

West Suffolk Housing Delivery Study

March 2019

Contents

Executive Summary	1
1. Introduction	8
Part 1: Housing Delivery Assessment	12
2. The Importance of Increasing Delivery	13
3. Overview of Past Delivery	23
4. Interrogating Trends in Past Delivery	38
5. Determinants of Demand	71
6. Housing Trajectory Planning	90
7. Summary of Housing Delivery Assessment	100
Part 2: Informing the Housing Delivery Plan	103
8. Recommendations	104
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Appendix 1: Key Sites in Current Housing Trajectory	136
Appendix 2: November Stakeholder Workshop Notes	150
Appendix 3: Additional Commentary on Modern Methods of Construction	155

Client

Forest Heath District Council and St Edmundsbury Borough Council

Our reference

SUFP3001

March 2019

Executive Summary

1. This report focuses on how West Suffolk Council, working with its partners in the public and private sector, can deliver the new homes that are needed in the area over the next 15-20 years. This study was commissioned to complement the Housing Strategy, which was recently approved by West Suffolk Council (Forest Heath District Council and St Edmundsbury Borough Council), and to inform the preparation of a Housing Delivery Plan.
2. The vision within the Housing Strategy confirms that the Council is ‘committed to increasing the supply, range and quality of housing for our current and future residents’¹. It also confirms the Council’s recognition of the opportunity to explore new ways of increasing the rate of housing delivery locally. It states:

“We need to find new innovative ways to help developers speed up the rate that they build new homes, through making the planning system as efficient as it can be, supporting the provision of required infrastructure and using all the powers we have to act where housebuilding has been significantly delayed or slow to come forward”²
3. The Council has in this context recently taken the positive step of committing significant additional resources to strengthen its Development Management and Growth Services, recruiting additional staff in its Strategic Housing, Economic Development, Planning and Property teams, with the aim of supporting and promoting growth across West Suffolk.
4. This report complements the Housing Strategy, and identifies actions that can be taken to boost overall housing delivery and provide greater choice in the types and tenures of new homes. The Council will draw upon this report in the development of a Housing Delivery Plan and the West Suffolk Local Plan.
5. The report has been prepared in the context of the Government’s stated objective of ‘significantly boosting the supply of housing’, with a target for England of delivering an average of 300,000 new homes annually by the mid-2020s.
6. All local authorities in England are expected to contribute to achieving the Government’s target; and if there are robust reasons why one authority cannot deliver their element of the overall target, then neighbouring authorities will be expected to make up the shortfall.
7. As context, in the year April 2017-March 2018 around 222,200 new homes were delivered in England, representing 75% of the Government’s target, so there is some way to go to achieve the Government’s ambition. West Suffolk will need to increase the delivery of new homes to play its part in the achievement of this goal.

¹ West Suffolk Councils (2018) ‘Draft West Suffolk Housing Strategy 2018 – 2023’

² *Ibid*

8. The St Edmundsbury 2017 Five Year Housing Land Supply statement shows that the borough delivered 67% of planned homes between 2012 and 2017, with an average delivery rate of 323 dwellings per annum, resulting in a shortfall of 791 homes over the period³. Forest Heath's Five Year Housing Land Supply statement shows that the district delivered 78% of planned homes over the same period, with an average delivery rate of 265dpa, resulting in a shortfall of 377 homes.
9. In the longer term, the quantum of new housing that West Suffolk will be expected to provide is likely to increase, not decrease. The challenge is all the greater given that a downturn in the housing market, and current political uncertainties, could affect investment in housing.
10. All the evidence indicates that, to achieve the goal of meeting the full need for housing, West Suffolk should continue to approach its role in enabling an increase in housing delivery proactively, building upon its investment and progress to date. In particular the Council will need to support the development of a more diverse home-building sector in West Suffolk, capable of providing a more diverse range of new homes.
11. To do this the Council will need to engage with a broad range of partners responsible for delivering housing. This will include smaller local SME builders as well as new entrants to the market with funding models different to those of the mainstream housebuilders; and encourage a wider range of Registered Providers (RPs) to invest in West Suffolk, particularly larger RPs with diversified funding sources.
12. The Housing Strategy and Delivery Plan will, in due course, be accompanied by a new West Suffolk Local Plan, which will inform the number of new homes required, and identify appropriate locations for development, alongside policies relating to other land uses.
13. The recommendations presented in the report have been informed by a detailed Housing Delivery Assessment which has involved a review of the historic pattern of housing development across West Suffolk and is set out within Part 1 of this report. This analysis sheds light on how the market for new homes has functioned in the period 2001-2017. Part 2 of the report provides recommendations to assist the Council in delivering against its Housing Strategy.

Part 1: Housing Delivery Assessment

14. A detailed review of past and current rates of housing delivery across West Suffolk has been undertaken. This has identified:
 - a. In the past West Suffolk has demonstrated the ability to “absorb” comparatively high levels of housing growth, when benchmarked against the size of the existing housing stock and compared with national absorption rates.

³ Since the start of the plan period in 2008 St Edmundsbury has built up a shortfall of 1,943 homes against its adopted Core Strategy targets.

- b. The capacity of the local market to support more positive levels of new housebuilding indicates that it should be possible to increase overall delivery rates in future, although this will require a supportive policy and strategy framework building on the Council's approach to date with the aim of enabling and supporting higher levels of delivery.
- c. A mix of market and affordable housing has been delivered in West Suffolk over recent years. Around a quarter of all homes completed since 2012 have been affordable. This has contributed towards addressing an evidenced need for affordable housing.
- d. Sites of all sizes have contributed towards housing supply in West Suffolk over the past six years (2012 – 2018). Although larger sites account for the majority of homes delivered in the area, smaller sites (<10 dwellings) account for 30% of overall housing supply.
- e. St Edmundsbury in particular has seen a number of developments by local and regional housebuilders, although the larger sites have generally been delivered by national housebuilders.
- f. New homes in West Suffolk have in the past been delivered on both greenfield and brownfield sites, with a relatively even split. Since 2012, housing completions in West Suffolk have been maximised in those years when brownfield sites matched or exceeded the supply delivered on greenfield sites.
- g. Red Lodge, Bury St Edmunds and Haverhill have been the most significant locations in terms of housing delivery since 2012.
- h. Since 2012, over half (56%) of all housing sites in West Suffolk were commenced and built out in a single year. The largest site (Northgate Street/Cotton Lane, Thingoe House in Bury St Edmunds parish) to be fully built out in one year delivered a total of 56 dwellings.
- i. Larger sites are built out over a longer period of time. In terms of annualised delivery rates for sites of 50 dwellings or more, a range between 21 and 60 dwellings per annum was recorded. The maximum number of homes built in a single year on a large site was 112 dwellings (at Kings Warren in Red Lodge parish in 2012). It is noted that national housebuilders' typical build out rates per site (45dpa) is a figure situated broadly at the mid-point of the range quoted above and in this respect West Suffolk is not atypical.
- j. Lead-in times for smaller sites in West Suffolk (<100 dwellings) are relatively short, when compared to evidence of average lead in times nationally. The average lead-in times for larger sites in West Suffolk are longer than small sites, and align closely with the national average.

- k. There is little evidence of planning permissions lapsing on larger sites in West Suffolk. This is consistent with national evidence that non-implementation is uncommon on larger sites outside major urban areas. While permissions on some smaller sites have lapsed, this remains comparatively rare and does not significantly affect the overall supply of new homes in the area.
 - l. A future trajectory of housing sites was developed by both St Edmundsbury and Forest Heath Councils in the context of current Plans. It is understood that the Council is in the process of updating this trajectory but this study is limited to analysis of the current published trajectories with a base date of 2017. These trajectories are comprised of existing permissions and allocations. Larger sites are assumed to progressively make a stronger contribution towards future supply over the next ten years in the current trajectories.
 - m. Identified housing sites are distributed across 27 settlements, of which almost half contain a single site with capacity for up to 75 homes. The greatest quantity of planned housing provision is focused on Bury St Edmunds, Haverhill, Mildenhall and Red Lodge. These three settlements account for two thirds of the housing supply pipeline, in line with existing planning strategy.
 - n. It is important to understand the drivers of demand, how this has influenced the past distribution of homes and how this will influence future distribution. In this context, plans to boost rates of housing development in South Cambridgeshire, East Cambridgeshire and Breckland are identified as potentially influencing the number of moves from this area to West Suffolk, increasing competition and moderating demand arising from this location. Equally parts of West Suffolk could be perceived as more affordable locations, particularly when compared to neighbouring areas such as Cambridge, South Cambridgeshire and Uttlesford. This could generate demand from households seeking more affordable market housing in locations accessible to areas of work. In this context it is important to note that strong commuting connections into Cambridge from some parts of West Suffolk (Newmarket, Haverhill and Clare in particular).
15. It is recognised that the current housing trajectories which have been considered as part of this assessment will be reviewed and updated, not least to reflect the publication of the new NPPF and the creation of the new West Suffolk Council. Such a review should take account of the findings of the assessment summarised above.

Part 2: Recommendations

16. The key role for the local authority is to ensure, in the first instance, clarity and efficiency in delivery of the Council's statutory planning functions, so that the Council is not a source of delay in the delivery of new homes. The analysis in this report indicates the need to boost housing supply. The Council will need to ensure that its housing and planning teams continue to be sufficiently resourced as their workload increases.

17. This report identifies that if housing delivery in West Suffolk is to be accelerated, there is a need for an individual or a small team to be empowered to act as problem solvers, or brokers, when development schemes stall or are delayed as a result of changing market / development circumstances or as a result of disputes between parties. We call this the Housing Enabler function.
18. The need for the establishment of a Housing Enabler function was identified in the Elphicke-House report commissioned by the then Department of Communities and Local Government, and published in January 2015. In the context of achieving the ambition set out within the Housing Strategy it is critical that West Suffolk as the planning authority builds upon the work it has already begun, and continues to perform a key role within the process of providing the Housing Enabler Function.
19. One of the best ways for West Suffolk to build on the work it has already begun would be for it to continue to work in partnership at both an Member and officer level with its key public sector partners, including Suffolk County Council, other district councils in Suffolk and Cambridgeshire, the New Anglia LEP and the Cambridgeshire Combined Authority to ensure a co-ordinated and joined up approach to the Housing Enabling Function. While West Suffolk has already taken positive steps in beginning to adopt this approach and this should continue to be built upon, it may well be that elements of this function going forward, such as infrastructure, could be coordinated and delivered over a larger geography than West Suffolk alone. This should continue to be explored and considered by the Council through dialogue with its neighbours.
20. The planned delivery of new homes across West Suffolk will be strengthened by the development of this Housing Enabler function, and reduce the risk that West Suffolk is unable to demonstrate that its land supply is sufficient in the context of the Housing Delivery Test being introduced by Government; and to ensure it is able to demonstrate a robust 5 year housing land supply.
21. Demonstrating this requires Councils to ensure that their housing trajectory is robust. This report outlines parameters to guide the preparation of an updated housing trajectory, based on the analysis of historic monitoring data supplied by the Council. The preparation of a sufficiently robust trajectory implicitly requires there to be adequate resource within the Council to prepare and continuously respond to changes in information/ evidence. In resourcing this function, this report suggests that the Council engages with other neighbouring authorities, to reflect on best practice, and remains abreast of the latest local information.
22. Going forward a continued investment in people will be important in realising the Council's ambition. More proactive management of the housing trajectory will require both investment in technology and people. Good data and intelligence is critical to the management of the housing trajectory.
23. Another aspect of the Housing Enabler function is to be proactive in encouraging the diversification of housing delivery. Currently it is estimated that national and some

regional housebuilders account for about 65% of housing delivery within the area, with smaller developers including Registered Providers delivering the remaining 35% of new homes; at the national level, smaller developers account for only 29% of delivery. However, over the longer-term this sector has reduced in its proportionate contribution.

24. Comparatively this does suggest a relatively healthy smaller developer sector in West Suffolk, complementing the contributions of the national and regional developers. In order to maintain and further diversify sources of supply it is recommended that the Council encourages further growth of the SME builder sector to ensure its strengthening and future health. In reality this overlaps with the custom and self-build sector, since SME builders may well be involved in part, or all, of the construction of custom and self-build homes.
25. The Council's wholly owned Housing Company, Barley Homes, has a part to play in enabling growth in the SME builder sector. Barley Homes could lead the process of acquisition and assembly of sites, and securing planning consents; and then where appropriate contract with SME house builders to undertake construction.
26. The aim of this intervention would be to build capacity in the SME housebuilding sector so that these companies gain the confidence to undertake their own developments. Other actions proposed which could assist the Council to support the SME housebuilding sector include ensuring that the Local Plan identifies a good range of small sites for development, as part of a mix of sites including larger sites, and that the Council responds positively to windfall opportunities.
27. The NPPF requires that at least 10% of local authorities' housing requirement be accommodated on sites of one hectare or less that are suitable for housing. West Suffolk Council could aim to ensure the availability of a wider portfolio of smaller sites, as part of a proactive strategy to support SME housebuilders and custom/self-build.
28. In the recent past, small housing developments have generally been focused in the towns of West Suffolk, and the larger villages assessed by the Councils to be more 'sustainable'. In the development of a new Local Plan, it is recommended that the Council should review the criteria for defining sustainability in the light of the new NPPF, technological advancements and changing lifestyles; and consider the contribution that small scale developments in smaller communities could make to the provision of both affordable and market homes. This would provide a strategy of broader geographical distribution noting that this would continue to complement the identification of sites in areas supported to date by the Local Plan spatial strategies.
29. The third major opportunity to diversify housing supply in West Suffolk is to encourage the provision of new homes for persons over the age of 50 and suited to the needs of people as they get older. These homes would not be part of some standalone development, but would be integrated into existing communities, and be suitable for adaptation and enabling independent living in later life.

30. Generally, the supply of new, general needs homes that are designed to ensure that people can stay in their home for as long as possible is in short supply. This is despite evident interest in those aged over 50 in moving to a new home that will suit them as they age.
31. Recent research⁴ also suggests that, contrary to much media commentary, many of those aged over 50 who wish to move do not wish to 'downsize'; rather they wish to move to a similar sized home, that will be to easier to manage and live in as they age. The phrase used in research for these people is 'right-sizing'.
32. West Suffolk has an ageing population, and is an area which appeals to many people aged 50 years and over. The housebuilding industry is not obviously catering for this group of people. West Suffolk should seek to pilot this form of development to meet existing need within West Suffolk across households with different levels of income and assets.
33. Some Councils have made investment in land and development, and the Housing White Paper and the NPPF encourage local authorities to be proactive in their use of assets, their ability to borrow to finance housing development and use of CPO powers to enable development.
34. The opportunity exists for West Suffolk Council, if it is minded to make such investments, to work through Barley Homes as a vehicle for such an approach to be pursued.

⁴ Rightsizing: Reframing the housing offer for older people, Manchester School of Architecture
www.msa.ac.uk/media/msaacuk/documents/research/Rightsizing_MSA.pdf

1. Introduction

1.1 In September 2018, Turley was commissioned by Forest Heath District Council and St Edmundsbury Borough Council – who will formally merge into a single Council, known as West Suffolk, from April 2019 – to prepare a Housing Delivery Study for West Suffolk.

Scope of Research

1.2 The study is intended to complement the Council's new Housing Strategy, which was published in December 2018, and inform the preparation of a Housing Delivery Plan. It is also intended to be used to inform the emerging Local Plan for the new West Suffolk Council.

1.3 This Housing Delivery Study has been developed from a detailed assessment of the past and current rate of housing delivery across West Suffolk. This forms **Part 1** of this report, and considers:

- The profile of housing completions over the last five years and presently evidenced delivery rates, considering variation across different sizes and types of site and geographic location across West Suffolk;
- The profile of housing that has been delivered and the determinants of this mix, considering the extent to which it is a response to market demand or market supply;
- Local absorption rates and developer practices benchmarked against other comparator areas;
- The implications of wider housing market area geographies and the influence of house-building activity beyond the West Suffolk boundary on development in West Suffolk;
- The evidence of unimplemented planning permissions and the factors that may underlie lapse rates; and
- The implications of historic evidence in informing the Council's future housing trajectory planning, taking into consideration the publication of the revised National Planning Policy Framework (NPPF) and associated updates to Planning Practice Guidance (PPG). It is not the purpose of this study to provide the Councils with an updated trajectory of housing delivery.

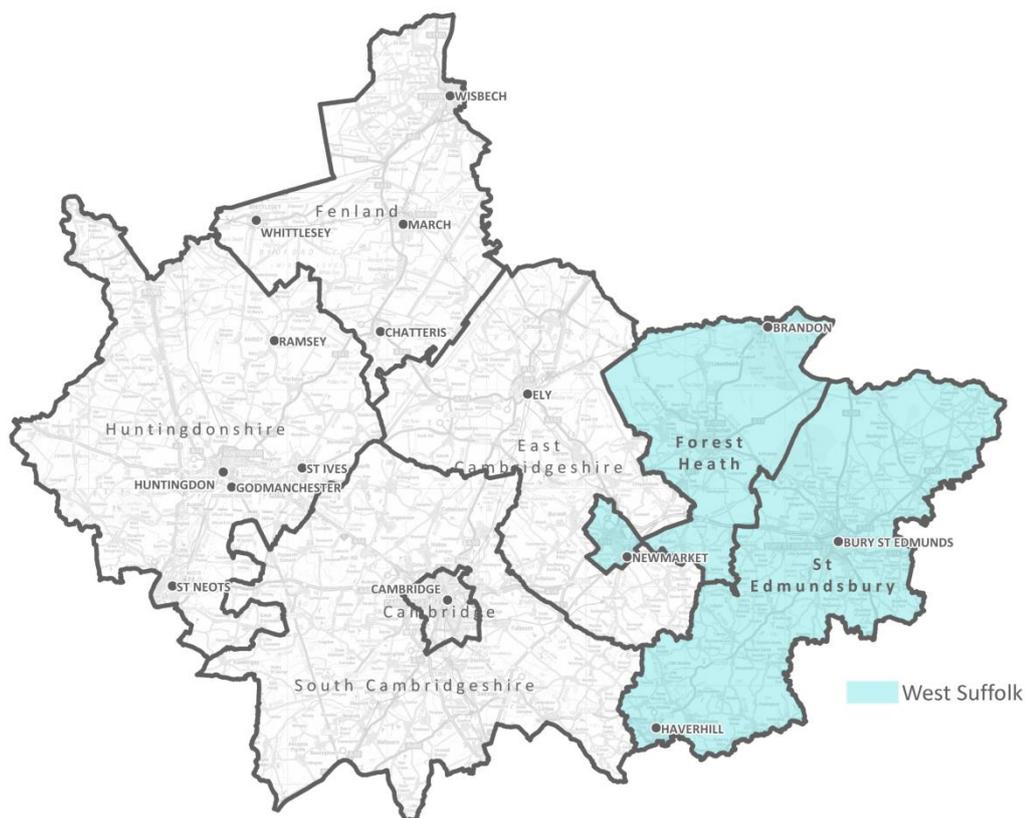
1.4 In drawing out an understanding of the past patterns of housing delivery in the area, it is necessary to consider the interrelationship between four key components of housing delivery locally:

- The planning process, including infrastructure planning;

- The funding of planning, infrastructure and housing;
- The number, character, and operational models of different developers; and
- The market environment, including market demand for new homes, which will be influenced by interest rates, household formation rates, incomes, buyer and developer confidence etc.

1.5 It is recognised that West Suffolk is not a self-contained housing market area (HMA) based on the approach to defining HMAs as set out in PPG. Evidence underpinning adopted and emerging planning policy confirms that West Suffolk is part of a HMA which also stretches across Cambridgeshire⁵. This report is not intended to review this evidenced position, and the Cambridge HMA has been used to provide context for understanding the operation of local housing market dynamics. Figure 1.1 shows the geographic scope of the HMA.

Figure 1.1: The Cambridge Housing Market Area



Source: 2013 Strategic Housing Market Assessment for the Cambridge Housing Sub-Region

⁵ Cambridgeshire Insight (2013) Strategic Housing Market Assessment, chapter 2 – defining our market area

- 1.6 The implications of the housing delivery assessment are then used to inform **Part 2** of this report, which is intended to support the Councils' preparation of a Housing Delivery Plan. This has been developed to take account of two inter-related issues:
- The breadth of mechanisms and approaches available to support the delivery of the homes required in West Suffolk, recognising the need for homes of different tenures, size and types; and
 - The role of plan-making and policy in supporting the management of the development pipeline in such a way to ensure the right quantum of new homes, of the right type and tenure are delivered on the scale required, and in the time frames set out in the new Local Plan.
- 1.7 The study does not seek to determine the quantum of new homes to be provided for through the new Local Plan. This will be separately determined by the Council in accordance with the NPPF and PPG. The starting point for identifying the need for additional homes will be that identified by the standard method as set out in PPG.
- 1.8 Equally the study does not address the appropriate distribution of housing in a new Local Plan; though the study can inform future consideration as to how different distribution strategies might affect the overall quantum of new homes that could be delivered.

Report Structure

- 1.9 The report is presented in two parts, as follows:

Part 1: Housing Delivery Assessment

- **Section 2: The Importance of Increasing Delivery** – in order to frame the research, consideration is given to drivers behind the Council's identified need to increase the delivery of housing. This presents an overview of the latest national and local policy positions taking into account the implications of recent changes to the NPPF and PPG. It also takes into account the Council's publication of a new Housing Strategy in December 2018.
- **Section 3: Overview of Past Delivery** – the recent pattern and rate of housing completions across the two authorities is set out. Performance in terms of housing delivery is benchmarked against other comparator areas including the national picture.
- **Section 4: Interrogating Trends in Past Delivery** – past delivery is interrogated in further detail, to isolate the contributions of different types of sites in different locations. The rate at which sites have been built out is also explored, alongside a review of evidence on lead-in times.
- **Section 5: Determinants of Demand** – past supply is considered in the context of the national and local factors that influence housing demand.

- **Section 6: Housing Trajectory Planning** – the analysis presented in the preceding sections is used to establish local precedents to inform the Council’s future development of their housing trajectory. This considers the existing supply pipeline and reflects on the context presented by the existing larger / strategic sites within the area.
- **Section 7: Summary of Housing Delivery Assessment** –a summary of the findings from Part 1.

Part 2: Informing the Housing Delivery Plan

- **Section 8: Recommendations** – an assessment is made of the full range of alternative mechanisms and approaches which could be used to boost supply locally. These take into account existing approaches being implemented or explored by the Council and draws upon both best practice nationally and the views of local stakeholders. Recommendations are set out as to the actions that the Councils could take to increase the rate of housing delivery in the area. This considers, amongst other elements, the adoption of a pro-active approach to the management of the development process, plan-making approaches and partnership working with different types of organisations active in the area.

Part 1: Housing Delivery Assessment

2. The Importance of Increasing Delivery

- 2.1 This section outlines the increasing policy priority given to securing an increase in housing delivery at all spatial scales of government (from national through to sub-regional and local).

A National Imperative to Boost the Supply of Housing

- 2.2 The Government has identified that *'building the homes our country needs'* represents the country's *'biggest domestic priority'*⁶.

- 2.3 The Prime Minister recently confirmed:

*"Everyone in the country deserves not just a roof over their head but a safe, secure and affordable place to call their own"*⁷

- 2.4 The Secretary of State for Housing has also acknowledged that:

*"...our focus must still be to build those thriving communities people are happy to call home for generations to come"*⁸

- 2.5 As part of its plan to build *'a country that works for everyone'*, the Government has set itself the objective of significantly boosting the supply of housing, to meet its target of delivering 300,000 homes each year by the mid-2020s.

- 2.6 In setting out the policy framework to realise the *'Government's objective of significantly boosting the supply of homes'*, the NPPF stresses the importance of ensuring that plan-making delivers a *'sufficient amount and variety of land'*⁹.

- 2.7 It is equally important to recognise the NPPF's expectation that the:

*"...size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies"*¹⁰

- 2.8 The NPPF confirms that a *'local housing need assessment conducted using the standard method'* should be used to *'determine the minimum number of homes needed'* (our emphasis), unless *'exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals'*¹¹. NPPF also

⁶ Conservative Party Conference 2018: Secretary of State for Housing, Communities and Local Government, 1 October 2018

⁷ MHCLG (2018) A new deal for social housing, Foreword

⁸ *Ibid*

⁹ MHCLG (2019) National Planning Policy Framework, paragraph 59

¹⁰ *Ibid*, paragraph 61

¹¹ *Ibid*, paragraph 60

requires *'any needs that cannot be met within neighbouring areas'* to be taken into account¹².

