

# CHELTENHAM LOCAL PLAN EXAMINATION

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Participant ID: 160

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## **Matter 3: Housing and Mixed Use Development**

Hearing Statement

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## Matter 3: Housing and Mixed Use Development

**Main Issue: Do the proposals for residential and mixed use development in CP Policies H1 and H2 deliver the requirements for residential development in the JCS set out in Policy SP2 and Table SP2a?**

- 1.1 Before turning to answer the specific questions of the Inspector, we provide an overall summary response to the Inspector's Main Issue (above).
- 1.2 As background to JCS Policy SP2, paragraph 3.1.17 confirms that *"whilst the JCS provides the strategic level-part of the development plan, there is a significant role for delivery at the non-strategic level through both the district and neighbourhood plans."*
- 1.3 Paragraph 3.2.4 confirms that *"The three JCS authorities want to concentrate new development in and around the existing urban areas of Cheltenham and Gloucester to meet their needs, to balance employment and housing needs, and provide new development close to where it is needed and where it can benefit from the existing and enhanced sustainable transport network."*
- 1.4 Supporting text at paragraph 3.2.5 further confirms that *"The guiding principle of Policy SDP2 is that need is met where it arises"*
- 1.5 Policy SDP2, Part 3, states that *"To meet the needs of Cheltenham Borough the JCS will make provision for at least 10,996 new homes. This will be provided within the Cheltenham Borough administrative boundary and crossboundary urban extensions at North West Cheltenham and West Cheltenham"*.
- 1.6 Part 8 of Policy SP2 confirms that *"Any additional allocations made through a local plan or any neighbourhood plans must be in conformity with the JCS spatial strategy."*
- 1.7 In Part 7 of JCS entitled 'Delivery, Monitoring and Review', the JCS sets out a series of potential corrective actions that could be taken (supported by the NPPF requirement for plans to be flexible and responsive to change). When a housing land supply shortfall could be imminent, corrective action is supported and such corrective actions, as set out at paragraph 7.1.9 include *"Identifying alternative site(s) in general accordance with the distribution strategy of this plan as set out in Policies SP1 and SP2 which may be delivered through District Plans."* (our emphasis)
- 1.8 In the light of the above JCS policy context, whilst Table SP2 provides an indication of the quantum of supply from various sources that will contribute to meeting the JCS housing requirement, it is clear that:
  - the housing need to be delivered for Cheltenham is at least 10,996 homes;
  - this need should be met where it arises;
  - it should be delivered by way of a combination of strategic site allocation in the JCS and through the District and Neighbourhood Plans; and

- the JCS monitoring framework allows for alternative sites in accordance with the JCS spatial strategy to come forward in response to expected shortfalls in delivery.
- 1.9 At the JCS stage, the Inspector was satisfied that a sufficient level of sites could come forward from the JCS strategic allocations and from future non-strategic allocations to deliver the 10,917 homes required for Cheltenham. The Inspector was also satisfied that a five year supply could be demonstrated<sup>1</sup>, although considerable flexibility in the approach to five year supply was required to achieve this – notable, the use of the Liverpool method of spreading the shortfall in delivery to date across the remaining plan period and the agreement of a stepped trajectory, with a lower requirement of only 450 homes up to and including 2021/22.
- 1.10 Only some 8 months after the adoption of the JCS, Cheltenham Borough Council now accepts that:
- It can no longer demonstrate a five year supply<sup>2</sup>;
  - The strategic allocation at North West Cheltenham and West Cheltenham will no longer deliver as anticipated with some housing now delivering beyond the plan period<sup>3</sup>; and
  - Only 10,798 homes will be delivered according to its own trajectory<sup>4</sup> (even before any further scrutiny), 119 homes short of the identified need.
- 1.11 The reality is far worse than the Council suggests. As set out in the JCS monitoring section, the Cheltenham Local Plan is an appropriate policy mechanism in order to respond to any identified delivery issues.
- 1.12 North West Cheltenham and West Cheltenham will not deliver the quantum of new homes now predicted by the Borough Council; the current delivery shortfall of 119 homes against Cheltenham’s housing needs will significantly rise; and further housing allocations must be identified.

