - Housing Land Supply.

1.2 This statement follows two representations and two hearing statements submitted by Rapleys to (respectively) two Regulation 19 consultations held in 2018, Stage 1 of the examination hearings, and Stage 2 of the hearings covering matters 5 - 7. It should be read in the context of these documents.

1.3 Stellican Ltd. is promoting Land to the west of Blays Lane for development. The site is 12 ha, and is suitable for a proposed 750 student units or 200 residential units, as stated across our submissions, and most directly in the proposed draft policy in our representation of February 2018.

1.4 Following the update issued 15 January, which deferred Question 10.2, our client reserves the right to submit a written statement in response to the question at a later date to be confirmed by the Inspector.

SUMMARY OF POINTS

1.5 The response to the Matters raised below are, in summary:

- The estimated supply from extant planning permissions is overly optimistic, in particular with regard to student delivery and Longcross Garden Village (for which a planning permission is not extant, nor an application pending). The Plan should accommodate a lapse rate, and increase the quantum of identified land to meet the needs of the borough over the Plan period;
- The shortfall is unlikely to be met within the first five years of the Plan, and based on our calculations will increase pending the delivery of LGV;
- The application of a 20% buffer to the housing supply is justified in light of persistent historic undersupply;
- The most recent housing trajectory is not founded on credible evidence, nor is there reasonable confidence that a rolling 5-year supply of deliverable sites will be maintained from the date of the Plan’s adoption;
- In order to ensure the soundness of the Plan, additional land should be identified for development in the borough in the short term to mitigate the anticipated shortfall from LGV. Land west of Blays Lane can and should be allocated as such, in line with the draft policy contained within our reps of February 2018. It can deliver a proposed 750 student units, or 200 residential units.
8.1 Is the Plan based on robust evidence about the housing land supply for the period up to 2030? In particular:

2.1 The Plan is not based on robust evidence with regard to the housing land supply. The estimated supply of housing is overly optimistic, as is the anticipated delivery of student bedspaces is overly optimistic. Additional land should be identified to cover off the housing shortfall in the immediate-term. Land west of Blays Lane can contribute to this need, and is proposed for 750 student units or 200 residential units.

a) Is the estimated supply from extant planning permissions, windfalls and prior approvals justified and based on reasonable assumptions? Does the methodology avoid the risk of double-counting? Is the approach to lapse rates for planning permissions robust? Should lapse rates be applied to site allocations?

Estimated Supply

2.2 The Strategic Land Availability Assessment (SLAA, January 2018) identifies the delivery of an additional 2,029 student bedspaces in addition to the 621 units built out. These are highly unlikely to come forward, and it is discussed in further detail in response to question 3.1(a) of our Stage 1 hearing statement. Despite the fact that an extant planning permission exists, these units are very unlikely to come forward.

2.3 When assessing the rate of housing delivery using the Housing Delivery Test (HDT), which will apply to the Runnymede 2030 Local Plan at the point of adoption, the delivery of student bedspaces is part of the net delivery figure. The failure to deliver these units will therefore directly affect the Plan’s ability to pass the HDT, and is of relevance when considering the delivery and supply requirements of Runnymede.

Lapse Rates

2.4 The Plan, as discussed below, relies heavily on housing delivery at Longcross Garden Village (LGV). Of a total allocation equalling 1,700 units, only 300 have outline permission. In order to keep up with the proposed trajectory, 200 units need to be delivered by 2021/22, with 150 units following each year until 2028/29, and 120 units in 2029/30.

2.5 These units do not have outline permission, not is there a pending application at the time of writing. In our experience, there are at least 3 years between the submission of a reserved matters application and first occupation. On this understanding, if an application was to be submitted in February 2019, first occupation would - in a best case scenario - occur no earlier than February 2022.