- 2.9 The Government has reissued associated planning practice guidance which includes the standard method and confirms that *'assessing housing need is the first step in the process of deciding how many homes need to be planned for'*¹³.
- 2.10 It is of note that the Housing White Paper also confirmed that planning for the right homes in the right places was:
- "...critical to the success of our modern industrial strategy. Growing businesses need a skilled workforce living nearby, and employees should be able to move easily to where jobs are without being forced into long commutes"*¹⁴
- 2.11 The NPPF encourages plan-makers to contribute towards *'building a strong, competitive economy'*, articulating how planning must *'help create the conditions in which businesses can invest, expand and adapt'*¹⁵. The Government is clear to stress that, in plan-making and decision-making, the *'approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future'*¹⁶.
- 2.12 In linking its objective of supporting economic growth, the NPPF is clear that plan-makers should recognise the need to *'address potential barriers to investment, such as inadequate infrastructure, services or housing'*, whilst being *'flexible enough to accommodate needs not anticipated in the plan...and to enable a rapid response to changes in economic circumstances'*¹⁷.
- 2.13 In turn, this implies the need to provide a range of tenures to ensure that housing meets the needs of all parts of communities.

Cambridgeshire and Peterborough Housing Strategy

- 2.14 The CPCA area is covered by two Housing Market Areas (HMAs), the Cambridge HMA and the Peterborough HMA. As highlighted in this report's introduction, the former of these HMAs encompasses West Suffolk with this forming a relevant wider strategic spatial context for the two authorities.
- 2.15 The Cambridgeshire and Peterborough Combined Authority (CPCA) adopted its Housing Strategy in September 2018¹⁸, outlining the Combined Authority's *"ambitious targets for housing delivery"*,¹⁹ comprising its long-term strategic ambition over the

¹² *Ibid*, paragraph 60

¹³ PPG Reference ID 2a-001-20190220

¹⁴ DCLG (2017) Fixing our broken housing market, page 14

¹⁵ MHCLG (2019) National Planning Policy Framework, paragraph 80

¹⁶ *Ibid*

¹⁷ *Ibid*, paragraph 81

¹⁸ Cambridge and Peterborough Combined Authority (2018) CPCA Housing Strategy

¹⁹ *Ibid*, p. 8

period to 2036 (the delivery of at least 100,000 additional new homes, including at least 40% affordable) and shorter-term delivery targets over the period to 2022 (including the delivery of at least 2,000 new affordable homes region-wide and 500 Council homes)²⁰.

- 2.16 The Strategy subsequently sets out three Strategic Objectives that should inform housing delivery in the area, grouping areas for intervention according to these objectives as follows.

To accelerate housing delivery to support economic growth

- **Develop a comprehensive Strategic Investment Fund (SIF)** – the Strategy highlighting that the most important intervention that the CPCA can make is the creation of a long-term, sustainable fund to cross subsidise different schemes;
- **Integrate transport and housing** – aiming to utilise financial returns from housing investment, such as Community Infrastructure Levy and developer contributions, to fund strategic infrastructure;
- **Strategic land acquisition** – with the CPCA aiming to purchase key sites, particularly where they unlock larger development opportunities, for example by enabling key infrastructure schemes; and
- **Direct delivery of new homes** – in areas where viability issues or the prospects of poor short term financial return prevent or delay market-led solutions from delivering to the required scale and/or pace, the CPCA aims to deliver homes directly through a wholly owned company.

To create prosperous places where people want to live

- **Masterplans and growth plans** – market towns are highlighted as the key focus for both new homes and economic growth in order to sustainably spread the geographic availability of jobs around the region;
- **Support for garden towns and villages** – it is stated that the development of major new settlements will also be critical to the achievement of the CPCA's housing ambitions, requiring co-ordination with the existing new transport and other infrastructure; and
- **Design Innovation** – the CPCA aims to work with partners to strengthen design solutions to key issues, such as development within flood risk areas, water management, and innovative design for high density living.

²⁰ *Ibid*

To expand housing choices to meet a range of housing needs across each of these objectives.

- **Targeting affordable housing through housing needs analysis and SHMAs** – the CPCA aims to lead a collaborative effort to update housing needs data, and to maintain that data on a 3-year cycle;
- **Increasing affordable home ownership i.e. Community Land Trusts and the £100K house** – the CPCA is supporting projects which allow people on lower incomes to rent affordable units while saving for a deposit to buy a home. Another ambition is to develop discounted market sale homes, with property values capped at £100,000 at first sale and profits made thereafter to be shared between the CPCA (as developer) and the initial purchaser; and
- **Creating balanced communities** – in recognition of the fact that there are a number of demographic groups who are currently not well provided for by current housing provision, both in market or affordable tenures, the CPCA is looking to support specific initiatives, such as housing for older people or development solutions which target young and/or single people, in appropriate locations.

2.17 The Housing Strategy subsequently proposes short-term (within the next 6-12 months), medium term (within the next two to three years) and longer term (from 2021) recommendations in line with the above Strategic Objectives, stating *“a determination to seek wholly new solutions and a commitment to disrupt broken markets where these are holding back delivery”*²¹.

The West Suffolk Housing Strategy

2.18 The West Suffolk Councils published a new Housing Strategy 2018 – 2023 in December 2018.

2.19 The Housing Strategy emphasises the importance of housing to meet the needs of the current and future communities of West Suffolk. It considers the need for housing holistically but, importantly in the context of this study, its vision confirms that the Councils are *‘committed to increasing the supply, range and quality of housing for our current and future residents.’*²²

2.20 The Housing Strategy provides important context to this research report. The Strategy’s first priority states:

“Housing priority one: plan for housing to meet the needs of current and future generations throughout their lifetimes that is properly supported by infrastructure, facilities and community networks”

²¹ *Ibid* p. 9

²² West Suffolk Councils (2018) ‘Draft West Suffolk Housing Strategy 2018 – 2023’

- 2.21 The Strategy goes on to confirm the Councils' recognition of the opportunity to explore new ways of increasing the rate of housing delivery locally. It states:

"We need to find new innovative ways to help developers speed up the rate that they build new homes, through making the planning system as efficient as it can be, supporting the provision of required infrastructure and using all the powers we have to act where housebuilding has been significantly delayed or slow to come forward"²³

- 2.22 To this end, there is recognition of a need to build more homes each year in order to meet the needs and aspirations of people either currently living in West Suffolk or people who might want to move into the area.

- 2.23 The commissioning of this research is specifically referenced in the Housing Strategy, noting that it:

"...will be used to develop a Housing Delivery Plan. The Plan will set out a wide range of interventions that West Suffolk can use in an enabling role to increase the rate of housing delivery on existing and emerging sites and local plan housing allocations"

- 2.24 The Housing Strategy acknowledges that the implementation of interventions will need to be done in partnership with both the private sector and other public sector partners.

- 2.25 In terms of specific actions taken by the Councils, the Strategy draws attention to their establishment of Barley Homes in March 2016, to enable additional housing delivery. Barley Homes is an arms-length commercial housing development company. The Company has submitted its first planning application for the development of mixed scheme of 36 homes on the former Westfield Middle School, Haverhill and the submission of a development brief for its second scheme (around 25 dwellings at the former Castle Hill Middle School, Haverhill) was completed in December 2018.

Local Planning Policy Context

Current and Emerging Plans

- 2.26 The adopted St Edmundsbury Local Plan and emerging Forest Heath Local Plan collectively plan for over 18,000 new homes over the period to 2031. This equates to a combined annual requirement for **between 821 and 923 homes**, recognising the phased requirement for St Edmundsbury which is discussed below.
- 2.27 The St Edmundsbury Core Strategy was adopted in 2010. Policy CS1 makes provision for around 12,240 homes between 2009 and 2031, in order to meet the minimum requirements of the East of England Plan²⁴. This planned growth was comprised of then-outstanding permissions, allocations rolled forward from the previous Local Plan, strategic directions of growth, other potential sites and windfall sites.

²³ *Ibid*

²⁴ St Edmundsbury Borough Council (2010) Core Strategy, paragraph 4.6. This confirms that the RSS sought to provide at least 10,000 new homes in the borough between 2011 and 2021, with a further 5,400 homes between 2021 and 2031

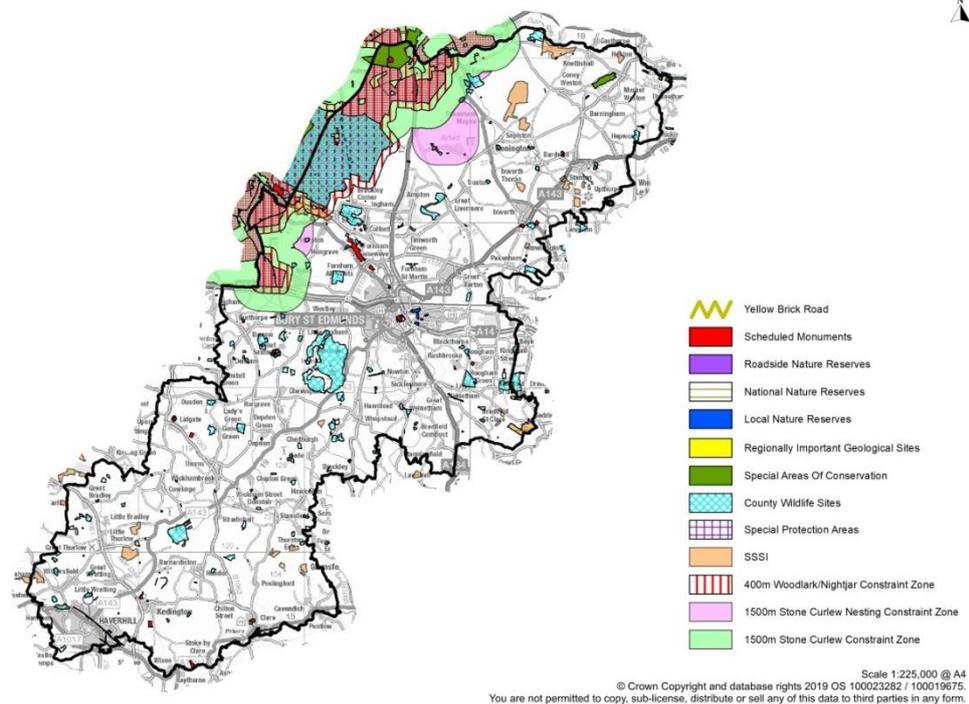
2.28 Meeting the requirement was found to require provision for:

- **481 homes per annum** between 2008 and 2016;
- **577 homes per annum** between 2017 and 2021; and
- **583 homes per annum** between 2022 and 2031.

2.29 The increased requirement from 2016 onwards reflects the anticipated timing of major strategic sites, with 'growth to the north-west and the completion of the Moreton Hall urban extension proposed from 2011 onwards...growth to the west...after 2016' and development of 'both north-east and south-east Bury St Edmunds' following after 2021²⁵.

2.30 This strategy seeks to achieve sustainable development, taking account of the constraints which influence the quantum and distribution of housing. The Core Strategy highlights that the Borough contains 'a number of internationally, nationally and locally important nature conservation sites'²⁶. The following plan shows the area's Environmental Designations, updated in 2019.

Figure 2.1: St Edmundsbury Environmental Designation Map, 2019



Source: West Suffolk Council, 2019

2.31 The Council updated its policies for housing provision through the adoption of the Bury St Edmunds Vision 2031, Haverhill Vision 2031 and Rural Vision 2031 Local Plan

²⁵ Planning Inspectorate (2010) Report on the Examination into the St Edmundsbury Core Strategy Development Plan Document, paragraph 13.8

²⁶ St Edmundsbury Borough Council (2010) Core Strategy, paragraph 2.18

documents in 2014. However, the Council concluded that the overall housing requirement remained appropriate at that time, based on the 2013 Strategic Housing Market Assessment (SHMA) and its conclusion that 11,000 homes were needed in St Edmundsbury between 2011 and 2031. The Inspector was satisfied that:

“...there is ample capacity to meet the objectively-assessed housing need for 11,000 dwellings, and indeed the residual requirement of 11,480 dwellings from the Core Strategy, by 2031”²⁷

- 2.32 In Forest Heath, the Council has progressed a Single Issue Review (SIR) and Site Allocation Local Plan (SALP) through examination. This addresses the scale of housing growth planned and its distribution within the district. The Inspector’s report is expected to be published in 2019, following hearing sessions in 2017 and 2018.
- 2.33 In establishing the proposed housing requirement, the SIR is underpinned by evidence of housing need contained within the 2013 SHMA for Forest Heath, which was subsequently updated in January 2016. The 2016 SHMA update calculated a need for 6,800 dwellings over the twenty year period from 2011 to 2031. A subsequent update to the study conducted in August 2016 generated the same need for housing. The emerging plans set a housing requirement which aligns directly with this calculated OAN, providing for 6,800 homes or **340 homes per annum**.
- 2.34 The proposed submission version of the SIR confirms that a key issue taken into account in identifying a distribution strategy was *‘the high number of environmental constraints in the district’*. It summarises that:

“Almost 50 per cent of Forest Heath District is designated for nature conservation value, with three sites designated at the European level, 27 nationally important Sites of Special Scientific Interest (SSSI) and over 70 County Wildlife Sites. The international sites include the Breckland Special Protection Area (SPA), and Breckland Special Area of Conservation (SAC)

“There are also many features of geological, archaeological and historic interest which contribute to the character of the district and should be protected from damage where development takes place

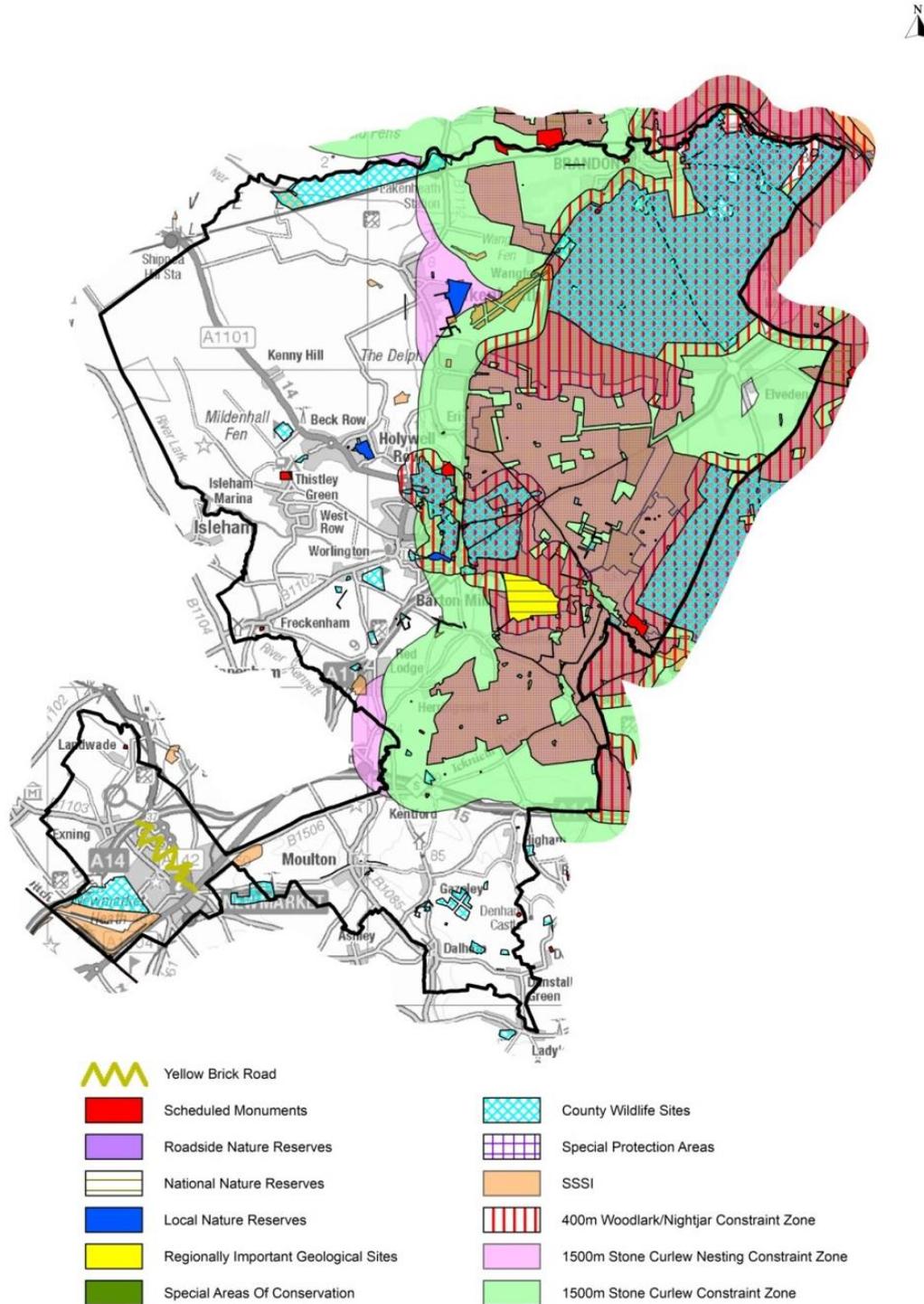
“In addition, large areas of land in the district fall within Flood Zones 2 and 3, and there are aircraft noise constraints due to the large airbases at RAF Mildenhall and RAF Lakenheath. However, it is important to note that flightpaths may change as a result of the announcement of the intention of the United States Visiting Forces (USVF) to withdraw from RAF Mildenhall by 2023, and the consequential restructure of activities at RAF Lakenheath”²⁸

²⁷ Planning Inspectorate (2014) Report on the Examination into Bury St Edmunds Vision 2031, Haverhill Vision 2031 and Rural Vision 2031, paragraph 22

²⁸ Forest Heath District Council (2017) Proposed Submission Single Issue Review (SIR) of Core Strategy Policy CS7 Overall Housing Provision and Distribution, paragraphs 3.9 – 3.11

2.35 Forest Heath's environmental designations are shown in the following map.

Figure 2.2: Forest Heath Environmental Designations, 2019



Source: West Suffolk Council, 2019

Basis for Future Plans

- 2.36 The two Councils have commenced preparation of a new West Suffolk Local Plan, which will be prepared under the revised NPPF.
- 2.37 The introduction of a new standard method for calculating housing needs through the revised NPPF was one of the '*radical reforms*' proposed by Government in response to the national housing crisis. This was aimed at minimising delays in plan-making and ensuring that local authorities cannot '*duck potentially difficult decisions*' by advancing an alternative methodology²⁹.
- 2.38 The revised NPPF confirms that a '*local housing need assessment conducted using the standard method*' should be used to '*determine the minimum number of homes needed*' (our emphasis), unless '*exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals*'³⁰. It also requires '*any needs that cannot be met within neighbouring areas*' to be taken into account³¹.
- 2.39 The Government first published its proposed method for consultation in September 2017³², and it remained unchanged through consultation on the revised NPPF which closed on 10 May 2018³³. The Government subsequently consulted on a revised method '*to be consistent with increasing housing supply*', which culminated in the issuing of revised guidance in February 2019. This utilises the 2014-based household projections as a '*short-term*' solution to the issues associated with the latest 2016-based dataset, but confirms an intention to review the formula in the longer-term '*with a view to establishing a new method...by the time the next projections are issued*'³⁴.
- 2.40 The guidance confirms clearly that '*assessing housing need is the first step in the process of deciding how many homes need to be planned for*'³⁵. It also reaffirms the position in the NPPF that the formula is '*to identify the minimum number of homes expected to be planned for*' and '*does not produce a housing requirement*'³⁶.
- 2.41 Based on the application of the standard method as of February 2019, West Suffolk would be currently expected to plan for a minimum of **817 dwellings per annum**, with a requirement for 363 dpa in Forest Heath and 454 dpa in St Edmundsbury. When combined, this relatively closely aligns with the authorities' current and emerging requirements, which range from 821-923 dwellings per annum over the course of their respective plan periods. This takes account of a phased increase in the adopted requirement for St Edmundsbury.

²⁹ DCLG (2017) Fixing our Broken Housing Market – the housing white paper, paragraph 14

³⁰ MHCLG (2019) National Planning Policy Framework, paragraph 60

³¹ *Ibid*, paragraph 60

³² DCLG (2017) Planning for the right homes in the right places: consultation proposals

³³ MHCLG (2018) National Planning Policy Framework: draft text for consultation

³⁴ MHCLG (2018) Technical consultation on updates to national planning policy and guidance, paragraph 19

³⁵ PPG Reference ID: 2a-001-20190220

³⁶ PPG Reference ID: 2a-002-20190220

- 2.42 It is important to recognise that the outcome of the method will be subject to change, with the demographic baseline to be calculated over a decade from *'the current year'*; currently 2019. The *'most recent'* affordability ratios should also be taken into account³⁷, with the next release scheduled for 28 March 2019.
- 2.43 In the process of plan-making, the scale of housing need will need to be balanced with an appreciation of potential constraints. The analysis and recommendations in this report have not sought to specifically consider the implications of environmental constraints on delivery; this needs to form part of the plan-making process.

Summary

- 2.44 The Government is committed to boosting the supply of housing, with housing recognised as the country's biggest domestic priority. Plan-making is important in providing the amount and variety of land needed to realise the Government's objectives, and its target of delivering 300,000 homes each year by the mid-2020s. Planning for the right number of homes in the right places is also critical in providing growing businesses with a skilled workforce, and employees with homes in locations that do not require long commutes. The NPPF identifies housing as a potential barrier to investment.
- 2.45 In West Suffolk, the Housing Strategy has emphasised the importance of housing to current and future communities. The Councils are committed to increasing the supply, range and quality of housing provided. There is recognition of the need to explore new and innovative ways of increasing delivery, in order to build more homes each year.
- 2.46 Adopted and emerging Local Plans are seeking to support the provision of at least 821 dwellings per annum, increasing to 923 homes once the higher phased housing requirement in St Edmundsbury is in place from 2022. Planned provision has been informed by evidenced assessments of housing need, with the spatial development strategy influenced by environmental and other constraints in each authority.
- 2.47 The Councils are currently developing a West Suffolk Local Plan, which will be prepared in the context of the revised NPPF. The new standard method for assessing housing need will therefore inform the minimum number of homes planned for through the new Local Plan. While the precise figure remains subject to change – with the formula itself to be reviewed over the longer term – it is notable that the method currently produces a figure for West Suffolk (817dpa) which broadly aligns with the Councils' current and emerging annual housing requirements.

³⁷ PPG Reference ID 2a-004-20190220

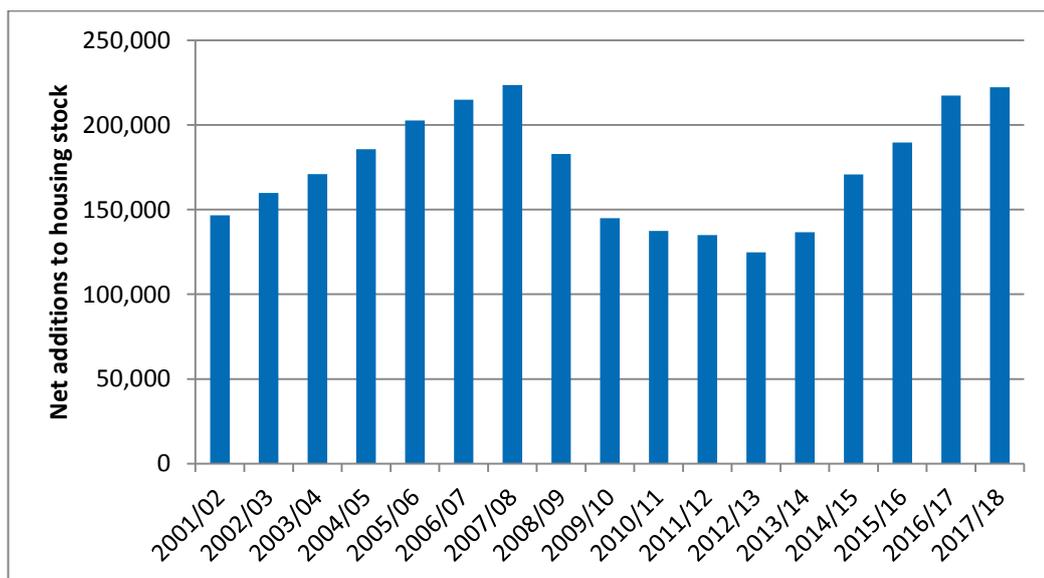
3. Overview of Past Delivery

3.1 This section provides an introduction to the past rates of development, which then feeds in to the analysis of the future housing trajectory for West Suffolk, and subsequently informs the discussion of prospective interventions that will boost housing supply.

Housing Delivery: A National Picture

3.2 The total housing stock of England grew by 222,194 homes in 2017/18³⁸. This followed five consecutive years of increased delivery, which has supported a 78% increase from the post-recession low (2012/13). The annual rate of development does, however, remain slightly short of that recorded prior to the recession (2007/08). Housing completions in 2017/18 have increased only modestly when compared to the number of completions in 2016/17, suggesting that the pace of growth in housing delivery may be slowing.