**North West Cheltenham and West Cheltenham Allocations**

- 1.13 Delivery concerns about NW Cheltenham and West Cheltenham were raised in our representation to the pre-submission version of the Local Plan (and to the JCS Inspector before that) but those representations were provided back in April 2018 and so it is entirely appropriate and necessary for the Inspector to consider the latest up-to-date position on the delivery of strategic sites and the implications on the level of deliver required through the Local Plan.

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<sup>1</sup> A five year supply of 5.6 years was also claimed at the time of publication of the Cheltenham LP Pre-submission Draft (Table 9, page 138)

<sup>2</sup> Examination Document SD010 shows only a 4.6 year supply can be demonstrated

<sup>3</sup> Paragraph 27 of Examination Document SD010 states that 515 homes from NW Cheltenham will deliver after 2031.

<sup>4</sup> See Figure 3 Summary of Trajectory on page 7 of Examination Document SD010

1.14 Since our representation in April 2018, the outline planning application for North West Cheltenham remains undetermined with no indication as to when planning permission is likely to be obtained. Whilst the Council now accepts that some homes from that allocation will now be delivered outside of the plan period, that prediction is based on delivery of 120 homes being achieved in the 2020/21 monitoring year<sup>5</sup> – effectively only 1 year from now. That simply will not be achieved. The reality is as follows:

- The application is only in outline form;
- No resolution to grant has been obtained and there is no indication as to when that might be achieved (and we understand that there are highway capacity and mitigation issues that need to be resolved);
- Following the resolution to grant, a S106 will need to be agreed before the decision notice will be issued;
- Following the issue of outline planning permission, reserved matters will need to be prepared, submitted and determined before any detailed planning permission for actual homes will be in place;
- Pre-commence conditions will need to be discharged;
- There will be a lead in time between a start on site and first new homes being delivered and available for occupation; and
- The delivery of 120 homes in the first year of delivery is unrealistic.

1.15 For West Cheltenham, no planning application has been submitted and we understand that the progression of highway modelling (connected with NW Cheltenham also) has delayed the progression of that site. Despite that, the Council still suggest that the delivery of 25 homes will be delivered in the 2020/21 monitoring year. That is wholly unrealistic given the site's planning status.

1.16 For every year of slippage that occurs (and that statement can be made with some confidence here given the planning status and remaining steps that need to be taken before first homes will be delivered), over 500 homes will fall to be delivered outside of the current plan period.

1.17 Even if only 1 year of slippage were to occur to each of these sites i.e. first delivery in 2021/22 (which remain highly ambitious and unlikely to be achieved in our view), a further 550 homes (410 from NW Cheltenham and 140 from West Cheltenham) would then fall to be delivered outside of the current plan period. The overall shortfall in delivery against Cheltenham's housing requirement would rise to 669 homes. The reality is that the actual under-delivery will be in excess of 1,000 homes and, in all likelihood, will be much higher than that.

1.18 The Council suggest that the identified supply issues will be addressed through the JCS review but, in our view, corrective action to address this under-supply must be taken

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<sup>5</sup> Appendix A of Examination Document SD010

through the Cheltenham Local Plan. It is an entirely appropriate planning policy vehicle to do so and the current JCS identified the District Plans as being able to take corrective action if delivery issues were identified.

- 1.19 In our view, without the identification of further allocations the plan does not meet the relevant tests of soundness as set out in the NPPF because the allocations do not deliver Cheltenham's housing needs – a housing need that was found sound after a lengthy Plan Examination and which is now adopted by the JCS Councils in the JCS Plan. As such, without modification, it cannot be concluded that the Plan is positively prepared, effective nor consistent with the NPPF.
- 1.20 With this context, we now turn to respond to the Inspector's individual questions.