2.6 Further, one housebuilder will, in our experience, unlikely to deliver more than 50 units per annum for any one product. Unless the developer is proposing concurrent phasing and/or the delivery of multiple products for LGV, it is not realistic to expect the consistent delivery of 150 units per year across the next seven years. The expectation of 200 units in 2021/22 does not tally with the available evidence.

2.7 The SLAA applies a 15% discount ‘on certain sites for non-implementation.’ Considering the present situation concerning LGV, a lapse rate should be applied. In the absence of compelling evidence that 150 units can be delivery per year, the trajectory should be revised to reflect more typical completion rates on similar schemes across the country (in our experience no more than 50 dwellings per year). Failing this more robust lapse rate should be applied to prepare for this eventuality. In order to ensure the Plan’s soundness, a lapse rate should be applied to all sites more generally, not merely on certain sites.
**Land at Blays Lane**

2.8 There is a pressing need for both residential housing and student housing within Runnymede. As our previous representations have shown, the targets set by the local authority are insufficient. Further, the trajectory that shows how the target will be met is overly optimistic. The trajectory should be revised downwards to reflect more accurately the likely supply.

2.9 As discussed in our response to Issue 8.2 below, the Plan is unable to demonstrate a rolling 5 year supply of housing. Additional land is needed to meet the shortfall in the near-future. Land west of Blays Lane is developable and deliverable, and should be identified to meet housing need. The site can provide 750 student units or 200 residential units and can be allocated for both. It has the capacity to deliver housing within the short term to meet the most pressing residential needs of the area.

d) Is it realistic to expect that the shortfall in delivery of the housing requirement from the start of the Plan period will be made up within five years of the Plan’s adoption? If not, how should the Plan address this matter?

2.10 It is not realistic to expect that the shortfall in the housing requirement will be made up within the first five years of the Plan. Before addressing this in detail, however, we agree with the Inspector’s assessment that the shortfall should be met within the first five years (the Sedgefield method) and not distributed across the entire plan period (the Liverpool method). Owing to the acute and persistent underdelivery of housing within the borough, the application of the Sedgefield method for calculating the housing supply is supported.

2.11 Rapleys’ projected housing supply in Runnymede is shown below, and repeated at Appendix 1 with detailed figures. It takes as its evidence base the SLAA published in January 2018.
2.12 Discounting the delivery of LGV from the Plan (the reasoning for which we have discussed in our earlier hearing statement regarding Matter 5: Longcross Garden Village), the trajectory is as follows:

- the Plan will recover its housing shortfall in 2020/21, with a surplus of 6 units;
- In 2021/22, this will drop back into undersupply (-89) and will progressively worsen;
- Rapleys estimate the shortfall will be around 1,775 by the end of the Plan period in 2030.

2.13 These figures are set against the Local Plan target of 494 dwellings per annum (dpa). Five years after adoption (which, pending the examination, is likely to be late 2019/early 2020), the Plan will be subject to a review which will include the implementation of the Standard Methodology (StaM) minimum requirement. This is currently 561 dpa, but could rise further over the next few years as the Government makes changes to the methodology.

2.14 An increase of 494 dpa to 561 dpa in 2025 would see the housing requirement rise by around 400 units over the period 2025-2030. This would result in an increased undersupply of circa. 2,175 units. This is presented in Appendix 1.

**Addressing the shortfall**

2.15 While LGV may be able to mitigate this shortfall later in the Plan period, it is not realistic to rely on development on site to coming forward as anticipated, and an increased shortfall is anticipated. To ensure that the Plan can meet both its own housing target going forwards and the historic undersupply, additional land needs to be identified in the short term. Land west of Blays Lane (which can provide 750 student units or 200 residential units) should be identified for development to address this issue.
e) Is it justified to add a 20% buffer to the housing land supply to guard against any under-delivery of sites?