Figure 3.1: Net Additions to Dwelling Stock in England (2001 – 2018)



Source: MHCLG

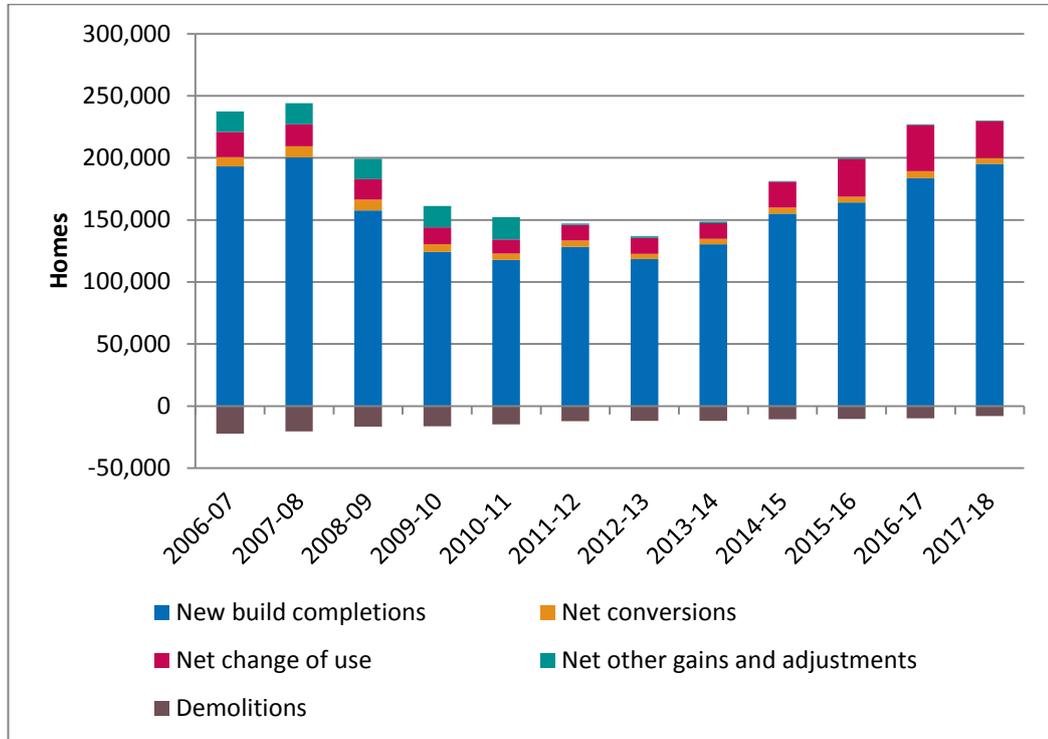
3.3 As shown in the chart below, new build completions have been the principal driver of housing supply in England over recent years³⁹. New build completions fell considerably following the onset of the recession, falling by some 41% over just three years (2007/08 – 2010/11) and remaining at low levels before increasing over the past five years. The number of homes delivered through change of use has also grown over recent years, and made an unprecedented contribution towards national housing

³⁸ MHCLG (2018) Table 122: Net additional dwellings by local authority district

³⁹ MHCLG (2018) Table 120: components of housing supply; net additional dwellings, England 2006-07 to 2017-18

supply in 2016/17. This followed the implementation of numerous planning reforms, albeit it is evident that its contribution reduced in 2017/18. This may be attributable to a slowing of conversions following an initially intense market response⁴⁰.

Figure 3.2: Components of Net Housing Supply in England (2006 – 2018)



Source: MHCLG

- 3.4 The analysis above provides valuable context in terms of recent trends, but must be understood within the context of longer-term supply. The Government has described the pace of house building in England over recent decades as ‘*sluggish at best*’, identifying a prolonged failure to build enough homes as the cause of the ‘*broken*’ housing market⁴¹.
- 3.5 Although long-term data on net additions to housing supply is not available – inhibiting direct comparison with the evidence presented above – the number of permanent dwellings completed in England can be tracked over calendar years since 1946⁴². Unlike the above analysis, this is based on gross completions and therefore does not take account of demolitions or replacements.
- 3.6 As shown in Figure 3.3, annual completions of permanent homes have fallen significantly over the long-term, with a slow decline in the average number of homes

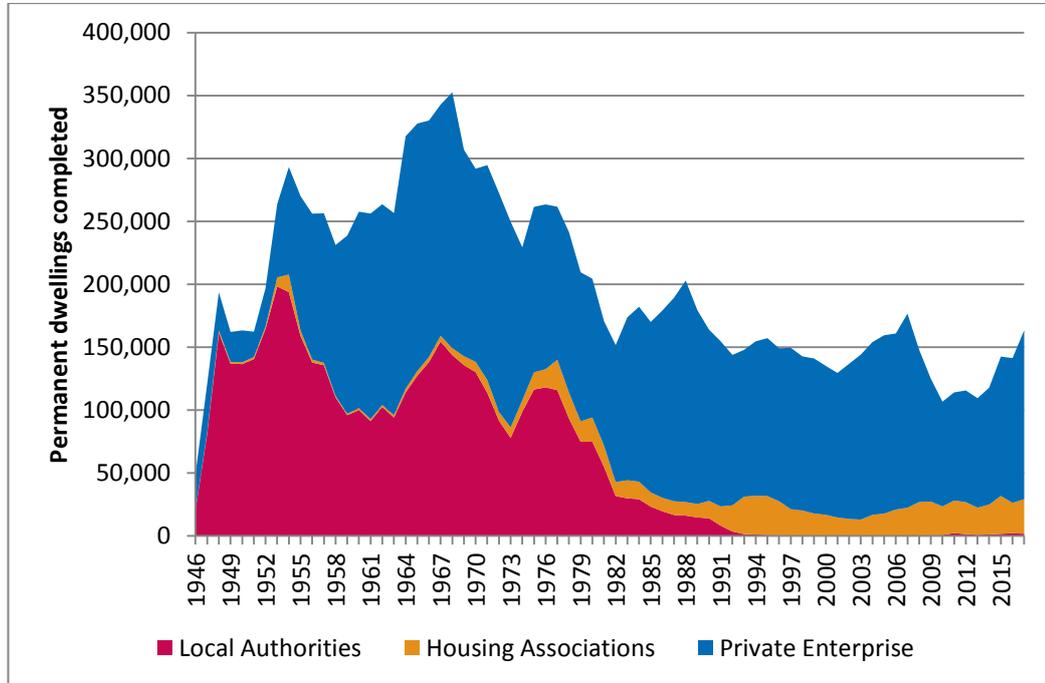
⁴⁰ RICS (2018) Assessing the impacts of extending permitted development rights to office-to-residential change of use in England

⁴¹ DCLG (2017) Fixing our broken housing market: the Housing White Paper

⁴² MHCLG (2017) Table 244 House building: permanent dwellings started and completed, by tenure

being built in England since 1980. Completions over the past 37 years remain markedly lower than recorded in the period 1950-80.

Figure 3.3: Permanent Dwellings Completed in England (1946 – 2017)



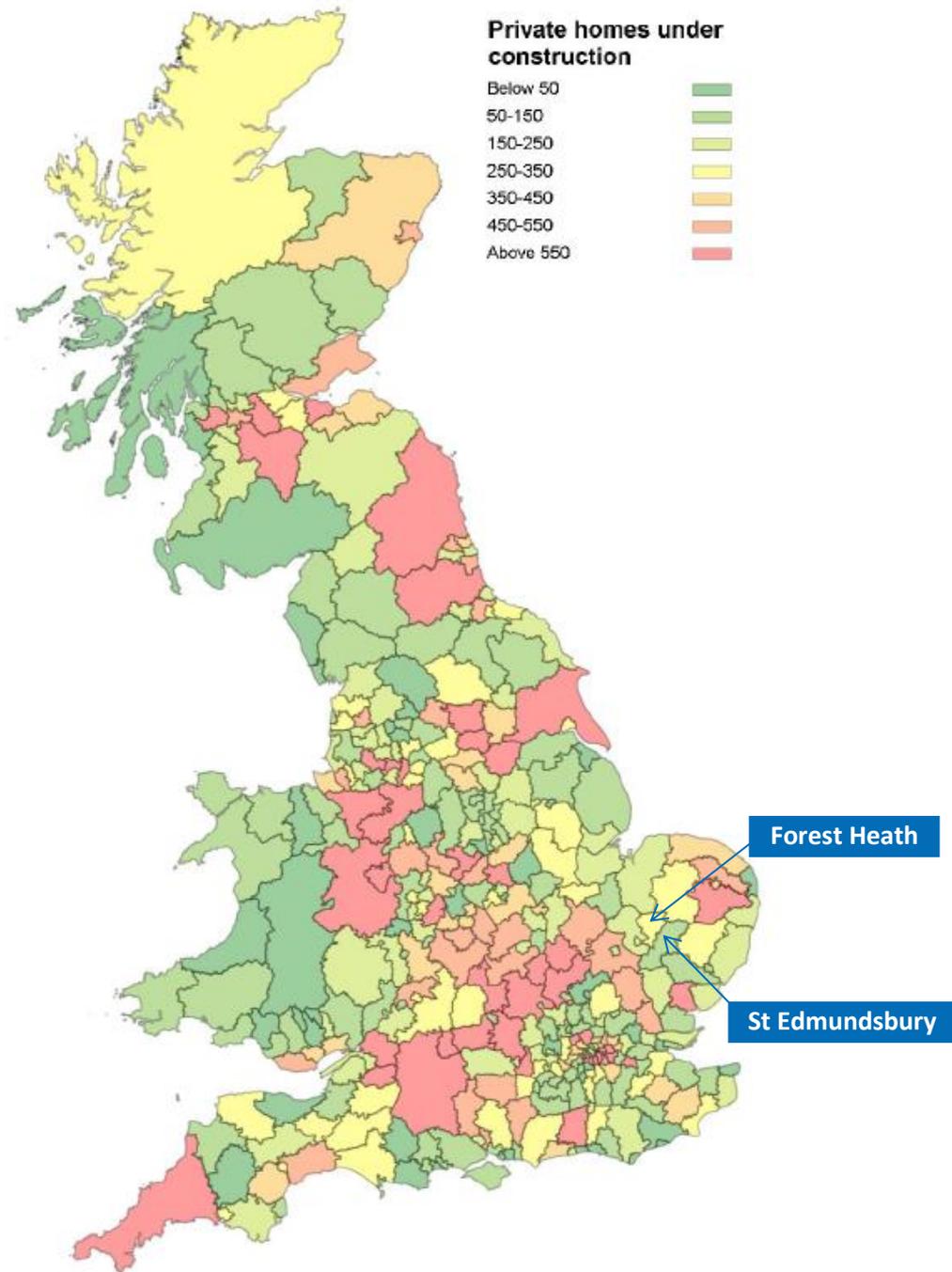
Source: MHCLG

- 3.7 Figure 3.3 shows that the decline in public sector house building has been an important driver of the progressive decline in the total number of homes built annually in England since 1946. Local authorities delivered around 87% of all new housing in England in 1951, for example, but only 1% of new housing in 2017. While housing associations now play a greater role in new housing delivery, this is not on the same scale, and there is consequently a greater reliance upon the private sector to deliver new housing than has historically been the case. Throughout the period shown above, private enterprises have completed no more than 203,300 permanent homes in a single year. This highlights the need for further growth in private house building or other means of delivery if England’s need for new homes is to get close to the Government’s target of 300,000 homes by the mid-2020s.

Spatial Pattern of Current Delivery

- 3.8 Recent analysis undertaken by Hometrack provides an analysis of national house-building at local authority level, as of June 2018. Figure 3.4 shows the spatial distribution of private homes under construction for each local authority. The analysis indicates that 50% of homes under construction are located in 75 local authority areas. These 75 local authorities account for just 20% of all the 378 planning authorities in England, Wales and Scotland.

Figure 3.4: Private Homes Under Construction

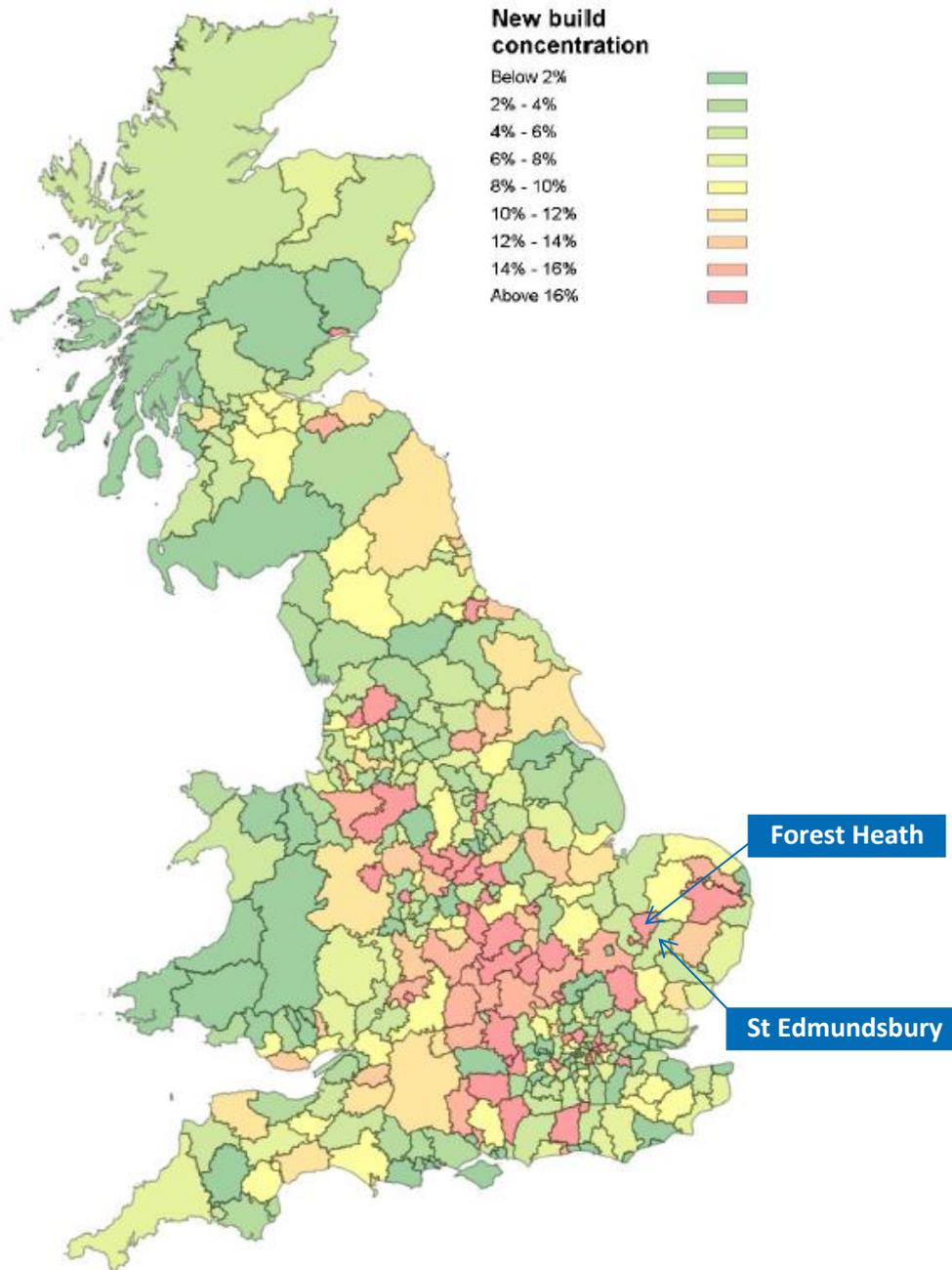


Source: Hometrack analysis of National House Building Council data

3.9 Figure 3.5 shows the concentration of new build sales for each authority across the country over a twelve month period. This is calculated as the number of private new homes started as a percentage of all housing turnover. Hometrack identify that nationally private starts are broadly in line with the long run average of 10%, although there are spatial concentrations in certain parts of the country, with areas such as Cheshire and parts of the Midlands having rates of delivery approaching double the national average. Forest Heath is identified as having a high level of new build delivery,

whilst delivery in St Edmundsbury is lower, with a significantly smaller concentration of new-build homes.

Figure 3.5: New-Build Concentration



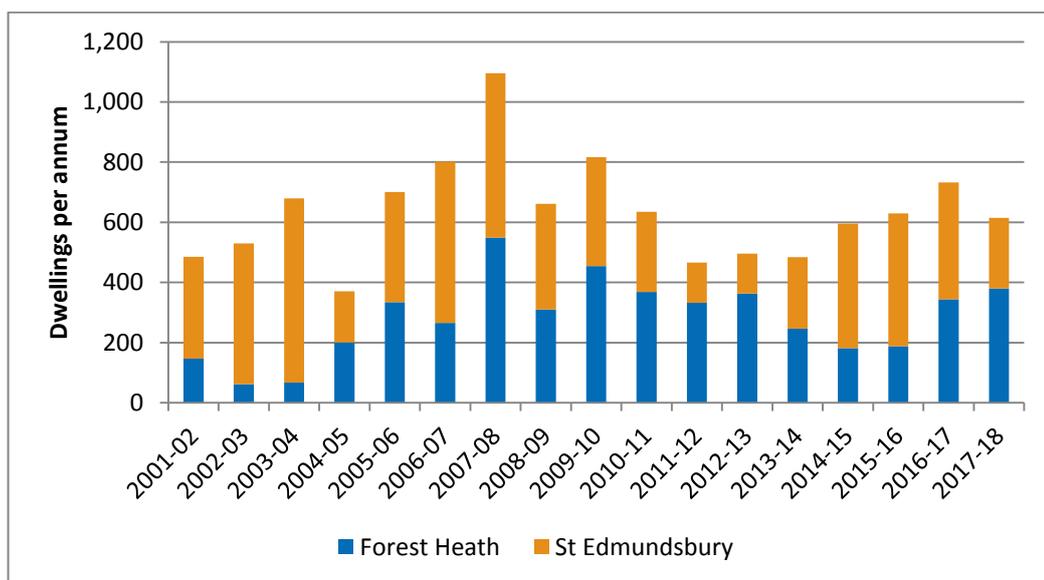
Source: Hometrack analysis of NHBC, Land Registry

Housing Delivery in West Suffolk

3.10 The Council's annual monitoring datasets can be used to build a profile of historic delivery across West Suffolk, recognising the individual contributions of the two authorities.

3.11 Figure 3.6 shows the number of homes delivered across West Suffolk since 2001. This provides a 16-year picture of housing delivery, spanning a number of different plan periods and therefore provides a reasonable basis for forward planning. This provides an important context in understanding both delivery to date and the foundation from which any actions to boost housing supply in West Suffolk must build upon.

Figure 3.6: Net Annual Completions in West Suffolk (2001 – 2018)



Source: Forest Heath District Council and St Edmundsbury Borough Council

3.12 Housing delivery in West Suffolk evidently peaked in 2007/08, when 1,095 net additional homes were completed. The rate of development slowed thereafter in the wake of the global financial crisis, but has not experienced quite the same decline in delivery as many parts of the country over the period to 2008-2012. Since peak delivery in 2007/08, on average 613 dwellings per annum have been completed across West Suffolk. This is only slightly below the average rate of delivery since 2001 (635dpa).

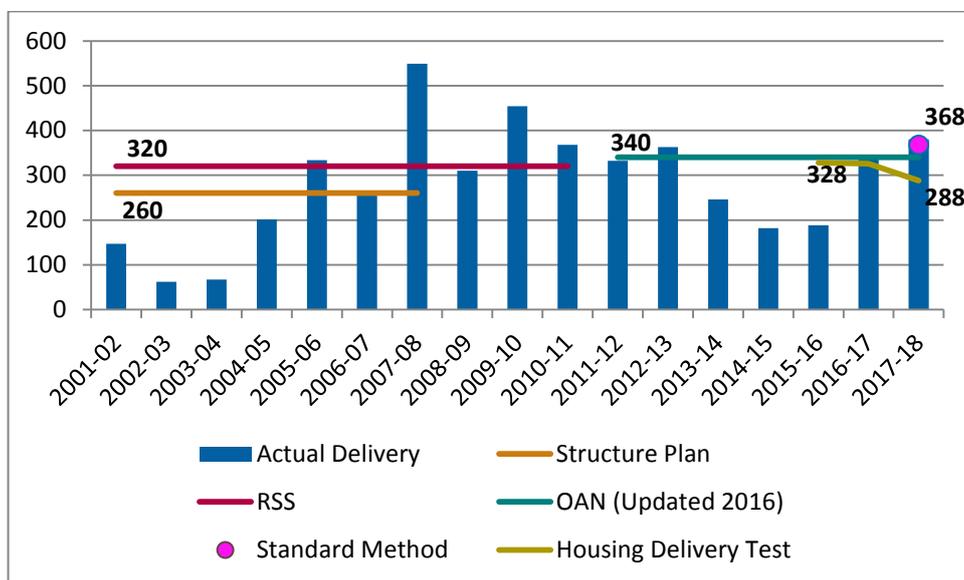
Completions relative to adopted and emerging requirements

3.13 The rate of housing provision in West Suffolk can also be considered in the context of adopted and emerging housing requirements, as discussed in Section 2. Historically a longer-term perspective can be obtained through reference to earlier requirements established by the Regional Spatial Strategy (RSS). This set a requirement for 320 homes per annum in Forest Heath, and 500 homes per annum in St Edmundsbury⁴³. The Forest Heath and St Edmundsbury Structure Plan targets for the period 2001/02 - 2007/08 are also of relevance in judging historic performance. In more recent years consideration is given against the calculated OAN based on the 2012 NPPF / PPG.

⁴³ Government Office for the East of England (2008) East of England Plan: The Revision to the Regional Spatial Strategy for the East of England

- 3.14 Going forwards as referenced in section 2 the 2018 NPPF introduces the standard method as the minimum starting point figure for the assessment of housing needs. Consideration is given as to the extent to which historic completions compare with this level of need going forward. It is of note that at this point in time in assessing historic performance the revised NPPF requires historic completions to be assessed against annual projections of household growth, drawing on the relevant official projections, in advance of the standard method figure being used from 2018/19 onwards. The implied need against these indicators is also therefore considered.
- 3.15 The following chart illustrates how delivery has compared with planned provision in Forest Heath since 2001 in the context of the above indicators.

Figure 3.7: Forest Heath Annual Completions vs Plan Targets (2001 – 2018)

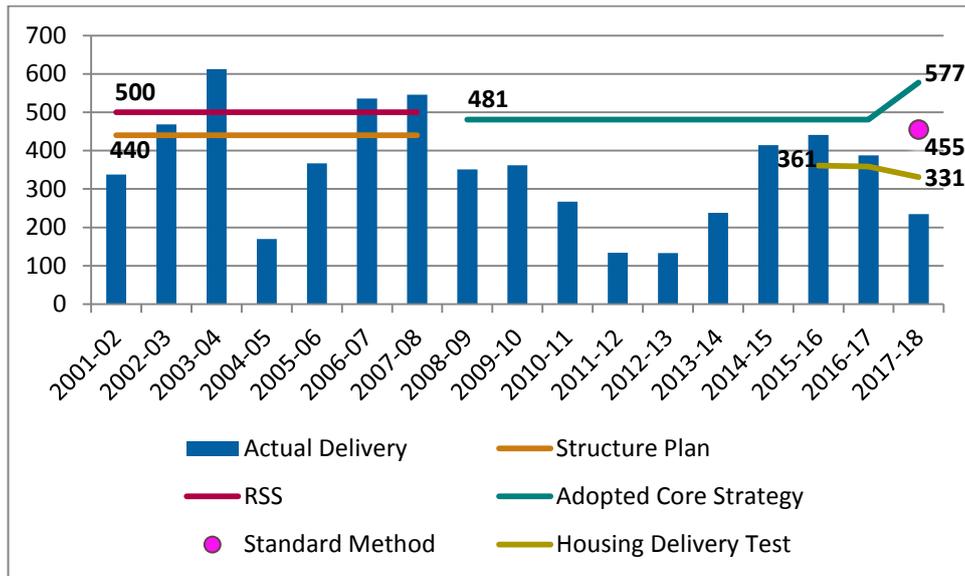


Source: Various Plans, Forest Heath District Council Completions data

- 3.16 Against the current emerging plan target of 340 dwellings per annum between 2011 and 2031 (established by the 2016 Update of the 2013 SHMA) Forest Heath has seen completions fall below the planned provision in four years, delivering circa 86% of planned housing since 2011. As of 2017/18, there is therefore a deficit of some 345 dwellings against the OAN for the period 2011/12 – 2017/18. It should, however, be noted that the last two years have both seen levels of completions higher than the OAN figure of 340 per annum, albeit marginally so in 2016/17 when 344 homes were completed.
- 3.17 Looking back to previous targets in Forest Heath, despite some early years of significant under-delivery against the RSS and Structure Plan targets of 320dpa and 260dpa respectively (for example between 2001/02 and 2004/05), subsequent higher rates of delivery meant that, again, 86% of RSS planned houses were delivered between 2001/02 and 2010/11. This is therefore consistent with delivery against the most recent planned target.