**Question 1: Table SP2a identifies a supply of 1,011 dwellings to be identified through the Cheltenham Plan. Does the CP identify sufficient land to meet this requirement?**

- 1.21 In terms of actual allocations, Policies H1 and H2 identify sites that are capable of delivering only 933 homes. This falls short of the 1,011 homes indicated in the JCS. However, Table 10 on page 140 of the Local Plan includes existing permissions which total 303 dwellings and were previously intended to be included as Local Plan allocations. These, alongside the current Plan Allocations, would take delivery to 1,236<sup>6</sup>. The latest five year supply report (Examination Document SD010 now suggest that these permissions will yield a slightly increased number of homes of 311 homes, so 1,244 dwellings in total alongside the Plan allocations.
- 1.22 Importantly, however, whilst the combination of sites with planning permission and those proposed to be allocated, exceeds 1,011, that was the residual number of dwellings that the Cheltenham Plan needed to identify on the basis that 5,385 homes would be delivered within the Plan period from the strategic urban extensions. The Council now concede that less homes will be delivered from these urban extensions and, as set out in the answer to the Inspector's overall main issue, fewer still homes will be delivered from those urban extensions than is still being suggested by the Council.
- 1.23 Table SP2a of the JCS is not a strict policy distribution to be followed – Policy SP2 sets the overall minimum housing requirement for Cheltenham Borough and Table SP2a just provides an indication of how that was expected to be achieved. If it were rigidly applied, it would not satisfy the NPPF's requirement for flexibility and responsiveness. Now shortfalls in delivery from strategic allocations has been identified, the Policy SP1 and SP2 requirements must be met through the delivery of allocations for a higher number of non-strategic sites in the Cheltenham Local Plan. In excess of the figure of 1,011 must now be permissible to allow the JCS housing needs to be met.

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<sup>6</sup> This total of 1,236 is correct despite the Council's Trajectory Table (Table 10|) on page 140 of the Plan suggesting a total of 1,246 will be delivered

- 1.24 Policies H1 and H2 of the Local Plan as they currently stand, will not deliver a sufficient quantum of homes in order to meet its housing requirement.

**Question 2: Does the allocation of any of the sites under Policy H1 or H2 affect the soundness of the CP?**

- 1.25 We raise no issues with the soundness of the sites identified under Policy H1 and H2. Our concern is focused on the overall soundness of Policies H1 and H2 given that they will not deliver a sufficient quantum of homes in order to meet the Council's adopted housing requirement.

**Question 3: To what extent has the trajectory at Table 10 of the CP been agreed with the relevant landowners, developers and agents? Are the sites identified in Policies H1 and H2 likely to deliver 1,011 dwellings by 2031 in accordance with the requirements of the NPPF para 47?**

- 1.26 We do not know whether the Council has confirmed the trajectory for relevant sites in the Plan – such agreement would be helpful. However, our concern is that, even when the JCS strategic allocations at NW Cheltenham and West Cheltenham were expected to deliver in accordance with the adopted JCS trajectory, the quantum of homes intended to be delivered on the allocated sites provides little to no contingency (only approximately 1% contingency) should any of the sites identified not proceed.
- 1.27 It has now been shown that the strategic allocations will not deliver as expected and so additional sites need to be identified and allocated and these should provide a sufficient quantum of homes to provide some flexibility and ability to be responsive to change, as supported by the NPPF.

**Question 4: Has sufficient regard been given to the impact of development on historic assets and their settings at the following housing allocations: HD2, HD3, HD4, HD7, HD8?**

- 1.28 Whilst we have no specific comment on the impact on historic assets, such issues do have the potential to reduce the capacity of sites to deliver homes and is an example of why sufficient flexibility should be introduced into the plan by way of sufficient sites to provide a contingency for delay or non-delivery.

**Question 5: Would it be appropriate to allocate additional housings sites in the CP in order to provide more choice and help to ensure that the target figure of 1,011 dwellings is met?**

- 1.29 Yes, as identified above, even if the JCS strategic allocations were to have deliver the full quantum of homes in the Plan period as envisaged by the JCS, the current allocations would still have provided very limited flexibility to deliver the residual requirements for Cheltenham, Just on that basis, additional allocations would be justified. The need for additional allocations is now even more paramount given the shortfalls in homes that will be delivered from the strategic sites in the plan period.





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