It is justified to add a 20% buffer to the housing land supply. As stated by data published by the Government, the net additional dwellings within Runnymede are as follows over the previous 17 years:

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>No. of units</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>33</td>
</tr>
<tr>
<td>2003</td>
<td>77</td>
</tr>
<tr>
<td>2004</td>
<td>159</td>
</tr>
<tr>
<td>2005</td>
<td>142</td>
</tr>
<tr>
<td>2006</td>
<td>442</td>
</tr>
<tr>
<td>2007</td>
<td>125</td>
</tr>
<tr>
<td>2008</td>
<td>173</td>
</tr>
<tr>
<td>2009</td>
<td>153</td>
</tr>
<tr>
<td>2010</td>
<td>260</td>
</tr>
<tr>
<td>2011</td>
<td>94</td>
</tr>
<tr>
<td>2012</td>
<td>179</td>
</tr>
<tr>
<td>2013</td>
<td>163</td>
</tr>
<tr>
<td>2014</td>
<td>70</td>
</tr>
<tr>
<td>2015</td>
<td>124</td>
</tr>
<tr>
<td>2016</td>
<td>405</td>
</tr>
<tr>
<td>2017</td>
<td>160</td>
</tr>
<tr>
<td>2018</td>
<td>754</td>
</tr>
</tbody>
</table>

2.16 Over the time period available, this is an average delivery of 207 dwellings per year. Over the previous decade. This average rises to 303 dpa over the previous five years, but still falls far short of the Local Plan target of 494. In light of both the persistence and degree of the under-delivery a 20% buffer (in tandem with the Sedgefield method) should be applied to the housing land supply to guard against under-delivery. In particular considering the importance attached to LGV in the context of the overall housing requirement.

2.17 As shown in Appendix 2, LGV comprises 19% of the total supply in 2020/21. It rises to 33% in 2021/22, and this dependency stays above 23% for the remainder of the Plan period. Per
annum, LGV contributes an average of 34% of Runnymede’s housing requirement over the period 2019/20 to 2029/30.

2.18 In light of: the level of historic housing delivery, the extent of the Plan’s dependence on the timely delivery of LGV, and the clear unlikelihood of LGV coming forward as anticipated, a buffer of 20% should be considered the minimum safeguard for guarding against underdelivery of sites with the Plan’s development strategy.

8.2 Overall, is the most recent housing trajectory founded on credible evidence about the deliverability and achievability of the proposed development on the identified sites and other sources of supply within the expected timescales? Can there be reasonable confidence that a rolling 5-year supply of deliverable sites will be maintained from the date of the Plan’s adoption?

2.19 The most recent housing trajectory is not founded on credible evidence, nor is there reasonable confidence that a rolling 5-year supply of deliverable sites will be maintained from the date of the Plan’s adoption. The Plan is overly reliant on a strategic site that has no reasonable prospect of coming forward within anticipated timescales, and in the absence of its delivery the delivery of housing will fall into undersupply.

Housing Supply

2.20 The housing supply table attached at Appendix 1, and shown above under paragraph 2.11 makes it clear that without LGV, the Plan will not deliver enough housing, and that this will affect delivery substantially from 2020 onwards. The degree of reliance which the Plan has on LGV is substantial, as shown below:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Delivery - Additional Sites</td>
<td>5,842</td>
</tr>
<tr>
<td>Net Delivery - Longcross</td>
<td>1,700</td>
</tr>
<tr>
<td>Net Delivery - All Sites</td>
<td>7,542</td>
</tr>
<tr>
<td>Requirement - StaM</td>
<td>8,145</td>
</tr>
<tr>
<td>Overall Balance - StaM, w/o Longcross</td>
<td>-2,303</td>
</tr>
<tr>
<td>Overall Balance - StaM, w. Longcross</td>
<td>-603</td>
</tr>
<tr>
<td>Requirement - Local Plan</td>
<td>7,599</td>
</tr>
<tr>
<td>Overall Balance - Local Plan, w/o Longcross</td>
<td>-1,757</td>
</tr>
<tr>
<td>Overall Balance - Local Plan, w. Longcross</td>
<td>-57</td>
</tr>
</tbody>
</table>

2.21 If Longcross fails to come forward as envisaged (which appears all-but certain), the Plan will have a potential shortfall of 1,757 units when assessed against its own requirement. This
figure will be reviewed five years after adoption (at the latest) and will need to be increased to the StaM figure. Using the StaM figure as it currently stands, there is a shortfall of 2,303 units over the Plan period.