- 3.18 In terms of emerging requirements, Forest Heath delivered 106% of dwellings against the figures specified by the February 2019 Housing Delivery Test between 2015/16 and 2017/18. The Standard Method housing figure of 368 dpa is in fact lower than the number of homes delivered in the district in 2017/18 (380), albeit higher than annual delivery since 2010/11.
- 3.19 Comparable analysis is presented below for St Edmundsbury.

Figure 3.8: St Edmundsbury Annual Completions vs Plan Targets (2001 – 2018)



Source: Various Plans, St Edmundsbury Borough Council Completions data

- 3.20 Since the start of the current plan period (2008), it is evident that the rate of development in St Edmundsbury has not reached the levels planned on an annual basis. The shortfall relative to the adopted requirement was most acute between 2011 and 2013. An uplift in housing delivery was achieved in subsequent years, but this has not been sustained in 2017/18 which recorded the lowest number of completions for five years. This evidently contrasts with an increased housing requirement from 2017/18 onwards. Only 60% of the homes planned in St Edmundsbury have been delivered since 2008 leading to a deficit of 1,943 homes against targets over the period to 2017/18.
- 3.21 This deviates from the position recorded prior to the current plan period, when an RSS requirement of 500 dwellings per annum was in place. Actual delivery was 463 dwellings short of this requirement over the period from 2001 to 2008, a delivery rate of 87% against the target.
- 3.22 In terms of emerging requirements, St Edmundsbury delivered 100% of dwellings against the figures specified by the February 2019 Housing Delivery Test between 2015/16 and 2017/18. The Standard Method housing figure of 455 dpa, however, is a rate of delivery not achieved in St Edmundsbury since 2007/08.

Market and affordable housing delivery

3.23 The tenure of new homes delivered is also an important consideration. Each Council's evidence base highlights a sustained need for the provision of affordable housing. The below table outlines the proportion of market and affordable homes delivered in West Suffolk over the period 2012/13 to 2017/18 from all sites.

Table 3.1: Market and Affordable Housing Delivery in West Suffolk (2012 – 2018)

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2012-18
Forest Heath							
Market	334	209	120	171	287	269	1,390
Market %	92%	85%	66%	91%	83%	71%	82%
Affordable	29	37	62	17	57	111	313
Affordable %	8%	15%	34%	9%	17%	29%	18%
St Edmundsbury							
Market	126	139	310	278	272	172	1,297
Market %	95%	58%	75%	63%	70%	73%	70%
Affordable	7	99	105	163	116	63	553
Affordable %	5%	42%	25%	37%	30%	27%	30%
West Suffolk							
Market	460	348	430	449	559	441	2,687
Market %	93%	72%	72%	71%	76%	72%	76%
Affordable	36	136	167	180	173	174	866
Affordable %	7%	28%	28%	29%	24%	28%	24%

Source: Council Monitoring

3.24 In Forest Heath, the adopted Plan seeks delivery of 30% affordable housing⁴⁴. The latest year of monitoring (2017/18) saw relatively high levels of affordable delivery of 29% of all dwellings. It should be noted that the last year of monitoring also represents the highest absolute delivery of new affordable homes in the time frame analysed. The Council notes that on those sites where the policy is applicable, affordable housing has been secured in accordance with Core Strategy targets. By implication shortfall of affordable housing arises as a result of developments which are not required to provide affordable housing as a result of falling below site size thresholds or as a result of the provision of evidenced viability issues.

⁴⁴ Forest Heath Core Strategy Policy CS 9 requires 30% affordable housing on sites with 10 or more homes and 20% on sites of between 5 and 9 units. Following the revised NPPF, the latter will no longer be sought.

- 3.25 In St Edmundsbury, the adopted Core Strategy targets 30% delivery of affordable housing, a target which has been met over the total six-year period 2012/13 – 2017/18. Local plan policy requires that affordable housing provision only on sites with 10 or more dwellings, this has influenced the overall split in terms of the proportion of market and affordable housing delivered.
- 3.26 Delivery fell slightly short 30% affordable in 2017/18, delivering 27% of new homes as affordable housing, following two years of having achieved this benchmark. The delivery of affordable housing in the most recent monitoring year was the lowest since 2012/13.
- 3.27 Over the past six years, it can therefore be seen that West Suffolk has delivered 866 affordable homes, comprising 24% of all net completions.
- 3.28 As recognised above policy now seeks affordable housing on only sites of 10 dwellings or more across West Suffolk. However, in considering the underpinning data it is of note that 70 affordable homes have been delivered on sites each accommodating fewer than 10 dwellings since 2012, with this representing approximately 7% of the total 1,051 homes delivered on such sites over this period.
- 3.29 Considering the fact that sites which are smaller than 10 dwellings have no requirement to deliver affordable housing as per the revised NPPF, it is also pertinent for the purposes of understanding the potential implications on future supply to calculate the proportion of homes that were affordable that were delivered only on sites larger than 10 dwellings. Discounting market and affordable homes delivered on small sites, it is therefore calculated that 32% of homes delivered in West Suffolk were affordable, indicating that the Councils have been successful in delivering affordable housing over the 30% threshold set out in adopted policy. This is shown in the below table.

Table 3.2: On-site Affordable Housing Delivery in West Suffolk, 2012 – 2018

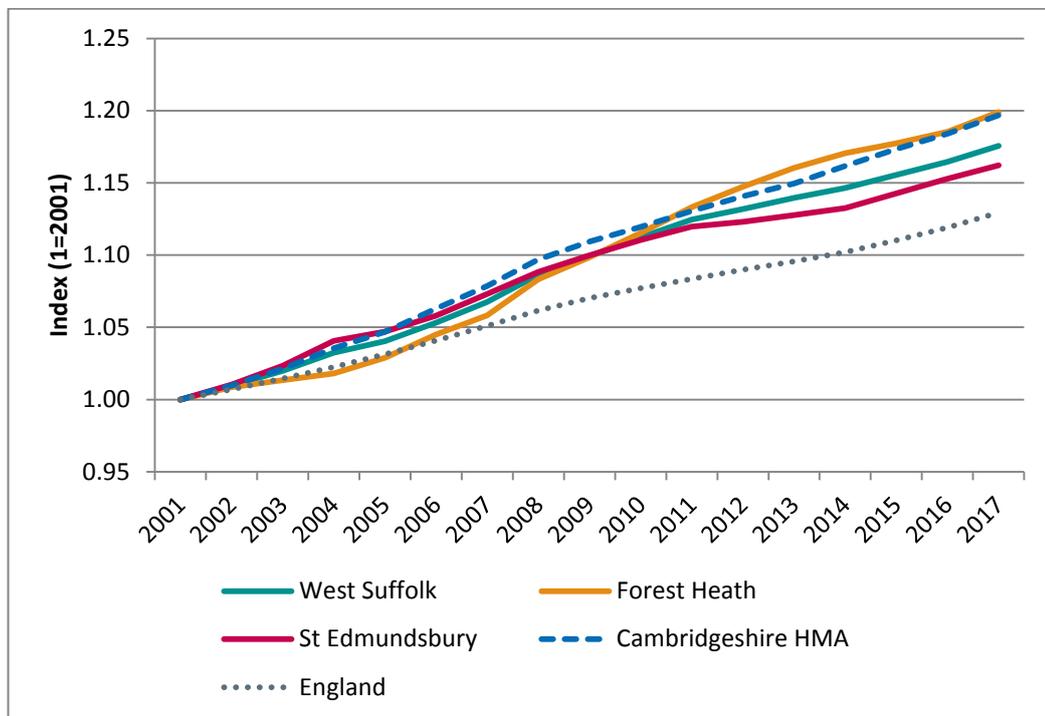
	St Edmundsbury	Forest Heath	West Suffolk
Total Dwellings	1,850	1,703	3,553
Dwellings on Large Sites	1,203	1,299	2,502
Dwellings on Small Sites	647	404	1,051
Total Affordable	553	313	866
Affordable on Large Sites	513	283	796
Affordable on Small Sites	40	30	70
Large Site Affordable on Large Sites	43%	22%	32%

Source: Council Monitoring

Benchmarking growth in housing

3.30 The rate of growth in the housing stock of West Suffolk can be considered in the context of national and sub-regional trends, drawing upon housing stock estimates produced by MHCLG⁴⁵. The following chart indexes the change in housing stock since 2001 for the two authorities compared to the Cambridge HMA as a whole and England as a whole. This indicates that stock growth in West Suffolk has been relatively pronounced when compared to England, demonstrating strong alignment with the Cambridge HMA in this regard. It can, however, be seen that Forest Heath saw relatively limited growth during the earlier years of the period considered, before delivery accelerated from around 2005 onwards.

Figure 3.9: Indexed Change in Housing Stock (2001 – 2017)



Source: MHCLG

Absorption rates

3.31 Annual housing completions as a percentage of that year's total dwelling stock (termed the absorption rate) is a widely used measure that allows an assessment to be made of comparative housing delivery in different areas. Whilst not accounting for any local circumstances that influence delivery, absorption rates enable comparisons to be made as of the performance of areas with different sized populations and household numbers in terms of the delivery of new homes.

3.32 In recognition of the different cycles of the national housing market, absorption rate analysis has been based on three distinct periods since 2001, taking the average annual

⁴⁵ MHCLG (2018) Table 125: Dwelling stock estimates by local authority district: 2001 – 2017

housing delivery over the period in question as a percentage of the total dwelling stock at the end of the period:

- 2001/02 to 2006/07;
- 2007/08 to 2011/12; and
- 2012/13 to 2016/17.

3.33 Table 3.2 measures absorption rates for these periods, and benchmarks housing delivery performance in Forest Heath, St Edmundsbury and West Suffolk against:

- The East of England, East Midlands and South East regions and Suffolk county;
- The individual authorities making up the Cambridge HMA, including a composite position;
- The authorities classified by the ONS⁴⁶ as those which are most similar to Forest Heath and St Edmundsbury⁴⁷; and
- England as a whole.

3.34 As shown in Table 3.3, Forest Heath's absorption rate has consistently been some way above the national average, and over the most recent period of analysis has also delivered more homes relative to its stock than recorded in the East, East Midlands and South East regions. Between 2001/02 and 2011/12, this was also the case for St Edmundsbury. However, over the period 2012/13 – 2016/17 the authority delivered a lower number of new dwellings relative to its stock than Forest Heath, and also lagged behind the national and regional averages during this time.

⁴⁶ ONS (2011) Area Classifications – Corresponding Authorities V3. The dataset measures and ranks the similarity between authorities based on 59 Census statistics

⁴⁷ Forest Heath – Huntingdonshire; Cherwell; St Edmundsbury; Rugby; Basingstoke and Deane
St Edmundsbury – South Somerset; South Kesteven; Huntingdonshire; Wiltshire; Breckland

Table 3.3: Absorption Rates in Forest Heath, St Edmundsbury and Comparator Areas

Area	01/02 – 06/07		07/08 – 11/12		12/13 – 16/17 ▼	
	Rate	Rank	Rate	Rank	Rate	Rank
Cambridge	1.07%	8	0.90%	13	1.71%	1
Cherwell	0.90%	18	0.50%	21	1.33%	2
South Cambridgeshire	1.37%	4	1.30%	3	1.01%	3
Wiltshire	0.97%	15	0.87%	15	1.00%	4
Cambridge HMA	1.21%	5	1.09%	5	0.94%	5
Rugby	1.47%	3	0.99%	8	0.91%	6
Fenland	1.65%	2	0.93%	10	0.88%	7
Breckland	1.01%	12	0.62%	20	0.88%	8
Forest Heath	0.92%	17	1.55%	1	0.86%	9
South Kesteven	1.17%	6	0.97%	9	0.84%	10
South Somerset	1.02%	11	0.92%	11	0.78%	11
East Region	0.94%	16	0.81%	16	0.76%	12
Huntingdonshire	0.81%	20	1.08%	7	0.75%	13
West Suffolk	1.06%	9	1.14%	4	0.74%	14
East Midlands Region	0.97%	14	0.75%	18	0.74%	15
South East Region	0.87%	19	0.76%	17	0.74%	16
England	0.81%	21	0.71%	19	0.70%	17
St Edmundsbury	1.13%	7	0.89%	14	0.67%	18
Basingstoke & Deane	0.98%	13	1.38%	2	0.62%	19
Suffolk County	1.04%	10	0.91%	12	0.60%	20
East Cambridgeshire	1.75%	1	1.09%	6	0.57%	21

Source: Turley analysis of MHCLG data

- 3.35 The level of delivery in Forest Heath seen from the onset of the recession (1.55%) stands out, as it shows the authority out-performing all of the comparator areas. The increase from the preceding five year period contrasts with the decline recorded nationally and indeed the trend in St Edmundsbury.
- 3.36 Outside of this middle period, the absorption rate for Forest Heath, though higher than the national rate, fell below a number of comparator areas. Coupled with higher rates being achieved pre-recession, this provides an indication that it is reasonable to

anticipate a boost from current rates of delivery in the district. Consideration needs to be given to successful interventions and other changes in the housing market in other comparator areas where rates have been more consistently boosted (e.g. South Cambridgeshire).

- 3.37 In St Edmundsbury, the analysis of absorption rates suggests a more significant issue, with rates having fallen at the onset of the recession and again more recently. The borough's ability to see stronger rates of delivery is evident, however, with the period pre-recession showing its capacity to achieve higher than national rates of delivery which also exceeded many comparator areas, including Forest Heath.

Summary

3.38 In summary:

- National housing delivery has risen year on year for the past 5 years, with 2017/18's delivery being 78% higher than the post-recession low recorded in 2012/13. Delivery in 2017/18 was still, however, slightly lower than the pre-recession peak recorded in 2007/08. The Government have identified the prolonged failure to build enough homes as the cause of the 'broken' housing market.
- In line with the national rate, housing delivery in **West Suffolk** peaked in 2007/08, with development slowing thereafter, but has remained relatively consistent with a modest level of fluctuation. Since this peak, on average 613 dwellings per annum have been completed across West Suffolk. This is only slightly below the average rate of delivery since 2001 (635dpa).
- As of 2017/18, **Forest Heath** has a deficit of some 345 dwellings against the OAN for the period 2011/12 – 2017/18. It should, however, be noted that the last two years have both seen levels of completions higher than the OAN figure of 340 per annum.
- Since the start of the current plan period, it is evident that the rate of development in **St Edmundsbury** has not reached the levels planned on an annual basis – only 60% of the homes planned in the Borough through the adopted Core Strategy have been delivered since 2008, leading to a deficit of 1,943 against targets over the period to 2017/18.
- In total, 18% of net completions in **Forest Heath** were affordable homes between 2012/13 and 2017/18. Whilst lower than the 30% target set out in policy, this applies only to sites with 10 or more dwellings with the 18% measured against all completions. When analysis is limited to affordable homes delivered on large sites only, this proportion increases to 22%.
- In total, 30% of net completions in **St Edmundsbury** were affordable homes between 2012/13 and 2017/18, This meets the 30% target set out in policy, with

the additional acknowledgement that, as with Forest Heath, this target applies only to sites with 10 or more dwellings, meaning that provision on larger sites over this period has in all likelihood been above this target. When analysis is limited to affordable homes delivered on large sites only, this proportion increases to 43%.

- **West Suffolk** has therefore delivered a total 866 affordable homes, this representing 24% of all net completions in the council areas. 796 of these homes were on sites which delivered over 10 dwellings, representing 32% of completions on such sites. This is above the 30% target for the two authorities, and indicates that the Councils have been effective in their delivery of affordable housing over the period 2012 – 2018.
- **Forest Heath's** absorption rate has consistently been some way above the national average, and over the most recent period of analysis has also delivered more housing relative to its stock than recorded in the East, East Midlands and South East regions. Aside from the period 2007/08 – 2011/12, the absorption rate for Forest Heath, though higher than the national rate, fell below a number of comparator areas. Coupled with higher rates being achieved pre-recession, this provides an indication that it is reasonable to expect that a higher level of delivery could be achieved in the District where a supportive planning framework is in place.
- **St Edmundsbury** delivered a lower number of new dwellings relative to its stock than Forest Heath over the period 2012/13 – 2016/17, and also lagged behind the national and regional averages during this time. The Borough's absorption rates fell at the onset of the recession and again more recently. However, the Borough's ability to deliver higher levels of homes is evident since it delivered new homes at a rate above the national rates of delivery, and exceeded the comparative rates of delivery in many comparator areas, including Forest Heath in earlier years.

4. Interrogating Trends in Past Delivery

- 4.1 This section further interrogates past delivery rates in greater depth than Section 3, by drawing upon detailed data collated by the Councils for the past six years. Consideration is given to the profile and distribution of sites developed in this time, and the individual contributions of key sites. The rate at which sites have built out is also explored, alongside a review of evidence on lead-in times and lapse rates.
- 4.2 The analysis of the historic profile of development across the two Councils provides an important basis from which an assessment can be made by the Council of potential risks in the development of future housing trajectories for West Suffolk. It also provides an indication as to how, based on past experience, different sources of residential land can be considered to assist in increasing levels of supply through the plan-making process.
- 4.3 As with the analysis of affordable housing in Section 3, the analysis in this section is based on Forest Heath District Council and St Edmundsbury Borough Council monitoring data and covers the years 2012/13 up to and including 2017/18. Completions recorded in West Suffolk after April 2018 are therefore not factored into the analysis in this section.

Profiling Development Sites

- 4.4 This sub-section initially provides an overview of the profile of the supply of residential land which has contributed to the recent historic profile of housing development across the two-councils. This forms an important context to the subsequent sections which consider in more detail the rate at which new housing has been delivered collectively and on individual larger sites.

Size of Development Sites

- 4.5 A review of the make-up of sites which have contributed towards recent delivery rates in West Suffolk reveals a diverse mix. Table 4.1 makes a distinction between homes delivered on large sites – with 10 dwellings or more⁴⁸ – and small sites, both annually and over the full six year period.

⁴⁸ As defined by both 'Forest Heath District Council Assessment of a five year supply of housing land', from July 2017 and 'St Edmundsbury Borough Council Assessment of a five year supply of housing land', from September 2017

Table 4.1: Contribution of Small and Large Sites (2012 – 2018; dwellings)

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2012–18
Forest Heath							
Small sites	50	63	58	77	114	42	404
Large sites	313	183	124	111	230	338	1,299
Total	363	246	182	188	344	380	1,703
Large sites (%)	86%	74%	68%	59%	67%	89%	76%
St Edmundsbury							
Small sites	84	72	90	125	181	95	647
Large sites	49	166	325	316	207	140	1,203
Total	133	238	415	441	388	235	1,850
Large sites (%)	37%	70%	78%	72%	53%	60%	65%
West Suffolk							
Small sites	134	135	148	202	295	137	1,051
Large sites	362	349	449	427	437	478	2,502
Total	496	484	597	629	732	615	3,553
Large sites (%)	73%	72%	75%	68%	60%	78%	70%

Source: Council monitoring

- 4.6 Whilst 70% of new housing in West Suffolk has been delivered on larger sites on average over the past six years, there has been considerable degree of variation over individual years. For example in the last year (2017/18) the dependency on larger sites to deliver rose to 78%, but equally in the preceding year it was only 60%, with small sites contributing almost 300 homes in a single year.
- 4.7 Whilst it cannot be said that there is a strong correlation between overall delivery and large site delivery at the aggregated West Suffolk level, it is interesting that the two years of highest housing completion were those during which large sites made the smallest contributions. In 2015/16, a relatively low proportion – 68% of the 629 new homes – were delivered on large sites, and the following year – the year of highest delivery, at 732 homes – just 60% were delivered on large sites, the lowest proportionally across the past six years.
- 4.8 In 2017/18, the most recent year of analysis, the highest rate of delivery seen on large sites for six years was recorded. This was mostly due to high rates in Forest Heath, with St Edmundsbury recording its lowest large site delivery since 2012/13. It is of note that

in this last year the level of completions overall fell after two years in which a notable increase had been observed.

- 4.9 Correlation between large site delivery and overall delivery is more discernible at the local authority level, and, in terms of the two authorities, Forest Heath has delivered a greater proportion of its new housing over the past six years on larger sites than St Edmundsbury. As shown by the above table, the years when particularly high delivery rates have been achieved in Forest Heath (2012/13 and 2017/18) are those where a large proportion of houses were delivered on large sites. This is mirrored in St Edmundsbury, where the years with the highest delivery rates (2014/15 and 2015/16) are those where the contributions of large sites were greatest. In contrast the year of lowest delivery across both council areas – St Edmundsbury in 2012/13 – was that in which large sites represented the lowest proportion of dwelling delivery.

Greenfield and Brownfield

- 4.10 Table 4.2 overleaf shows the distribution of dwelling completions amongst greenfield and brownfield sites in Forest Heath and St Edmundsbury and West Suffolk as a whole.

Table 4.2: Greenfield / Brownfield Contributions (2012 – 2018)⁴⁹

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2012–18
Forest Heath							
Greenfield	252	128	124	76	178	343	1,101
% Greenfield	69%	52%	68%	40%	52%	90%	65%
Brownfield	111	118	58	112	166	37	602
% Brownfield	31%	48%	32%	60%	48%	10%	35%
Total	363	246	182	188	344	380	1,703
St Edmundsbury							
Greenfield	65	77	180	224	190	99	835
% Greenfield	49%	32%	43%	51%	49%	42%	45%
Brownfield	64	126	235	217	197	136	975
% Brownfield	48%	53%	57%	49%	51%	58%	53%
Total	129	203	415	441	387	235	1,810
West Suffolk							
Greenfield	317	205	304	300	368	442	1,936
% Greenfield	64%	42%	51%	48%	50%	72%	54%
Brownfield	175	244	293	329	363	173	1,577
% Brownfield	35%	50%	49%	52%	50%	28%	44%
Total	492	449	597	629	731	615	3,513

Source: Council monitoring

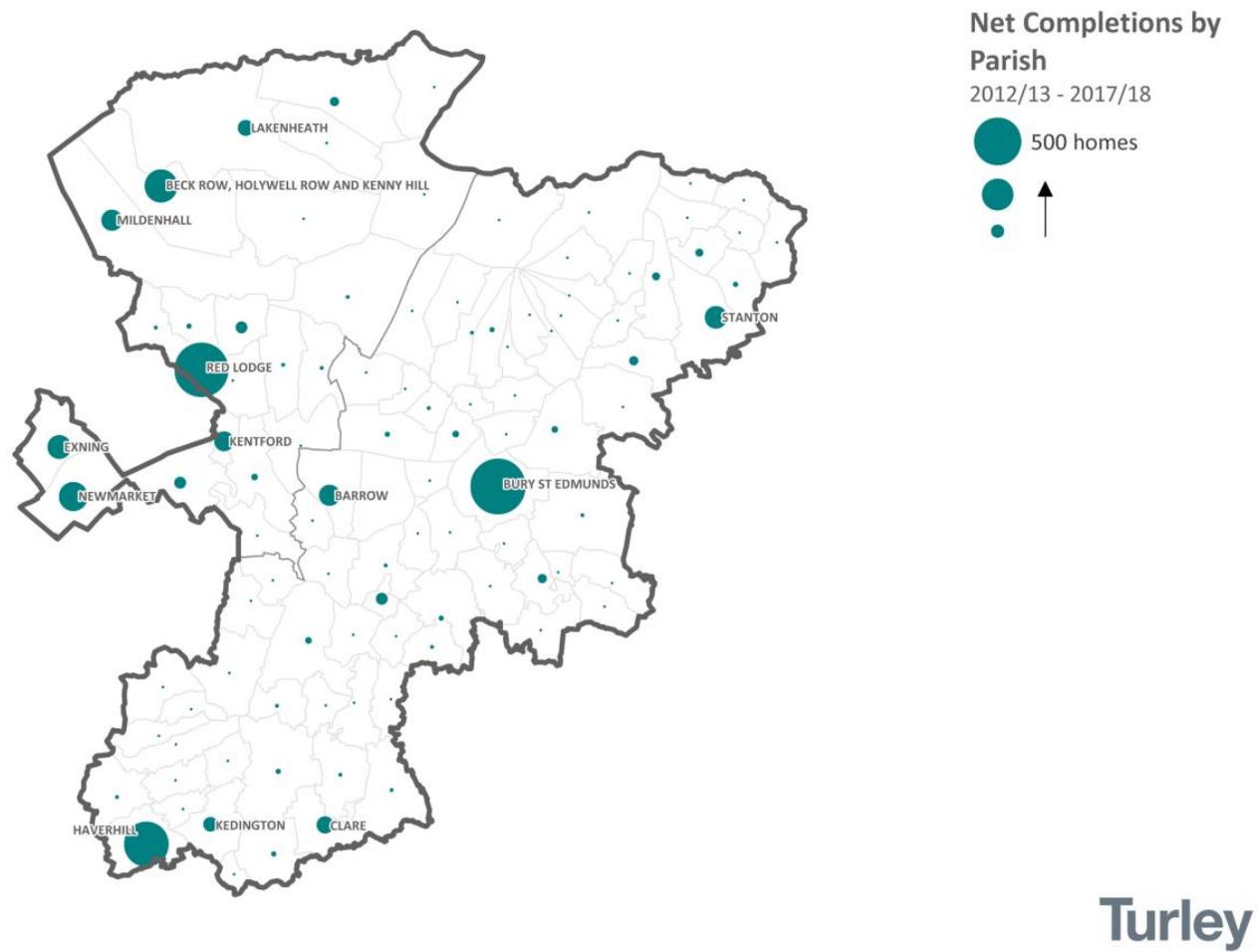
- 4.11 Over the past six years the data reveals that there has been a broadly even split in terms of housing delivery between greenfield and brownfield deliveries across West Suffolk, albeit greenfield completions represented marginally the largest share (54%). The two years of highest delivery (2015/16 and 2016/17) over the past 6 years came when high greenfield completion rates were matched/exceeded by brownfield delivery, albeit relatively high completions in the most recent year of analysis was achieved mainly through strong greenfield delivery, particularly in Forest Heath.

⁴⁹ Council monitoring classes a number of completions in St Edmundsbury (3% in 2012/13; 15% in 2013/14 and 0.3% in 2016/17) as “Unknown”, in terms of whether they were delivered on greenfield or brownfield sites. For this reason, the percentages of dwellings delivered on greenfield and brownfield sites do not sum to 100% in some cells, and the total number of dwellings delivered in this table are slightly lower than outlined in previous tables.

Spatial Distribution

4.12 Council monitoring data enables a more detailed analysis to be conducted as to the spatial distribution of completions amongst parish areas in West Suffolk. This is shown at Figure 4.1 overleaf, in which the size of the circle denotes the number of net completions between 2012 and 2018 and those parishes with over 50 net completions between 2012 and 2018 are labelled. It can be seen that the greatest number of completions have been delivered in Bury St Edmunds and Haverhill in St Edmundsbury, and in Red Lodge and Beck Row, Holywell Row & Kenny Hill in Forest Heath.

Figure 4.1: Net Completions by Parish (2012 – 2018)



Source: Council monitoring

Turley

4.13 Table 4.3 provides a further breakdown of the above, presenting all parishes in Forest Heath with over 10 net completions since 2012.

Table 4.3: Forest Heath – Net Completions by Parish (2012 – 2018)⁵⁰

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2012-18 ▼
Red Lodge	213	101	78	30	81	112	615
Beck Row, Holywell Row & Kenny Hill	62	48	1	28	38	85	262
Newmarket	29	36	18	60	58	11	212
Exning	11	2		9	23	103	148
Mildenhall (inc. West Row)	4	14	54	10	22	11	115
Kentford	10	15		4	46	32	107
Lakenheath	24	10	5	16	13	2	70
Moulton	1	1		15	30		47
Barton Mills		5	7	9	15	7	43
Brandon	6	4	2	4	10	2	28
Gazeley					3	12	15
<i>All Other Parishes</i>	3	10	17	3	5	3	39
Total	363	246	182	188	344	380	1,703

Source: Council monitoring

4.14 Over a third of new homes in Forest Heath (36%) have been delivered in the parish of Red Lodge, mainly comprising various phases of the major sites at Kings Warren and Turnpike Road, delivered by large housebuilders including Crest Nicholson, Taylor Wimpey, Bloor Homes and Bovis Homes. In comparing delivery rates across the other parishes a number of other parishes (Beck Row, Holywell Row & Kenny Hill; Exning; Mildenhall (inc. West Row); and Newmarket) also stand out as having seen relatively high rates of delivery over the past 6 years, with varying levels of consistency seen when looking at on an annual basis.

4.15 Table 4.4 provides a breakdown for past delivery of housing in parishes in St Edmundsbury.

⁵⁰ Parishes with over 10 net completions over the specified period are listed in the table. Deliveries in other parishes are summed in the 'All Other Parishes' row.

Table 4.4: St Edmundsbury – Net Completions by Parish (2012 – 2018)⁵¹

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2012-18 ▼
Bury St Edmunds	85	148	133	92	96	100	654
Haverhill	16	57	134	108	99	30	444
Stanton	0	3	24	12	78	11	128
Barrow	0	0	35	47	39	0	121
Clare	0	2	13	59	5	0	79
Kedington	2	0	15	39	2	0	58
Chedburgh	2	0	7	13	6	15	43
Ixworth	0	1	4	3	18	0	26
Great Whelnetham	0	0	0	1	1	23	25
Bardwell	1	1	9	8	4	1	24
Barningham		2	5	16	1	0	24
Fornham All Saints	2	0	1	0	0	14	17
Great Barton	0	1	1	11	2	1	16
Wickhambrook	3	5	1	2	1	4	16
Hundon	0	10	1	1	1	0	13
Ingham	0	0	0	-1	0	13	12
Risby	0	0	1	1	1	9	12
Hepworth	0	1	0	6	3	0	10
Stoke-by-Clare	1	0	8	0	1	0	10
Whepstead	4	0	3	0	2	1	10
<i>All Other Parishes</i>	<i>17</i>	<i>7</i>	<i>20</i>	<i>23</i>	<i>28</i>	<i>13</i>	<i>108</i>
Total	133	238	415	441	388	235	1,850

4.16 It can be seen that Bury St Edmunds and Haverhill combined have contributed almost 60% of St Edmundsbury's new housing since 2012 (approximately 35% and 24% each

⁵¹ Parishes with over 10 net completions over the specified period are listed in the table. Deliveries in other parishes are summed in the 'All Other Parishes' row.

respectively). Relatively low delivery in both these parish areas compared to the peaks attained in previous years – particularly in Haverhill – in 2017/18 is therefore reflected in the Borough’s total annual delivery, which fell significantly below the 577 homes per annum targeted by the area’s Core Strategy.

Build-out Rates

- 4.17 The analysis presented above provides a useful overview as to the sources of housing supply over recent years across West Suffolk. This has revealed the important role that larger sites play, which itself is a reflection of the concentration of supply at a more localised level.
- 4.18 Reflecting on this position this sub-section considers in more detail how key development sites across West Suffolk have contributed towards the delivery of homes. This specifically considers the phasing of development at these sites, the number of housebuilders involved and the build-out rates achieved⁵². This provides an important basis from which it is possible to develop a robust projection of future delivery rates and an overall trajectory for housing delivery.
- 4.19 Table 4.5 provides further information on each of the key sites identified as driving higher levels of completions in individual parishes across West Suffolk.

Table 4.5: Sites driving completions in high-delivery parishes (2012 – 2018)

Development Site (contribution to delivery 2012 – 2018)	Parish	Details
Forest Heath		
Skelton’s Drove (129 dwellings)	Beck Row	<u>Peak dpa</u> – 78 <u>Average dpa</u> – 43 <u>Other details</u> – being delivered by single house-builder - Persimmon Homes - and will provide 166 dwellings once complete.
Smoke House, The Street (103 dwellings)	Beck Row	<u>Peak dpa</u> – 56 <u>Average dpa</u> – 52 <u>Other details</u> – completed by single house-builder - Persimmon Homes - in 2013/14 within 3 years (28 dwellings were completed prior to 2012/13, hence why average delivery stated above is over 2 years)
Burwell Road	Exning	<u>Peak dpa</u> – 101

⁵² Once a development starts, its progress in terms of the number of homes delivered annually is commonly referred to as a build-out rate, measured in dwellings per annum (dpa).

(119 dwellings)		<p><u>Average dpa</u> – 60</p> <p><u>Other details</u> – delivered by single house-builder Charles Church (arm of Persimmon Homes), and was completed within 2 years (2016/17 and 2017/18), with the highest single-developer peak annual delivery rate in West Suffolk over the analysed period.</p>
Fordham Row (The Maltings) (44 dwellings)	Newmarket	<p><u>Peak dpa</u> – 44</p> <p><u>Average dpa</u> – 44</p> <p><u>Other details</u> – Largest development in Newmarket during the analysed period, and delivered in a single year (2015/16) by individual small housebuilder Cleanslate Ltd.</p>
King’s Warren (216 dwellings)	Red Lodge	<p><u>Peak dpa</u> – 112</p> <p><u>Average dpa</u> – 36</p> <p><u>Other details</u> – Part of a major urban extension delivered by a number of major housebuilders inc. Crest Nicholson, David Wilson Homes and Bovis Homes with separate sales outlets. Site’s total and single-year peak delivery was the highest of all sites in West Suffolk over the analysed period. The applications included in analysis are associated with the development of a total of 436 homes once fully built out.</p>
Red Lodge – Yellow Land (119 dwellings)	Red Lodge	<p><u>Peak dpa</u> – 99</p> <p><u>Average dpa</u> – 60</p> <p><u>Other details</u> – Lies adjacent to Kings Warren and is being delivered by Crest Nicolson. The site will accommodate 268 dwellings once complete.</p>
Turnpike Road (Taylor Wimpey) (181 dwellings)	Red Lodge	<p><u>Peak dpa</u> – 52</p> <p><u>Average dpa</u> – 36</p> <p><u>Other details</u> – site delivered a total of 295 dwellings, starting in 2008/08 and completing in 2016/17. The site delivered 181 dwellings within the five years (2012/13–2016/17) within the analysed period. The site was delivered by a single housebuilder, Taylor Wimpey.</p>
Turnpike Road (Bloor Homes) (80 dwellings)	Red Lodge	<p><u>Peak dpa</u> – 71</p> <p><u>Average dpa</u> – 40</p> <p><u>Other details</u> – total of 114 dwellings delivered by</p>

single housebuilder -Bloor Homes - completing in 2013/14. 80 dwellings developed over 2 years (2012/13–2013/14) during analysed period, with 34 dwellings having been delivered prior to this in 2011/12.

St Edmundsbury		
Land West of Barrow Hill (80 dwellings)	Barrow	<p><u>Peak dpa</u> – 43</p> <p><u>Average dpa</u> – 40</p> <p><u>Other details</u> – Allocated in the St Edmundsbury Rural Vision 2031 document and fully built out by an individual housebuilder - Hopkins Homes - in 2 years (2015/16-2016/17).</p>
The Daubetons (East Close) (73 dwellings)	BSE	<p><u>Peak dpa</u> – 42</p> <p><u>Average dpa</u> – 24</p> <p><u>Other details</u> – Fully built out within 3 years by individual housebuilder, Hopkins Homes (2013/14-2015/16), with the vast majority (68 dwellings) delivered in the first two years, with 5 dwellings in the final year.</p>
Moreton Hall Area F2 (39 dwellings)	BSE	<p><u>Peak dpa</u> – 35</p> <p><u>Average dpa</u> – 20</p> <p><u>Other details</u> – Strategic site delivering 39 homes over 2012/13 and 13/14 at 'Area F2', completing that application's provision of 144 homes.</p>
Land East of Lady Miriam Way (40 dwellings)	BSE	<p><u>Peak dpa</u> – 39</p> <p><u>Average dpa</u> – 20</p> <p><u>Other details</u> – <u>40 homes were delivered in 2016/17 and 17/18 by Taylor Wimpey, under an application for a total of 500 homes on the site, 480 of which the most recent St Edmundsbury 5-Year Housing Land Supply indicates will be delivered by 2021/21, with a peak delivery rate of 100 dpa. 2018/19 council monitoring data shows that 27 further dwellings were completed on site between April 2018 and December 2018.</u></p>
Northgate Street / Cotton Lane (56 dwellings)	BSE	<p><u>Peak dpa</u> – 56</p> <p><u>Average dpa</u> – 56</p> <p><u>Other details</u> – Extra-care complex for the elderly. All dwellings delivered in a single year (2014/2015) by a single builder – McCarthy & Stone.</p>

Hanchett End, Research Park (150 dwellings)	Haverhill	<u>Peak dpa</u> – 58 <u>Average dpa</u> – 38 <u>Other details</u> – Developed over 4 years (2014/15-2017/18) by Jaynic Developments, the vast majority coming forward in the first 3 years, the final 6 dwellings being completed in 2017/18. The site forms part of the wider Haverhill Research Park, which accommodates business space and has been awarded Enterprise Zone status.
Hamlet Croft (91 dwellings)	Haverhill	<u>Peak dpa</u> – 46 <u>Average dpa</u> – 40 <u>Other details</u> – Built out in 3 years (2013/14-2015/16) by single housebuilder, Bloor Homes.
Upthorpe Road (85 dwellings)	Stanton	<u>Peak dpa</u> – 55 <u>Average dpa</u> – 21 <u>Other details</u> – Total of 101 dwellings commenced in 2014/15 by individual housebuilder, Abbey Homes, with 16 homes remaining to be delivered as of the 2017/18 monitoring date.

Source: Council monitoring data

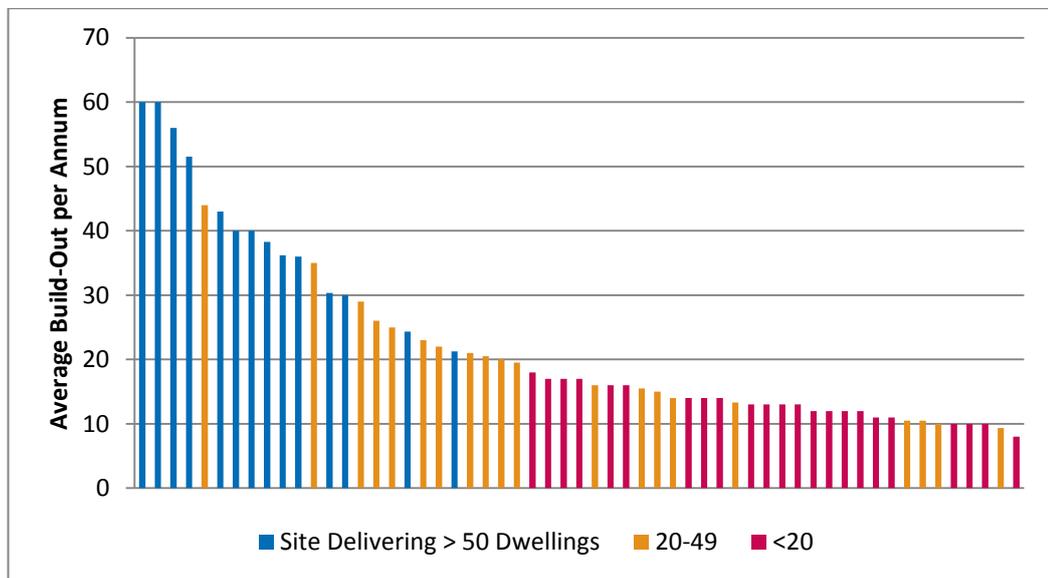
- 4.20 The above reveals that those sites delivering the largest numbers of homes in West Suffolk have principally been delivered by one of the larger national housebuilders. That said, there are a number of examples – in St Edmundsbury in particular – where homes have been completed by other more local / regional house-builders.
- 4.21 As shown earlier in Table 4.1, Forest Heath has had a greater proportion of new homes built on sites delivering more than 10 dwellings (76%) than St Edmundsbury (65%). Housing development in the parishes in Forest Heath with the highest number of completions has generally been driven by delivery of larger sites of over 100 dwellings, such as Skelton’s Drove (Beck Row), Kings Warren and at Turnpike Road (both Red Lodge) and Burwell Road (Exning), which generally achieved amongst the highest average and peaks build-out rates in West Suffolk. Over the analysed period, there were fewer such sites delivering in St Edmundsbury, with the exception of Hanchett End Research Park and Hamlet Croft (both Haverhill) and Upthorpe Road (Stanton)⁵³. Being a more urban area, it is evident that smaller plots are more prominent in the

⁵³ It should be noted that the completion of 720 units by 2021/22, delivered by multiple large housebuilders (Bloor, Countryside and David Wilson Homes) at Marham Park in the St Edmundsbury parish of Fornham All Saints is forecast within the 2017 St Edmundsbury 5YHLS. 2018/19 council monitoring data indicates that 77 of these homes were delivered between April 2018 and December 2018. Build-out of the North-west Haverhill site (Haverhill parish), with capacity for 1,150 units, was also commenced by Persimmon in 2018/19. These sites have not been included in this analysis as they had not achieved significant numbers of completions over the analysed 2012/13 – 2017/18 period.

delivery of housing in the town of Bury St Edmunds. It is, however, noted that there are five larger sites which are delivering around Bury St Edmunds in the coming years, and a further two near Haverhill, which are introduced in section 6 of this report.

4.22 Whilst larger sites have provided an important contribution to delivery it is also important to reflect on and set in context the higher delivery rates seen against the full spectrum of sites of all sizes. Figure 4.2 further examines the historic completions data available and profiles average build out rates broken down by different sizes of development, with each bar in the chart representing an individual site, and its colour corresponding with its total delivery over the period 2012 – 2018.

Figure 4.2: West Suffolk average annual build-out by size of site (2012 – 2018)⁵⁴



Source: Council monitoring data

4.23 This reinforces the observation that larger sites tend to have higher build out rates, with the multiple outlets of major developers at Kings Warren delivering the highest average build-out rates of West Suffolk sites (63 dpa). It is also apparent from the above that across both authorities over the period considered, over half (56%) of sites delivered an average of fewer than 20 units in the year, with this entirely made up of smaller sites.

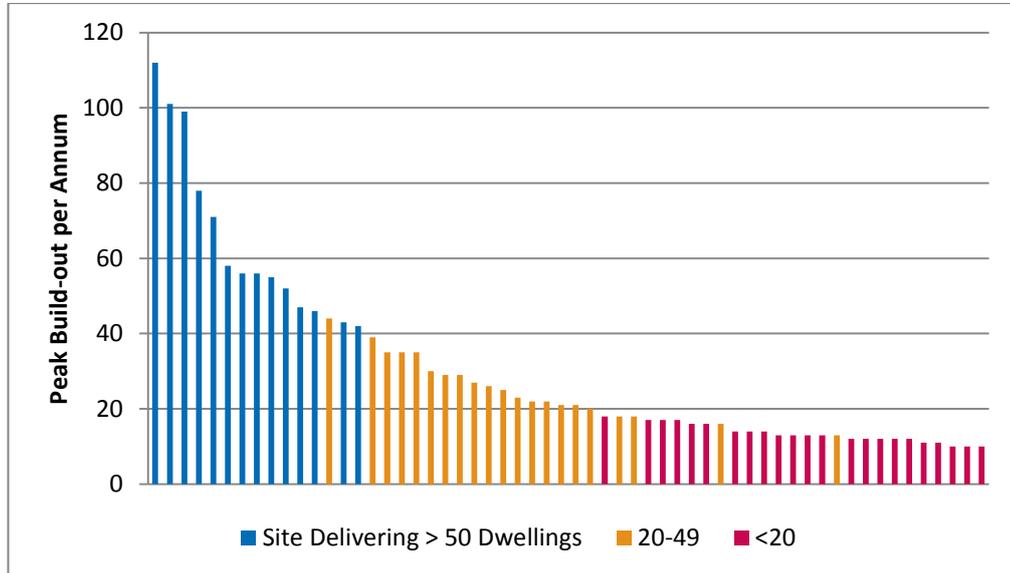
4.24 A review of the data also reveals that there were 32 sites (also 56%) which started and built out in a single year. Whilst in the main these were smaller sites, there were several which were larger, including Northgate Street/Cotton Lane (delivering 56 units in one year) and Fordham Road (44 units).

4.25 Peak build-out rates achieved on different sizes of site are similarly shown in Figure 4.3. Again, the top four build out rates were achieved on sites in Forest Heath (King’s Warren, Burwell Road, Skelton’s Drove and Turnpike Road), with Hanchett End

⁵⁴ Analysis limited to sites delivering 10 dwellings or more between 2012 and 2018

Research park in Haverhill achieving the highest peak build-out rate in St Edmundsbury (59 dpa).

Figure 4.3: West Suffolk peak annual build-out by size of site (2012 – 2018)⁵⁵



Source: Council monitoring data

4.26 Table 4.6 summarises this analysis in tabular form showing the range of average and peak build out rates by site size. This provides an indication of the variance which has historically occurred at site level in West Suffolk.

Table 4.6: Range of average and peak build-out rates in West Suffolk (2012 – 2018)

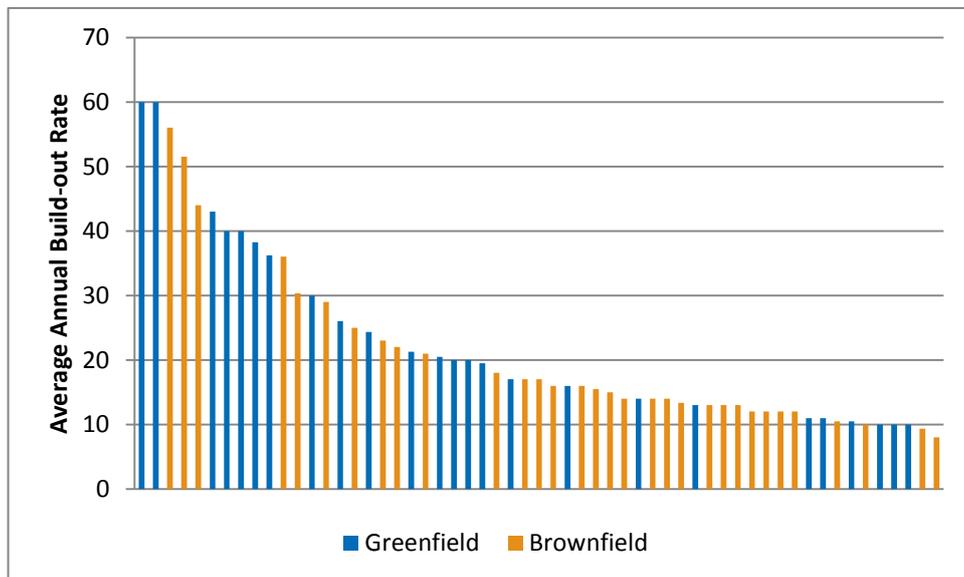
Site Size (delivery 2012 - 18)	No. Sites	% of Sites	Peak build-out range (dpa)	Average build-out range (dpa)
10 - 20 dwellings	23	40%	10 – 18	8 - 18
20 - 49	21	37%	13 – 44	9 - 44
> 50	13	23%	42 – 112	21 - 60

Source: Councils’ monitoring data

4.27 In considering how a different portfolio of land in the future may serve to help increase overall housing delivery, it is also useful to consider the variation in build-out rates between greenfield and brownfield sites. This is shown in Figure 4.4, which shows the average annual build-out rates achieved on sites in West Suffolk relative to their greenfield/brownfield classification.

⁵⁵ Analysis limited to sites delivering 10 dwellings or more between 2012 and 2018

Figure 4.4: Average build out rates for greenfield and brownfield sites – West Suffolk



Source: Council monitoring

4.28 Whilst it can be seen that the highest average delivery rates were achieved on greenfield sites (Red Lodge – Yellow Land and Burwell Road), there are also a number of brownfield sites with near-comparable annual average build-out rates. Overall this analysis does not suggest a clear demarcation in delivery rates between the classifications, with this perhaps reflecting the availability and nature of sites in each. It is noted, however, that six of the sites in the top ten rates of delivery were greenfield sites over this period.

National research on build out rates

4.29 The above provides a detailed analysis of the local build-out rates which have been achieved. As noted above these are likely to be driven by both the nature of the profile of sites but also localised market demand factors (a point returned to in more detail in section 5). Recognising this, it is useful to set this in the context of a short review of national evidence, the purpose being to understand the extent to which local delivery rates are significantly different or closely aligned to this wider picture.