2.22 Against both the StaM and the Local Plan target, the Plan will generate an undersupply consistently after 2021 if Longcross doesn’t delivery as anticipated. Depending on the length of the examination, this would be only one year after its adoption.

2.23 The Plan is hugely reliant on the timely delivery of LGV. Without this it will fail to maintain a rolling supply of housing. The unrealistic delivery targets for LGV therefore go to the heart of the Plan’s soundness. As currently drafted the Plan is unsound with regard to its housing supply.

**Housing Delivery**

2.24 Attached at Appendix 3 is a breakdown of Runnymede’s anticipated rate of delivery, set against the requirements of the Housing Delivery Test (HDT), the rulebook for which was published by the Government in July 2018. In short, it requires that a local authority has met its cumulative housing target over the previous three years. Unlike the StaM, which will come into force five years after the Plan’s adoption, the HDT will be of material relevance to the Plan upon adoption, and will be used to assess the rate of delivery on an annual basis.

2.25 The graph below shows the projected rate of success against the Local Plan target (taking into consideration the delivery for housing, student communal and other communal). Our concerns about the anticipated rate of student delivery have been discussed in both our representations and with regard to Matter 3, Question 3.1(a).
Without LGV coming forward as anticipated, the HDT projects the following results:

- **2023/24** - the Plan will start to fail the HDT in (approximately three to four years after adoption);
- **2024/25** - the pass rate drops to below 85%, which is described in the 2018 NPPF as a ‘significant shortfall.’ Under the revised NPPF a 20% becomes mandatory for demonstrating a 5 Year Housing Land Supply;
- **2025/26** - the pass rate drops to 65%. Below 75% is described in the 2018 NPPF as a ‘substantial shortfall’ At this point, under paragraph 11, the ‘most important’ policies for determining an application are out of date, and the presumption in favour of sustainable development is applied.

Even with LGV coming forward, there are substantial concerns:

- **2025/26** - The Plan starts to fail the HDP (approximately five to six years after adoption);
- **2026/27** - the pass rate drops to 75%. This avoids - by one percentage point - the presumption in favour of sustainable development being applied.

Both of these scenarios (both with and without LGV) assume that all other sites will come forward as projected. If there is any slippage from any other sites, the results of the HDT will be worse.

In summary:

- *Local Plan requirement (with Longcross)* - Fail the HDT consistently at 2025/26; and
- *Local Plan requirement (without Longcross)* - Fail the HDT consistently at 2023/24.
2.30 All figures relating to deliver are shown in full with graphs at Appendix 3. A summary of the HDT’s method is included at Appendix 4. The Plan will be unable to pass the HDT after 2025, regardless of the delivery rate of LGV. Considering the evidence available, we believe that the failure rate to occur before this.

2.31 In accordance with Paragraph 11 (and footnote 7) of the 2018 NPPF, the most relevant policies of the Local Plan for the purposes of assessing housing applications will be out of date by 2025 at the latest, five years after its anticipated adoption. A lifecycle of five years is not a sustainable platform on which to establish strategic policies, and the Plan is unsound with regard to its housing supply in the contact of the HDT.

**Land West of Blays Lane**

2.32 Our client is promoting Land west of Blays Lane for student and/or residential development. The site comprises 12 ha of immediately developable land, and can start to deliver in the short term. This will help to mitigate the imminent undersupply that will arise as a result of the expected delay to LGV’s delivery. The site is being promoted for 750 student units or 200 residential units.

2.33 In order to ensure the Plan’s soundness, Land west of Blays Lane should be identified for development to meet projected undersupply within Runnymede.