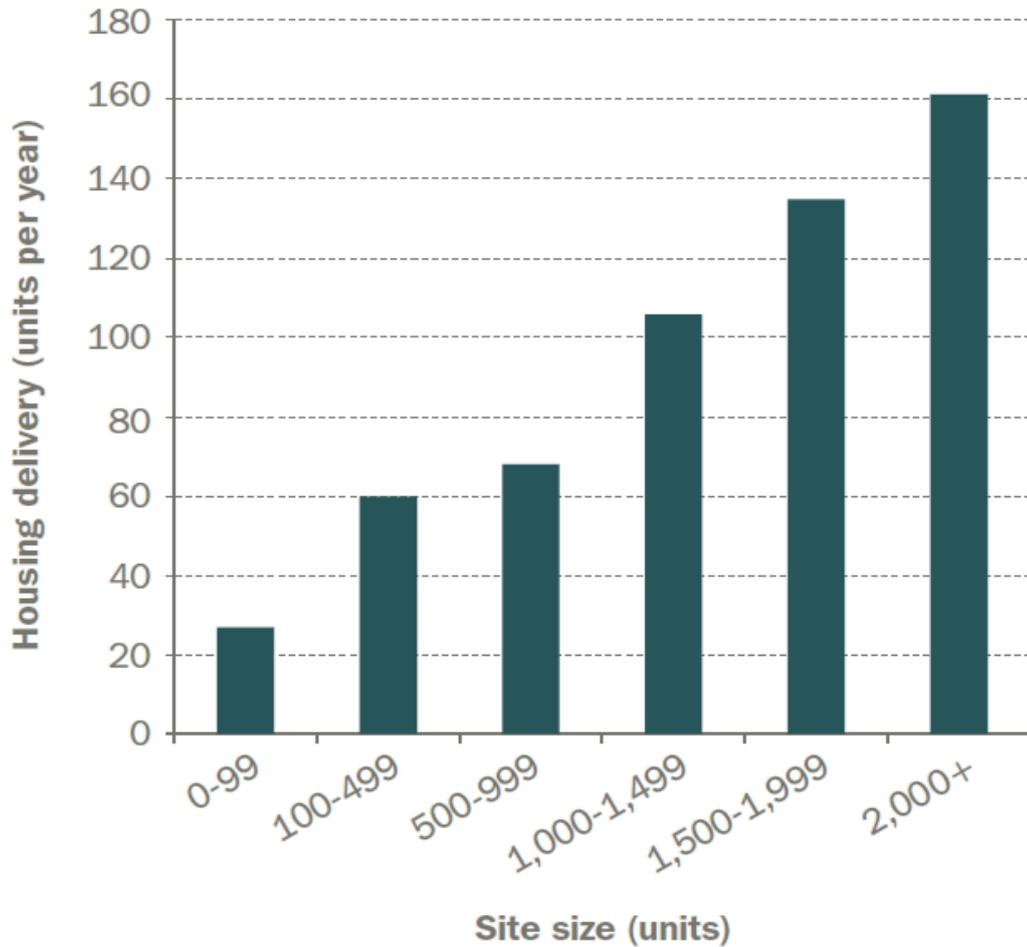
4.30 To this end, consideration has been initially given to research undertaken by planning consultancy Lichfields, which considered average build-out rates on larger scale developments, drawing upon a sample of sites with over 50 units⁵⁶. The sites selected cover England, and to a lesser extent Wales, but exclude London because of the different character of the development market in the capital. The majority of the schemes examined are located to the south of a line from the Wash to the Bristol Channel with a high proportion being in the East and South East regions. Many schemes are located in the Cambridge - Milton Keynes - Oxford Corridor. This means

⁵⁶ NLP (2016) Start to Finish: How Quickly do Large-Scale Housing Sites Deliver?

there is a degree of applicability in considering the conclusions in the context of development in West Suffolk, and indeed Red Lodge in Forest Heath forms part of the sample.

4.31 The research provides average annual build out rates by site size, which is replicated at Figure 4.5.

Figure 4.5: Average Annual Build Rate by Site Size



Source: Lichfields, 2016

4.32 In presenting the averages for different sized sites the research also identified that build out rates can be influenced by the strength of the local housing market. Evidently it is reasonable to assume that in stronger housing markets, often judged on comparatively high pricing, there is a higher level of demand which supports increased rates of provision. In this context, it is also important to recognise that a significant factor in build-out rates on particular sites in any particular area will be the overall supply of new homes being offered within the market area.

4.33 In this context it is interesting to note when examining Figure 4.5 and looking principally at the lower size brackets, which are most relevant in considering the profile

of delivery in West Suffolk, it is clear that the range broadly aligns with that seen in West Suffolk (21 – 63) as shown in Table 4.6.

- 4.34 The Lichfields study also identified that the tenure of housing being built can have an impact on build out rates. In general, the delivery of affordable housing alongside market homes for sale increases delivery rates. This is because rented affordable housing does not cannibalise private sale rates, since it provides for a need that the provision of market homes does not meet. The same can largely be said of other types of affordable housing – such as low cost home ownership products – albeit there is evidently a greater prospect of overlap. Considering the relatively high rate of delivery of affordable housing (24% of all homes delivered) in West Suffolk as shown in Table 3.1, this is likely to be a factor that has helped deliver relatively high rates of housing delivery overall.
- 4.35 The analysis of the key sites in West Suffolk identifies relatively few examples over the analysed 2012/13 – 2017/18 period where multiple house-builders were active on a single site i.e. with different outlets competing and marketing homes⁵⁷. Of the limited examples of this occurring, it is evident that higher rates of delivery have been achieved. This reflects an acknowledged position when considering examples of larger sites elsewhere that the number of sales outlets that operate on a site will have a positive impact on average rates of delivery. Evidently, this only becomes a point of consideration for sites which are large enough to support more than one outlet. Where there are multiple outlets, this can widen the product offer of a housing development therefore supporting higher cumulative sales levels from a single site. Research has also shown that the effect of additional outlets on overall output diminishes, such that a site of over 2,000 homes does not annually deliver four times more homes than a smaller site (100 – 499 homes) but instead delivers an average of 2.5 times more houses⁵⁸.
- 4.36 Looking at national data allows for an understanding to be built up of average build out rates per outlet, which – recognising the dependency on primarily single outlet driven development in West Suffolk – provides another important benchmark to assess the build-out rates evidenced locally. An up-to-date picture has been built up from a review of the Annual Reports of the top ten national house builders (by volume) in order to establish average unit completions per site. Within the top ten, Berkeley Homes are excluded as – although active in West Suffolk – they have a general bias towards London that is less representative of the West Suffolk market. Bloor Homes are also excluded, on the basis that they are privately owned and do not produce annual reports to shareholders. Crest Nicholson are retained within the analysis, albeit it is noted that many of its new homes were apartments where the number of annual completions is typically higher.

⁵⁷ It should be noted that the large strategic Moreton Hall and Marham Park sites are programmed for delivery over the coming years with multiple outlets. These sites have not been included in this analysis as they had not achieved significant numbers of completions over the analysed 2012/13 – 2017/18 period.

⁵⁸ *Ibid*

4.37 Table 4.7 provides a summary of this information. It confirms that the average number of completions (including both market and affordable housing) per site across all house builders investigated was 45 units per sales outlet per annum. It is of note that this sits broadly mid-way in the range of build-out rates recorded in West Suffolk (Table 4.6) for those sites of 50 dwellings or more (with this considered to be most representative in comparing annual rates⁵⁹).

Table 4.7: Summary of House Builders Delivery Figures

House Builder	Source of Information	Number of Completions	Number of Sites (Sales Outlets)	Average No. of Completions/Site
Barratt David Wilson	Annual Report and Accounts 2017	17,395	366	48
Persimmon	Annual Report 2017	16,043	370	43
Taylor Wimpey	Annual Report and Accounts 2017	14,688	278	53
Bellway	Annual Report and Accounts 2016 ⁶⁰	8,762	226	39
Bovis	Annual Report and Accounts 2017	3,645	99	37
Crest Nicholson	Annual Integrated Report 2017	2,935	51	58
Redrow	Annual Integrated Report 2017	5,416	132	41
Galliford Try (Linden Homes)	Annual Report and Financial Statements 2017	3,296	71	43
Total		72,180	1,593	45

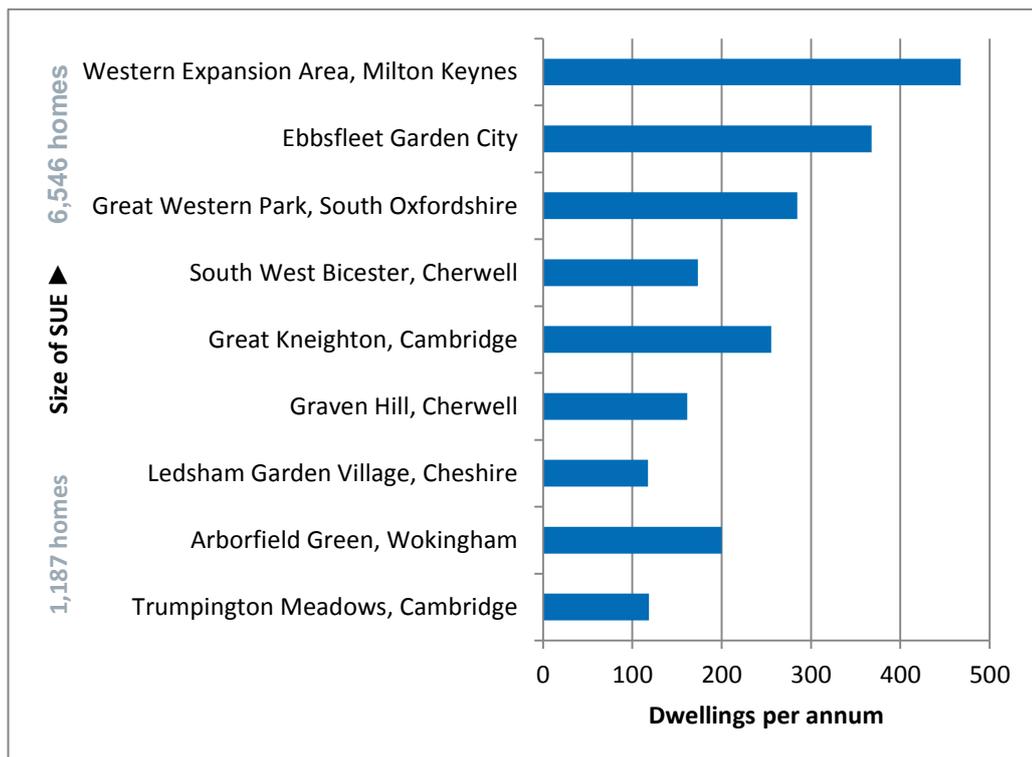
⁵⁹ It is understood the data on completions supplied by the Councils and presented in Table 4.6 includes all tenures of housing.

⁶⁰ Necessary information was not available within the Bellway Annual Report and Accounts 2017

Source: Various above, analysis by Turley, 2018

- 4.38 The issue of large site build out rates has more recently formed the basis of both the draft and final report findings of the Letwin review, which specifically focused on the identification of large sites (1500 units and above) in so called areas of ‘very high housing demand’. As a result, the majority of case studies are in Greater London and the south of England.
- 4.39 In considering the case studies in the context of the housing trajectory in West Suffolk, the five Greater London sites have been excluded on the basis that they are principally flatted developments which are evidently not comparable to the type of development seen to date in West Suffolk. It is also noted that the schemes used as case studies are all considerably larger than those seen in West Suffolk. However, they are included for context to illustrate the extent to which higher rates have been seen to be achieved where development is of this larger scale. The average build out rates achieved or anticipated across the construction period at other sites are illustrated in Figure 4.6

Figure 4.6: Average Build Out Rates in Letwin Case Studies (outside London)



Source: Letwin Review, 2018

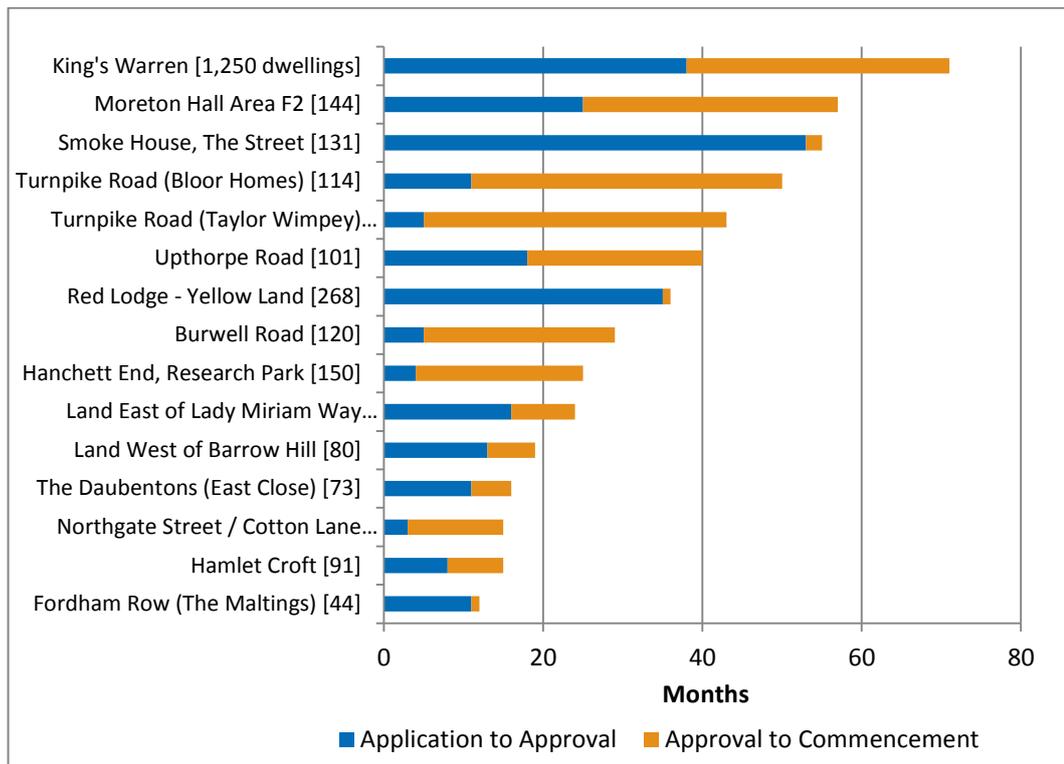
Lead-in Times or Pre-Commencement Period

- 4.40 Before the homes considered through the analysis above were completed, there was a “lead-in time” which spanned the period from initial site promotion through to completion of the first home on that site. The various steps in such a process may include:

- site promotion to securing an allocation
 - preparation and approval of Master Plan or Development Brief where appropriate
 - securing a planning consent and agreement of conditions
 - completion of initial preparatory works and provision of infrastructure connections
 - the commencement of building the new homes
 - through to completion of the first home on that site
- 4.41 There are a multitude of factors which can influence the time taken to progress a site through to it starting to deliver homes with these dependent on aspects such as market conditions, the promoters' financial position, market considerations and specific planning challenges.
- 4.42 The validation of an application evidently provides an important milestone in monitoring performance with regards the relationship between the LPA and the applicant. However, prior to the submission of an application there is a process of pre-application. This offers the opportunity for issues which could delay the successful progress of an application to a granting of permission and subsequently delivery.
- 4.43 This section reviews information held by the Councils on lead-in times in West Suffolk. This includes a consideration as to the different lead-in-times seen on sites of different sizes but also considers in more detail whether there are trends which can be drawn out in comparing different types of sites.
- 4.44 The lead-in times for the key West Suffolk sites introduced in the previous section and analysed at Table 4.5 are set out Figure 4.7⁶¹.

⁶¹ Skelton's Drove has not been included in the analysis of lead-in times, due to the fact that work on the site commenced as homes for USAF and then was stopped due to lower than anticipated demand. An application for 166 private market homes has since been approved and commenced. The site's complexity means that its lead-in times cannot be accurately reflected in this chart.

Figure 4.7: Key Site – Length of lead-in times



Source: Council Monitoring

- 4.45 The longest lead-in time is found at King’s Warren, Red Lodge. The monitoring data indicates that it took over three years from application to approval and a further two years plus until commencement. It is of note that this is the largest of the sites analysed.
- 4.46 Another site of note in the above list is Smoke House, The Street (in Beck Row parish). This is a notably smaller site than the King’s Warren site, but saw the period between application and approval stretch to over four years, due in part to its status as a major development which required various applications, including a conversion and extension, and affected the setting of a listed building and was categorised as a ‘Departure from the Development Plan’⁶². Subsequent to its approval, however, it has since seen commencement progress swiftly.
- 4.47 It is of note that for the remainder of the sites the period from application to approval all fell below two years, with five of the sites being approved within less than twelve months from application. In contrast nearly all of the larger sites (100+ dwellings) saw a period of over two years elapse between approval and commencement, with this forming a critical contributor to the overall calculated lead-in time.

⁶² Forest Heath District Council (2009) Decision Notice: F/2006/0254/OUT

4.48 The below table outlines average time between application and approval and approval and commencement of the identified key sites⁶³. Averages for different categories of site sizes have been calculated to allow for benchmarking against national research (considered further below), and it should be noted that a site can feature in more than one of these categories.

4.49 It can be seen that larger sites generally have longer lead-in times. It should be noted that the short period of time between application and approval (4 months) for the 150 dwelling site at Hanchett End Research Park and the short time (1 month) between approval and commencement of 268 homes at Red Lodge - Yellow Land contributed to the average lead-in times for their size bands. Relatively quick periods between application and approval at Burwell Road and Taylor Wimpey's Turnpike Road site were also recorded.

Table 4.8: Average lead-in times of key sites by size of site⁶⁴

Site Capacity (Dwellings)	Number of sites	Average no. months between application and approval	Average no. months between approval and commencement	Total months
< 100	5	9	6	15 (1.3 yrs)
100 - 199	6	19	23	43 (3.4 yrs)
200+	4	24	20	44 (3.6 yrs)
100 - 499	8	20	22	42 (3.5 yrs)
500 - 999	1	16	8	24 (2.0 yrs)
1,000+	1	38	33	71 (5.9 yrs)
500+	2	27	21	48 (4.0 yrs)

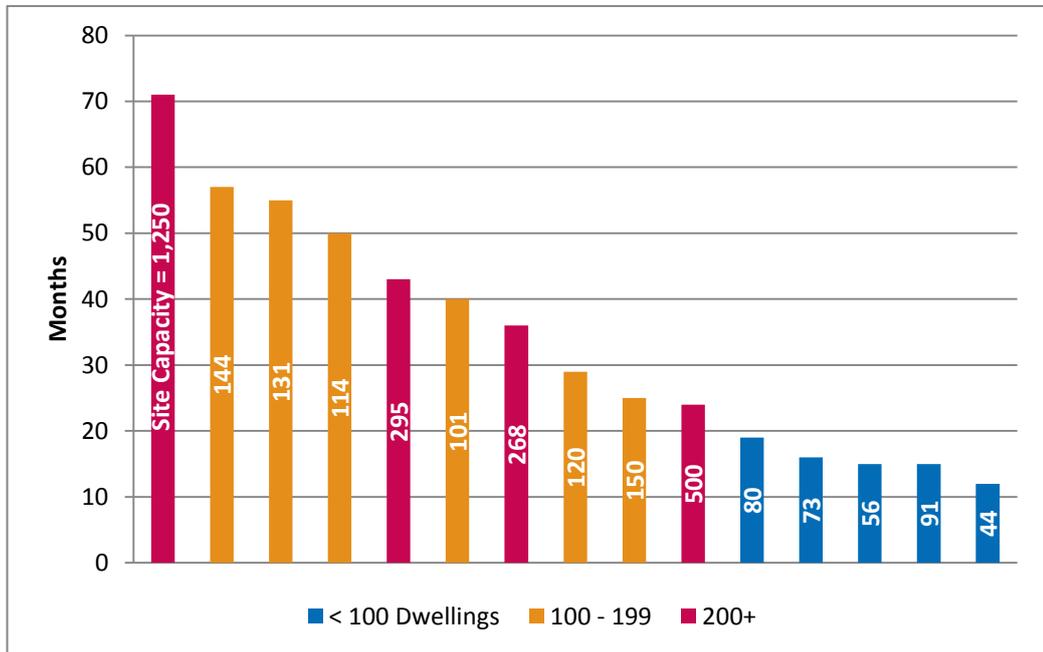
Source: Council Monitoring

4.50 Figure 4.8 provides a further breakdown of lead-in times, providing a clearer analysis as to the impact of the differing size of site based on the total number of homes set to be provided upon completion. Each bar represents a single site and the colours denote the size banding. It can be seen that whilst the smaller sites generally have shorter lead-in times, there is considerable variance for sites delivering over 100 homes. This illustrates the importance of understanding site-specific factors contributing to lead-in times for these sites and/or future sites.

⁶³ Skelton's Drove has not been included in this analysis.

⁶⁴ Some figures do not sum due to rounding.

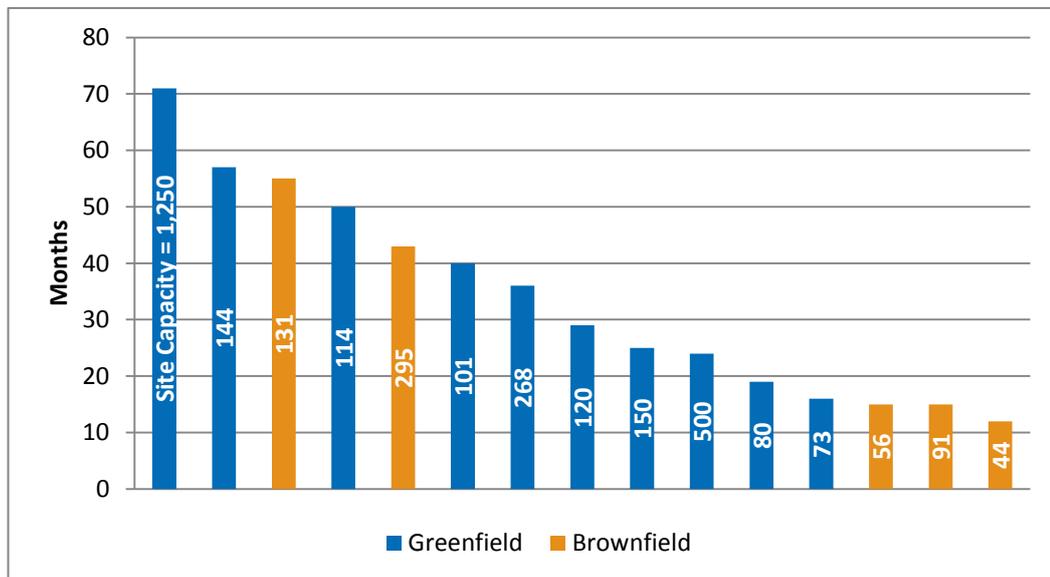
Figure 4.8: Key Sites – time between receipt of application and commencement by site size



Source: Council Monitoring

4.51 There is no evidence of a significant correlation between whether the development is of previously-developed land or classified as greenfield or brownfield, and lead-in times. Whilst the site with the longest lead-in time is the key strategic site of King’s Warren (on greenfield land) there are brownfield sites, such as Smoke House, The Street, that took over 50 months between the receipt of application and commencement. It is noted that the three larger sites with the shortest lead-in times are all those built on previously-developed land, with the caveat that these also include the two applications delivering the fewest dwellings of the analysed sites. Lead in times for the previously-identified greenfield and brownfield sites are shown in Figure 4.9.

Figure 4.9: Key Sites – time between receipt of application and commencement by type of land



Source: Council Monitoring

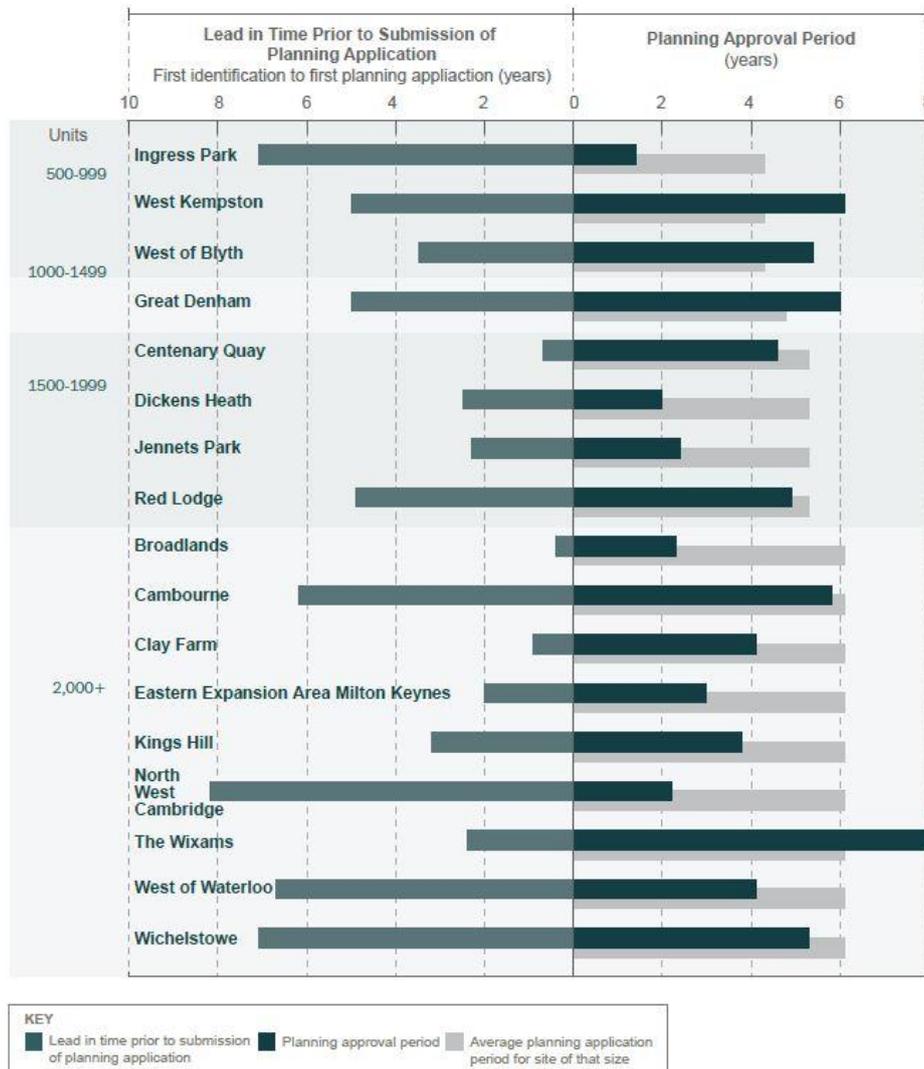
National research on lead-in times

4.52 The above can again be set in the context of national research, albeit it is noted that there is relatively limited up-to-date analysis and evidence on this specific aspect of the development process.

4.53 In November 2016, Lichfields published research in relation to ‘how quickly large scale housing sites deliver’⁶⁵. The research focused on larger sites. Figure 4.10 shows the considerable variability of both the pre-application and the subsequent planning approval period on lead in times on such sites. With regards to the pre-application period this ranged from in excess of 8 years (North West Cambridge) to less than 1 year (Broadlands). The average length of time prior to securing planning approval on the sample sites examined within the research was around 4 years for larger sites.

⁶⁵ NLP (2016) Start to Finish: How Quickly do Large-Scale Housing Sites Deliver?

Figure 4.10: Average Lead in Time Prior to Submission of the First Planning Application

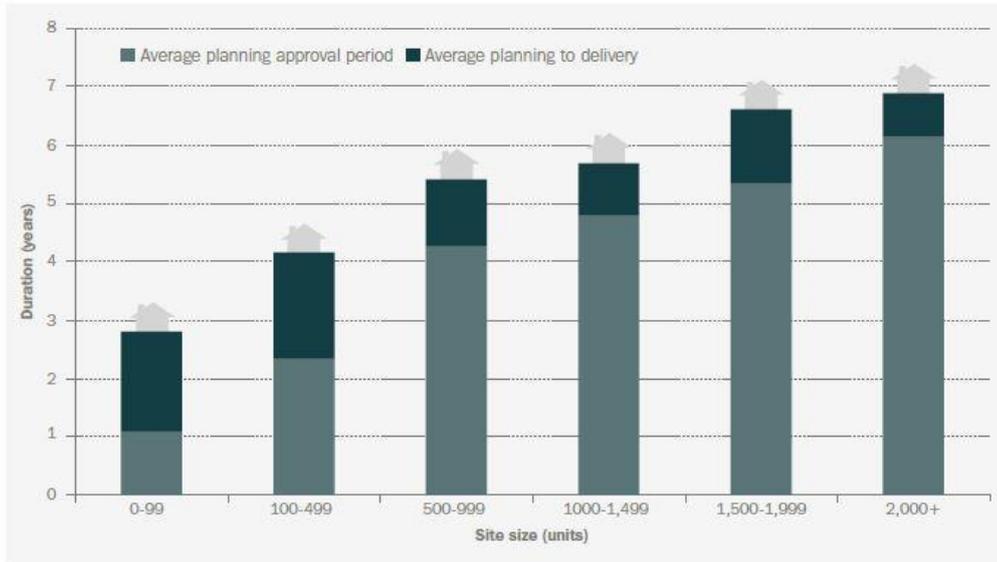


Source: *Start to Finish*, Nathaniel Lichfield & Partners, November 2016

- 4.54 The above also shows the planning approval period for the larger sites considered, with this commencing with the validation date of the first planning approval, and culminating in approval decision of the first application that permits development of new homes on the site. This may be followed by the discharge of pre-development conditions, but this is captured in the analysis in the period between the approval as defined above and the first dwelling being completed.
- 4.55 Again this shows a high degree of variance and illustrates that for larger sites, this part of the development timeline can be a source of significant delay in the overall programme of houses being delivered. By implication, this means that, other things being equal, a reliance on large sites for a high proportion of local plan delivery carries a higher risk of delivery shortfall than a more diversified portfolio of residential development sites.

4.56 The research benchmarked in more detail the average length of time for the approval of planning applications on different sized developments as shown in Figure 4.11.

Figure 4.11: Average Planning Approval Period and Delivery of First Dwelling by Site Size



Source: *Start to Finish*, Nathaniel Lichfield & Partners, November 2016

Note: The 0-99 homes category actually relates to sites of 50-99 homes and excludes smaller schemes.

4.57 The research therefore revealed that the time taken to secure full planning consent increases with site size, but that, on average, it takes longer for smaller sites to complete the first home, after having secured planning consent for building of new homes. In summary:

- Schemes of 50-99 homes are approved in around a 1.1 years but take another 1.7 years to build the first home.
- Schemes of 100-499 homes are approved in around 2.4 years and take another 1.7 years to build the first home.
- Schemes of 500-999 homes take on average 4.3 years to secure planning approval but then the first home is built 1.1 years after planning approval
- Schemes of 1,000-1,499 homes take on average 4.8 years to secure planning approval but then the first home is built 0.9 years after planning approval
- Schemes of 1,500-1,999 homes take on average 5.4 years to secure planning approval but then the first home is built 1.2 years after planning approval

- Schemes of 2,000+ homes take on average 6.2 years to secure planning approval but then the first home is built 0.8 years after planning approval⁶⁶
- 4.58 The pattern emerging from this analysis is that the time taken to approve schemes increases as the size of the scheme increases, but that there is a significant jump in the average time taken to approve a scheme between sites of less than 500 units and sites with more than 500 units. However, larger schemes of more than 500 units start to build more quickly than smaller developments once they have secured approval.
- 4.59 These average levels can be compared against those shown in Table 4.8 above for West Suffolk, albeit comparable information is only available for those sites within the smaller categories. This shows that average lead-in times for West Suffolk's sites with fewer than 100 dwellings are relatively short, with such developments in the area progressing from application submission to commencement in 1.3 years, compared with 2.8 years nationally⁶⁷.
- 4.60 The larger of West Suffolk's sites (those larger than 100 but smaller than 500 units) have an average lead-in time of approximately 3.5 years, which is broadly in alignment with the 4.1 years that Lichfields' research suggested for sites of this size, albeit West Suffolk had no sites approaching the upper end of that size band⁶⁸. West Suffolk's largest site – King's Warren, with an outline application approved for 1,250 dwellings – took a total of 5.9 years between submission of application and commencement on site, slightly longer than the 5.7 years that the Lichfields research indicates is the national average for sites numbering between 1,000 and 1,499 units.
- 4.61 It is no surprise that the research indicated that larger developments take longer to complete the planning application process, since they give rise to bigger potential impacts on the environment, and existing infrastructure and hence raise a wider range of issues than smaller schemes. Often there are complex interactions between different elements of the schemes. Therefore the assessment of the acceptability of the principle of development and agreement on the detail of development is more time consuming than on smaller sites. The type of application (i.e. a full application or an outline application) can also be a significant factor with regard to lead-in time. Outline applications generally progress at a slower rate than full applications, with the twin determination stages giving rise to a greater potential for issues and delays.

⁶⁶ In October 2018, Lichfields published an online update to this research based on the identification of additional sites, and with two additional years of build out analysis. It is noted that the updated findings indicated slightly lower annual average build out rates, and slightly longer average lead-in times at a national level, particularly for larger sites.

⁶⁷ It should be noted that one of the West Suffolk sites contributing to this average is Fordham Row (The Maltings), which has capacity for only 44 dwellings and so is slightly outside the 50-99 dwellings size band. If this site is removed, then the West Suffolk average lead-in time for sites inside the 50 – 99 dwellings band increases to 1.35 years from 1.28 years – this remains significantly faster than the 2.8 years recorded nationally.

⁶⁸ With a site capacity of 500 dwellings, Land East of Lady Miriam Way is just outside this size band. Similarly, work started at the Moreton Hall in St Edmundsbury in 2018/19, which also has a capacity for 500 homes.

4.62 This national research is useful in highlighting both the variance seen with regards lead-in times and the issues when applying generalised benchmarks. This therefore places greater emphasis upon the local trends introduced earlier in this section.

Lapse Rates

4.63 This section has analysed housing development that has come forward and delivered. However, it is also the case that planning permissions can lapse and sites remain undeveloped.

4.64 Historical lapse rates in Forest Heath have recently been assessed by the Council, to inform the examination of the Single Issue Review⁶⁹. This covers the period from 2013 to 2017.

Table 4.9: Historic Lapse Rates of Residential Planning Permissions in Forest Heath (2013 – 2017; sites)

	Data from base date 31 March				
	2013	2014	2015	2016	2017
Planning permission on small sites	97	138	157	146	126
Lapsed permissions on small sites	5	3	3	4	1
Large sites (10+) with planning permission	12	24	17	21	21
Number of large site planning permissions	0	0	0	0	0
All sites with planning permission	109	162	174	167	147
Number of sites with lapsed permission	5	3	3	4	1
Lapse rate (%)	4.6%	1.9%	1.7%	2.4%	0.7%

Source: Forest Heath District Council, 2017

4.65 In Forest Heath, the above indicates that no more than 5% of planning permissions have lapsed in any one of the five years considered. The highest annual lapse rate was recorded in 2013, and it is notable that subsequent years saw notably fewer permissions lapse. Indeed, over the full five year period, an average of 2.3% of sites in Forest Heath annually saw their permissions lapse.

4.66 The Council has confirmed that this analysis has not been broken down to consider the location of lapsed permissions, or the nature of the site itself. It can, however, be seen from the above that permissions in Forest Heath have only lapsed on small sites with fewer than 10 dwellings. This data indicates that all planning permissions on larger sites were implemented in the district.

⁶⁹ Forest Heath District Council (17 November 2017) SIR Post Hearing Issues for Clarification – historical lapse rates (small sites and large sites)

4.67 Comparable analysis has not been produced by the Council for St Edmundsbury, albeit it is the Councils’ intention to regularly monitor non-implementation in future. Evidence compiled for the Local Government Association⁷⁰ (LGA) does, however, show that construction was underway on most of the schemes with permission in St Edmundsbury, based on snapshots in March 2016 and 2017. While this does not provide a lapse rate, it indicates that few sites remained undeveloped after securing planning permission.

Table 4.10: Unimplemented Schemes with Planning Permission in St Edmundsbury (2016/17)

	31 March 2016	31 March 2017
Total schemes with permission ⁷¹	13	13
Permissions under construction	11	9
Unstarted permissions	2	4

Source: Glenigan

4.68 Available evidence therefore suggests that the non-implementation of planning permissions for larger sites in West Suffolk is rare. While there is some evidence of smaller permissions lapsing, the evidence indicates that this remains uncommon, and by definition would not be expected to affect the delivery of a significant number of homes in West Suffolk.

National research on lapse rates

4.69 It is useful to again reflect on this local evidence in the context of national research into non-implemented planning permissions.

4.70 The Letwin Review was tasked at looking at the extent to which land-banking is an issue nationally, often linked to the question of why there is a gap between the number of permissions granted and the homes delivered. On the issue of land banking, the interim report defined land banking as ‘*holding land to optimise value at a time where it is most profitable to build*’.

4.71 On this issue, the interim report concluded specifically that such behaviour is ‘*not one that is consistent with the business model of the major house builders*’⁷². It acknowledged that this may still be an issue for the planning system, albeit suggesting that land banking is something that landowners are much more likely to engage in than house builders.

⁷⁰ <https://www.local.gov.uk/mapping-unimplemented-planning-permissions-local-authority-area>

⁷¹ This is based on a national database of applications for development of 10 units or more

⁷² Rt Hon Sir Oliver Letwin MP, (2018) ‘Independent Review of Build Out Rates – Draft Analysis’, paragraph 5.41

- 4.72 Lichfields have also undertaken research into this issue⁷³. The study identifies a number of reasons why it is not appropriate to assume that 100% of all planning permissions granted will be built out in a particular area, though it is hard to distinguish developments that are simply deferred by a lapse of a planning permission (i.e. they will re-emerge at some future date); or which genuinely will never be developed for residential use.
- 4.73 The research identifies the following reasons for the lapse of planning consents:
- An existing occupier of the land or building sought planning permission for reasons other than to build out the site
 - The landowner cannot get the price for the site that will justify the disposal of the asset
 - A developer cannot secure finance or meet the terms of an option
 - The development is not considered to be financially worthwhile
 - Market downturns that render the development unviable or less attractive
 - The priorities of the landowner/developer may change
 - The site is sold to a new developer who wants to re-plan the proposed development in a way that requires a new planning permission
 - Pre-commencement conditions take longer than anticipated to discharge.
- 4.74 In 2015, DCLG analysed the reasons for the 30-40% gap between planning permissions and housing starts. The 'non-delivery' component of planning permissions was identified as follows by DCLG:
- Around 10-20% of planning approvals were simply not taken forward in any way by the applicant, for reasons discussed below
 - Around 15-20% of planning approvals were not abandoned, but a new permission was sought to allow major change to the development proposals or to extend the development period.
- 4.75 The various reasons DCLG states as to why 10-20% of all planning consents are not taken forward (which mirror those set out in the Lichfields research) were as follows:
- The landowner cannot get the price for the site that they want
 - A developer cannot secure finance or meet the terms of an option
 - The development approved is not considered to be financially worthwhile

⁷³ Stock and Flow, Planning Permissions and Housing Output, NLP, January 2017

- There are supply chain constraints hindering a start
- 4.76 These considerations suggest that the volume of new homes with planning consent will exceed consents, and that the delivery of new homes will lag any growth in consents by around two to three years.
- 4.77 The Lichfields research drew attention to the lapse rates identified by DCLG, and suggested that this may be skewed by high lapse rates in London. A study for the Greater London Authority by Mollior identified that on sites of 20+ units in London where planning consent had been granted, only about half of all the homes with consent were actually built. This suggests a lapse rate of planning permissions in London of around 50%. The London SHLAA identifies that only around 42% of the new homes consented in London actually get built.
- 4.78 Outside of considerations regarding urban markets, which are likely to have less relevance to West Suffolk, it is generally recognised that the non-implementation of planning consents is more likely to occur on smaller sites, where there are no significant up-front expenses on securing permission. This is evidently the case in Forest Heath, where smaller sites were the only permissions to have lapsed over the five year period shown at Table 4.9.
- 4.79 Larger sites are more likely to be delivered once they have secured consent, noting the sizeable task of establishing the principle of development and the need to undertake a significant amount of work to secure an outline consent. Only by developing the site can landowners or land promoters recover the significant costs they have incurred. This is likely to be a factor influencing the lack of non-implemented permissions on large sites in West Suffolk.

Summary

- 4.80 This section has interrogated trends in past housing delivery over six monitoring years (2012/13 – 2017/18), ahead of consideration of the future housing trajectory in section 6. In summary:
- Whilst 70% of new housing in **West Suffolk** has been delivered on larger sites on average over the past six years, there has been considerable degree of variation over individual years, large sites delivering a low of 60% and high of 78% over the past 6 years.
 - Whilst it cannot be said that there is a strong correlation between overall delivery and large site delivery at the aggregated **West Suffolk** level, it is interesting that the two years of highest housing completion were those during which large sites made the smallest contributions. However, the year of lowest delivery across both council areas – St Edmundsbury in 2012/13 – was a year in which large sites represented the lowest proportion of dwelling delivery.

- **Forest Heath** has delivered a greater proportion of its new housing over the past six years on larger sites than St Edmundsbury. The years when particularly high delivery rates have been achieved in Forest Heath (2012/13 and 2017/18) are those where a large proportion of houses were delivered on large sites.
- There has been a broadly even split between greenfield and brownfield deliveries across **West Suffolk**, albeit greenfield completions represented marginally the largest share (54%). The two years of highest delivery (2015/16 and 2016/17) over the past 6 years came when high greenfield completion rates were matched/exceeded by brownfield delivery, albeit relatively high completions in the most recent year of analysis was achieved mainly through strong greenfield delivery, particularly in **Forest Heath**.
- The parishes with the greatest number of completions have been delivered in **Bury St Edmunds** and **Haverhill** in St Edmundsbury, and in **Red Lodge** and **Beck Row, Holywell Row & Kenny Hill** in Forest Heath.
- Over a third of new homes in **Forest Heath** (36%) have been delivered in the parish of **Red Lodge** between 2012/13 and 2017/18.
- **Bury St Edmunds** and **Haverhill** combined have contributed almost 60% of **St Edmundsbury's** new housing since 2012. Low delivery in both these areas in 2017/18 – compared to the peaks attained in previous years – is reflected in the borough's total annual delivery, which fell significantly below planned targets.
- Sites delivering the largest numbers of homes in **West Suffolk** have principally been delivered by one of the larger national housebuilders. However, there are a number of examples, in St Edmundsbury in particular, where homes have been completed by other more local / regional housebuilders.
- Housing development in the parishes in **Forest Heath** with the highest number of completions was generally driven by delivery of larger sites of over 100 dwellings. There are fewer such sites delivering in **St Edmundsbury**, although it is noted that a number of larger sites have started to deliver post the cut-off point for the analysis in April 2018 and are forecast to continue to build out at comparatively strong levels.
- Larger sites tend to have higher build out rates, with the strategic sites at Red Lodge – Yellow Land and King's Warren (both in Forest Heath) respectively showing the greatest average and peak rates of delivery over the analysed period.
- Across **West Suffolk** between 2012 and 2018, there were 32 sites delivering over 10 dwellings which started and built out in a single year. Whilst in the main these were smaller sites, there are several which were larger.
- The top five peak annual build out rates were achieved on sites in **Forest Heath**.

- Analysis does not suggest a clear demarcation in annual average delivery rates between the greenfield and brownfield sites.
- Average lead-in times for **West Suffolk**'s sites with fewer than 100 dwellings are relatively short, with such developments in the area progressing from application submission to commencement in 1.3 years, compared with 2.8 years nationally.
- Sites larger than 100 but smaller than 500 units in **West Suffolk** have an average lead-in time of approximately 3.5 years, which is faster than the 4.1 years that research suggests is the average nationally for sites of this size. This was aided by the relatively quick progression from application to approval at sites such as Burwell Road, Hanchett End, Research Park and Taylor Wimpey's site at Turnpike Road. **West Suffolk**'s largest site – King's Warren – took a total of 5.9 years between submission of application and commencement on site, which again is broadly in line, albeit slightly longer, than the 5.7 years that the research indicates is the national average for sites numbering between 1,000 and 1,499 units. It is though acknowledged that this is part of larger site with a phased development.
- There is little evidence of planning permission lapsing on larger sites in **West Suffolk**, in line with national evidence that non-implementation is uncommon on larger sites outside major urban areas. There is some evidence of lapsed permissions on smaller sites, albeit this remains comparatively rare and would not be expected to have a significant effect on overall housing supply.

5. Determinants of Demand

- 5.1 In determining the likely scale of demand for new market homes in an area, it is important to emphasise that effective demand for new homes is determined significantly by price. There is only a functioning market if a developer is able to offer a new home to a purchaser that is able to fund the purchase of that home and associated costs.
- 5.2 Such a “demand” assessment would be undertaken by developers in assessing whether to proceed with purchasing a site, or securing an option on a site, and investing in the pre-planning stages of a planning proposal; or, lastly, determining precisely when to commence development.
- 5.3 This section describes potential future determinants of demand in West Suffolk within this context, enabling the identification of trends in the analysis of historic supply and moving towards an understanding of future delivery potential. Whilst the preceding sections emphasised the acknowledged local importance of increasing supply to meet growing needs arising from a range of households, this section considers the longer-term factors which have and are likely to continue to shape the demand for housing nationally and within the study area.
- 5.4 This review is not intended to exhaustively capture *all* drivers of demand in the local area, but explores a number of the most significant and potentially influential factors. Factors relating to demographics and/or whether there is a current backlog of “need” are not assessed, but are covered elsewhere in the Councils’ evidence base including the SHMA.

National Factors

- 5.5 This study primarily focuses on the depth and nature of the *local* demand for new homes, but it is important to bear in mind that national factors affect both demand and hence build out rates on existing sites, and when developments in the pipeline come forward for development.
- 5.6 Key factors that influence the demand for new homes, and hence the pace of development of new homes are as follows:
- **Mortgage availability, cost and size of deposits.** Currently mortgage rates remain very low, but tighter regulation of mortgages means that it is less easy for buyers to access high loan to cost mortgages, and this means that many purchasers who may be able to afford a mortgage struggle to raise a deposit. It should be assumed that mortgage rates will rise over the longer-term.
 - **The economy, earnings and buyer confidence.** The performance of the national economy is important in many different ways to housing demand, including buyer confidence, particularly if there is the prospect of less security of

employment or a loss of earnings; and the corresponding impact on developers' willingness to invest and borrow. Current concerns around Brexit are having a dampening effect on the housing market.

- **Government policy – Help to Buy.** Help to Buy has supported the new homes market to a significant extent, with more than 420,000 people – including more than 365,400 first-time buyers – becoming homeowners through one or more of the schemes⁷⁴. Although the current Help to Buy equity loan scheme is to end in April 2021, the Government has announced that a new Help to Buy equity loan scheme will be launched in April 2021. Fewer people will be able to take advantage of this scheme since it will be limited to first time buyers, and regional price caps are also to be introduced. This will be set at £407,400 in the East of England⁷⁵, which is notably higher than the average price currently paid for new build housing in West Suffolk⁷⁶ (£263,632; 2015 – 2017). The Government has made no commitment to continue to offer Help to Buy equity loans beyond March 2023.
- **Government policy – investment in affordable housing.** The scale of funding provided by Government to support investment in affordable housing and the controls put on local authorities' ability to borrow to support affordable housing provision have a bearing on delivery of new affordable homes. The latest announcement removing caps on Housing Revenue Account (HRA) borrowing is not relevant to West Suffolk, since neither authority has a HRA, and owns only a small number of homes⁷⁷.
- **Government policy – taxation.** Stamp Duty is a significant additional cost for buyers of new build homes, and is therefore a factor that constrains demand. The Government currently gives an element of relief from Stamp Duty for first time buyers, and in the Budget 2015, Stamp Duty relief is extended to first time buyers purchasing shared ownership homes. First time buyers buying properties costing less than £300,000 pay no Stamp Duty. Changes in taxation and allowances for Buy to Let landlords, particularly around mortgage interest relief, have recently made it less attractive for potential landlords to purchase new property in order to let them out.
- **The business cycle.** The housing market, like the economy, is cyclical. Over the last 50 years there has generally been a downturn in the housing market every 10 years, which means that following historic trends it is reasonable to anticipate a downturn in the market in the near future. The market during the 5 year

⁷⁴ MHCLG (16 August 2018) More than 420,000 people get on the housing ladder with Help to Buy

⁷⁵ HM Treasury (2018) Budget 2018: Housing, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/752109/Housing_web.pdf

⁷⁶ Based on Turley analysis of Land Registry price paid data; 2015 – 2017 calendar years

⁷⁷ MHCLG (2017) Table 116: Dwelling stock: local authority stock, by district. This dataset indicates that FHDC owned 3 homes as of 1 April 2017, and SEBC owned 12 homes at the same date

period 2012/13 to 2016/17 can be regarded as the recovery phase business cycle. In the period up to 2033, it might be reasonable to expect at least two cyclical downturns in the housing market. In any downturn, the number of new homes sales falls, which then has an impact on average delivery rates.

- **Brexit.** The impact of Brexit on the housing market is uncertain, but potentially far reaching. Uncertainty, other things being equal, is likely to make developers and potential homebuyers more cautious at least for a period of time where the direct arrangements and consequences remain uncertain.

Local and Sub-Regional Factors

5.7 At the sub-regional or HMA level, the most important factors that underpin future demand for new homes – and subsequently determine the quantum of new homes that can be built – are likely to include, but may not be limited to:

- **The natural market area**, which is the area from which new homes purchasers in the sub-regional market are drawn from.
- **Competition**, with the comparable rates of delivery in those areas with strongest market connections potentially having implications for the demand for and capacity for new homes to be delivered in West Suffolk.
- **Patterns of employment**, taking account of occupations and earnings as factors influencing households' wealth and ability to access housing.
- **House prices and affordability**, which will in part reflect the current balance between supply and demand. High new-build house prices indicate scarcity, but may mean that demand is price-constrained. In contrast, in areas where the cost of new-build homes is lower, the potential demand for new homes is greater because they are more affordable, but development may be less viable.
- **Accessibility**, particularly to major centres of employment, with demand being higher in areas with better accessibility in terms of time, cost, reliability and ease of travel.

5.8 These sub-regional factors are explored further below.

Market Area

5.9 As recognised in earlier sections of this report, the West Suffolk authorities have been consistently identified within the Cambridge HMA. This report does not seek to review the defined area of this HMA, which was considered in the 2013 SHMA⁷⁸, and more recently at the Local Plan examinations.

5.10 The HMA is defined in large part by the significant need and demand for housing originating out of the success of Cambridge as an area of economic growth. This has

⁷⁸ Cambridgeshire Insight (2013) Strategic Housing Market Assessment, chapter 2 – defining our market area

placed increasing pressure on the need for housing; as a generalisation the supply of housing has failed to keep pace with demand/need across much of the HMA.

- 5.11 Whilst this market geography is an important consideration, and in particular the role of Cambridge in driving growth, it is also important to recognise that West Suffolk has important market relationships with other adjacent areas. This is illustrated when looking at the areas with which both West Suffolk authorities have the strongest migration relationships.
- 5.12 The 2011 Census recorded the origin of people moving to a new address in West Suffolk during the preceding year. Table 5.1 identifies the locations from which most moves to West Suffolk originated, broken down between the two authorities.

Table 5.1: Origin of People Moving to West Suffolk (2010/11)

Moves to <i>Forest Heath</i>		Moves to <i>St Edmundsbury</i>		Moves to <i>West Suffolk</i>	
Authority	%	Authority	%	Authority	%
Forest Heath	50%	St Edmundsbury	53%	St Edmundsbury	35%
East Cambridgeshire	9%	Mid Suffolk	5%	Forest Heath	21%
St Edmundsbury	6%	Forest Heath	3%	East Cambridgeshire	4%
Breckland	5%	Babergh	3%	Mid Suffolk	4%
South Cambs	3%	Breckland	2%	Breckland	3%
Cambridge	3%	South Cambs	2%	South Cambs	2%
Kings Lynn & W Norfolk	2%	Cambridge	2%	Cambridge	2%
West Suffolk	56%	West Suffolk	56%	West Suffolk	56%
Cambridge HMA	72%	Cambridge HMA	61%	Cambridge HMA	65%
East of England	87%	East of England	82%	East of England	84%
London	3%	London	5%	London	4%

Source: Census 2011

- 5.13 Overall, it is evident that over half (56%) of those moving to new addresses in West Suffolk during the year before the Census originated from within the two constituent authorities. The analysis also suggests that the highest number of moves into the area originated from East Cambridgeshire or Mid Suffolk, albeit these areas each accounted for only 4% of all moves to West Suffolk over the year. It is notable that Mid Suffolk in particular is located to the east and therefore falls outside of the Cambridge HMA, although almost two thirds (65%) of moves originated from within this geography.

- 5.14 There are, however, some notable differences within West Suffolk, which are shown when considering the origin of moves to the two individual authorities.
- 5.15 Moves to St Edmundsbury were slightly more likely to originate from within the Borough for example, and it is also evident that St Edmundsbury has the stronger relationship with Mid Suffolk than Forest Heath. In addition, a larger proportion of moves to St Edmundsbury (39%) originated from outside of the Cambridge HMA, with almost one in five (18%) originating from outside of the East of England. London accounts for the largest share of such moves, with 5% of those moving to St Edmundsbury during the year before the Census originating in the capital.
- 5.16 The relationship with East Cambridgeshire is particularly notable in Forest Heath, such that almost one in ten (9%) moves to the District are from East Cambridgeshire. A relationship with Breckland to the north-west can also be seen. When compared to St Edmundsbury, a greater proportion of moves to Forest Heath originated from within the HMA or the wider East of England. Fewer moves originated from London.
- 5.17 While a further disaggregation below authority level is not available from the 2011 Census, this analysis does provide valuable context in understanding the geographic shape of the market for new housing in the study area. It is apparent that the area is quite significantly reliant upon local purchasers, that is, those moving from within West Suffolk. With regards external demand, Forest Heath in particular shows strong market demand originating from the Cambridge HMA market, with this also impacting on St Edmundsbury. The latter, however, also has a market which stretches east into Mid Suffolk in particular. Both authorities manifest housing relationships with London with St Edmundsbury showing stronger links with moves from London to the authority constituting 5% of all moves. The relationship with Forest Heath is less pronounced but still considered to be of relevance.

Competition

- 5.18 The above provides an indication of the locations from which demand for housing in West Suffolk originates. The extent to which these areas have been or are planning to increase housing delivery could be a factor which influences this trend with this having the potential to impact on the comparable supply / demand balance.
- 5.19 Table 5.2 provides a summary of housing delivery trends in the five other authorities shown at Table 5.1, drawing upon the earlier analysis of absorption rates and other key delivery metrics recorded by MHCLG⁷⁹. Emerging housing requirements – or adopted requirements, in the case of Cambridge and South Cambridgeshire – are also shown, based on a review in December 2018.

⁷⁹ MHCLG (2018) Table 122: net additional dwellings by local authority district, England 2001-02 to 2017-18

Table 5.2: Benchmarking Historic and Planned Housing Delivery in Selected Neighbouring Authorities

	East Cambs	Mid Suffolk	Breckland	South Cambs	Cambridge
Absorption rates					
2001-07	1.75%	1.33%	1.01%	1.37%	1.07%
2007-12	1.09% ▼	1.12% ▼	0.62% ▼	1.30% ▼	0.90% ▼
2012-17	0.57% ▼	0.85% ▼	0.88% ▲	1.01% ▼	1.71% ▲
Past delivery					
Average annual (2001-18)	406	462	491	758	640
Current (2017/18)	289 ▼	426 ▼	530 ▲	729 ▼	1,152 ▲
Peak (since 2001)	746 2001-02	882 2006-07	1,155 2003-04	1,341 2007-08	1,298 2013-14
Planned delivery					
Emerging requirement	542	452	612	975*	700*
% of current stock	1.46%	1.02%	1.01%	1.48%	1.32%

Source: Turley analysis

* Plans found sound and adopted

5.20 In summary:

- **East Cambridgeshire** has seen its absorption rate generally reduce since 2001, with delivery in the last year falling some way below the historic peak and the long-term average. The emerging Local Plan⁸⁰ is proposing to boost the long-term annual average rate of delivery by around one third, albeit to a level which remains below the historic peak;
- **Mid Suffolk** has similarly seen a reduction in the absorption rate, albeit not to the same extent. Current delivery is slightly short of the long-term average, but is less than half the pre-recession peak. The requirement proposed in the latest published consultation document⁸¹ would effectively continue the long-term rate of annual housing delivery in Mid Suffolk;
- **Breckland** has seen some volatility in its absorption rate, which has recently been at a level that remains lower than pre-recession but is higher than the intervening five year period. Housing delivery over the last year was slightly higher than the long-term average, but around half the peak recorded in

⁸⁰ East Cambridgeshire District Council (November 2017) East Cambridgeshire Local Plan Proposed Submission, paragraph 3.3.5

⁸¹ Babergh District Council and Mid Suffolk District Council (August 2017) Babergh and Mid Suffolk Joint Local Plan: Consultation Document, Option HR1

2003/04. The emerging requirement⁸² also remains lower than this peak, but would uplift long-term delivery by around 25%;

- **South Cambridgeshire** generally sustained high absorption rates over the decade to 2012, albeit these have fallen over the most recent five year period. Housing delivery currently falls slightly below the long-term average, which is itself significantly lower than the peak rate of delivery recorded prior to the recession (2007/08). The adopted housing requirement⁸³ is relatively high when measured against the current housing stock, and would uplift average past delivery rates by around 29%; and
- **Cambridge** has seen a particularly high absorption rate over the past five years, recovering strongly from the more modest growth rate recorded over the recession. Current delivery is almost double the long-term average, and only slightly short of the peak levels recorded in 2013/14. The adopted Local Plan is unlikely to sustain such rates of delivery, however, with its annual requirement for 700 homes equating to around 60% of current delivery.

5.21 With regards the implications for the demand for housing in West Suffolk it is apparent that:

- To the west Cambridge has in recent years seen rates of house-building increase. Whilst this is likely to reflect a significant pent-up level of demand this could have resulted in a slight easing of demand pressures into West Suffolk and Forest Heath in particular;
- The adoption of the plan with a lower housing requirement, reflecting identified constraints, could see a return to longer-term levels of completions creating an upturn in demand for housing in West Suffolk rippling out from Cambridge;
- This needs to be considered, however, in the context of adopted and emerging plans in other authorities within the HMA, South and East Cambridgeshire, which anticipate at least part of this slack being taken up in close proximity to Cambridge. Where this is realised, this could again serve to curb demand originating from the area spilling into the more peripheral West Suffolk authorities; and
- To the east and north in Mid Suffolk and Breckland respectively rates of delivery have historically been relatively low over recent years, falling well short of peak delivery rates seen prior to the recession. This suggests a slower market recovery. Anticipated rates of future delivery as set through emerging housing requirements also suggest a lower rate of growth. There is therefore likely to be less competition from these areas on demand for homes in West Suffolk with current circumstances unlikely to change significantly in this regard.

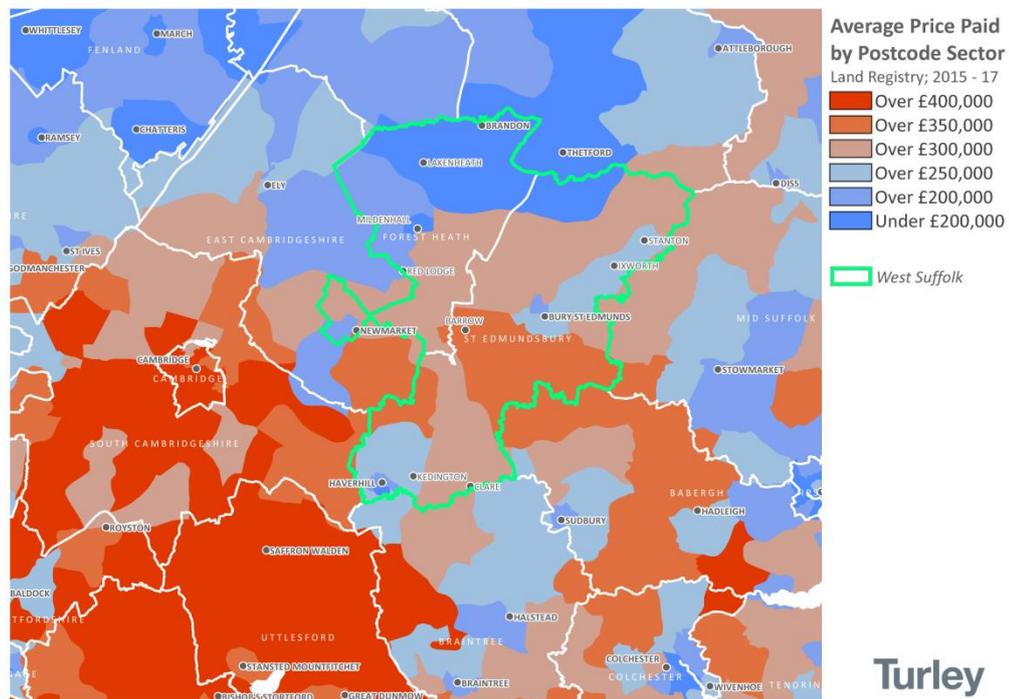
⁸² Breckland Council (2017) Policy HOU 01

⁸³ South Cambridgeshire District Council (2018) South Cambridgeshire Local Plan, Policy S/5

House prices and affordability

- 5.22 The price paid for housing in different parts of West Suffolk provides a more localised understanding of the relative balance between housing supply and demand. This can also be set within a wider market context.
- 5.23 The analysis here focuses on the cost of *purchasing* housing in West Suffolk, as opposed to renting. It can be assumed that demand arising from the latter would ultimately influence the price paid for market housing, where homes are purchased on a “buy to let” basis for example. It has previously been noted, outside of this market that the presence of the United States Air Force in Europe (USAFE) contributes towards the comparatively high rents in Forest Heath in particular, with personnel receiving grants that can be used to rent but not buy property⁸⁴. This would be expected to indirectly affect the price paid by the landlords providing such homes.
- 5.24 The following plan illustrates the average price paid in different postcode sectors, within and close to West Suffolk. This is based on sales recorded by Land Registry over the past three full calendar years (2015 – 2017). The plan identifies towns and cities across this area – as defined by Ordnance Survey – as well as Key Service Centres within West Suffolk⁸⁵.

Figure 5.1: Average Price Paid by Postcode Sector (2015 – 2017)



Source: Land Registry

⁸⁴ Peter Brett Associates (2016) Forest Heath District Market Signals and Objectively Assessed Housing Need, p11 – 12

⁸⁵ As defined by Policy CS 4 of the adopted St Edmundsbury Core Strategy (2010) and Policy CS 1 of the Forest Heath Core Strategy (2010)

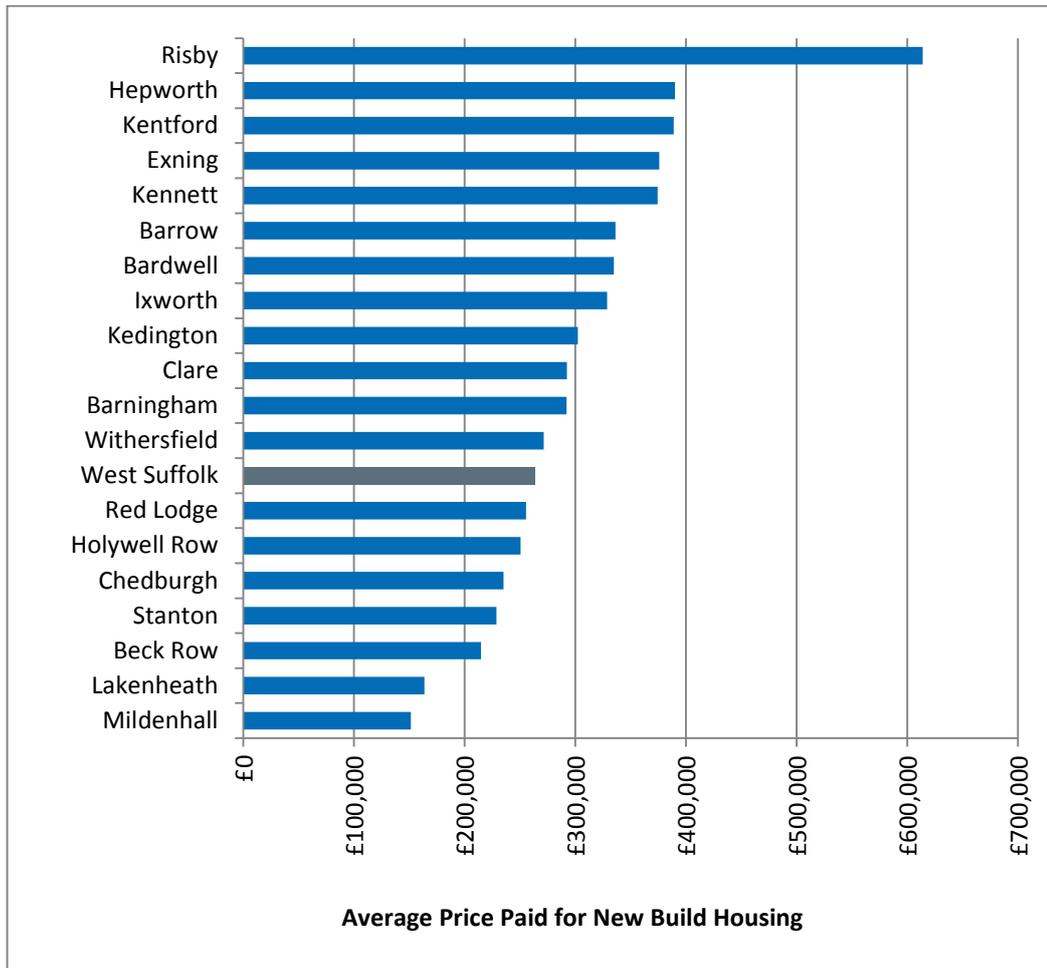
- 5.25 While the above highlights the particularly high price paid for housing across much of Cambridge, South Cambridgeshire and Uttlesford, this evidently does not extend in a significant way into West Suffolk. Haverhill and Kedington are located close to this higher value belt, but are characterised by notably lower prices.
- 5.26 Elsewhere, Bury St Edmunds, Ixworth and Stanton are characterised by somewhat lower prices than the surrounding rural areas to the south. This may well be linked to the larger stock of smaller dwellings in Bury St Edmunds relative to rural areas, as well as an urban-rural differentiation in prices paid.
- 5.27 In Forest Heath, Newmarket resembles other areas to the north of Cambridge, where prices are lower than those recorded to the south of the city. The northernmost settlements in Forest Heath (Mildenhall, Lakenheath and Brandon) have notably lower house prices, in common with adjacent areas of Norfolk and Fenland suggesting a degree of shared market to the north. This spatial distinction has previously been identified within the Council's evidence base⁸⁶.
- 5.28 These trends are also manifest when isolating new build housing sales over the same period. This draws upon the same Land Registry data, which allows such sales to be filtered and attributed to individual settlements⁸⁷. As shown in Figure 5.2, nine new homes sold in Risby (to the west of Bury St Edmunds) have the highest price paid on average, followed by Hepworth (to the north west) and Kentford, close to Newmarket. Lower prices were paid for new homes sold in Mildenhall and Lakenheath, within the generally lower value northern part of Forest Heath. It should, however, be noted that most new build transactions recorded in Mildenhall have been flats, which will have depressed the value of properties sold compared to area where sales have been of new houses.⁸⁸

⁸⁶ Three Dragons and Troy Planning & Design (2016) Forest Heath District Council – Economic Viability Assessment, Figure 2.2

⁸⁷ This analysis is based on the towns recorded by Land Registry, omitting those sales for which a town is not listed. Towns with fewer than five new build transactions have also been omitted

⁸⁸ Further analysis shows that 17 of the 24 new build sales transactions recorded in Mildenhall (71%) were flats. This was the highest such concentration across all towns in West Suffolk

Figure 5.2: Variance in Average Price Paid for New Build Housing (2015 – 2017)



Source: Land Registry

5.29 Whilst the preceding evidence has confirmed linkages with the Cambridge housing market to the west, analysis of recent house prices suggests that West Suffolk does not share the same high average prices that define the Cambridge market and immediate surrounds. As a result, house prices and residents’ earnings in West Suffolk are less imbalanced than in some surrounding areas at both the mid-level (median) and entry level (lower quartile) of the market, albeit still remaining comparatively high⁸⁹. This is shown at Table 5.3, which presents and ranks *residence-based* affordability ratios in the Cambridge HMA and other authorities that directly border West Suffolk⁹⁰. These ratios are also influenced by the earnings of residents, which are considered further later in this section.

⁸⁹ In its consultation on ‘*planning for the right homes in the right places*’ (September 2017), the Government noted that ‘*the maximum amount that can typically be borrowed for a mortgage is four times a person’s earnings*’. Its standard method therefore upwardly adjusts housing need where a ratio of over 4 is recorded

⁹⁰ ONS (2018) Housing affordability in England and Wales, 2017

Table 5.3: Residence-based Affordability Ratios (2017)

Median affordability ratio		Lower quartile affordability ratio	
Cambridge	13.35	Cambridge	14.20
South Cambridgeshire	10.25	South Cambridgeshire	12.21
Mid Suffolk	9.81	Babergh	10.34
East Cambridgeshire	9.11	Mid Suffolk	9.97
St Edmundsbury	9.05	Braintree	9.81
Babergh	8.67	East Cambridgeshire	9.75
Breckland	8.65	St Edmundsbury	9.55
Braintree	8.32	Breckland	9.55
Huntingdonshire	8.14	Forest Heath	9.48
King's Lynn and West Norfolk	7.89	King's Lynn and West Norfolk	8.53
Forest Heath	7.75	Huntingdonshire	8.35
Fenland	6.64	Fenland	7.03

Source: ONS, 2018

- 5.30 While this provides an indication of relative affordability at authority level, there are spatial variations more locally. There are pockets of higher value across a belt spanning West Suffolk and including settlements such as Risby, Hepworth, Kentford and Exning. In this context many of the larger settlements exhibit comparatively muted average house prices when compared with settlements to the east. Whilst it is likely that areas with stronger connections into the Cambridge market play a role in providing more affordable housing options for those working in or close to Cambridge, this provides further evidence that these areas experience less pressure of demand than the stronger markets to the east. This will have implications for levels of house-builder / developer interest.
- 5.31 There is even less evidence of price pressures to the east and north. The northern parts of West Suffolk in particular share lower average values with adjacent areas suggesting more limited market competition. Again this is likely to have implications for house-builder / developer interest, from the larger national players in particular.

Patterns of Employment

- 5.32 Employment is a factor which can influence households' wealth, and ability to access housing. It can also be a key determinant in terms of a household's decision to re-locate to an area.
- 5.33 The Annual Survey of Hours and Earnings (ASHE) reveals disparities in the earnings of those employed full-time in different types of occupations, albeit this is only available

at regional level⁹¹. In the East of England, this shows the considerably higher median incomes of those employed as managers, directors and senior officials, relative to lower earning occupations such as caring, leisure, sales, customer services and elementary roles⁹².

Figure 5.3: Variance in Median Annual Earnings by Occupation in East of England (2018)



Source: ONS, 2018

5.34 This provides context in interpreting the occupational profile of West Suffolk. The Annual Population Survey⁹³ (APS) provides an indication of the changing representation of different occupational groups amongst West Suffolk residents, compared to the wider Cambridge HMA and the East of England. As shown in Figure 5.4, the proportion of West Suffolk residents working in the three lowest paid occupations has increased over the past decade, and now exceeds these wider comparator areas. In contrast, the proportion of residents working in the three highest paid roles has reduced, and is now at its lowest level in at least ten years. This differs from the HMA trend, which is particularly influenced by Cambridge⁹⁴.

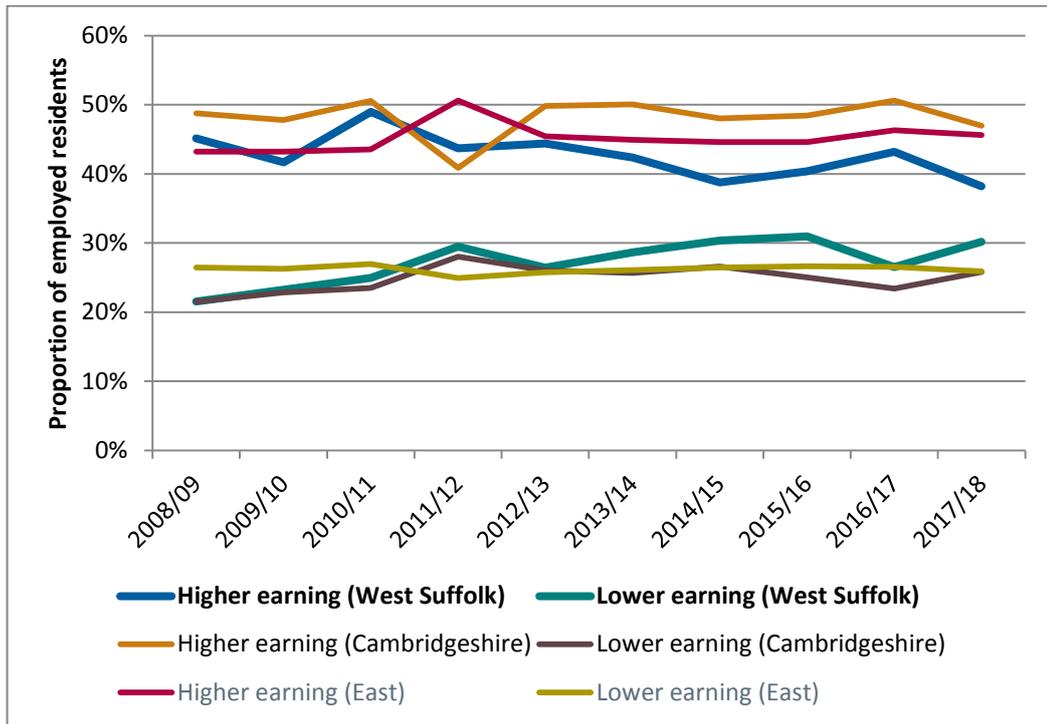
⁹¹ ONS (2018) Annual Survey of Hours and Earnings, 2018 provisional

⁹² Elementary occupations require the knowledge and experience necessary to perform mostly routine tasks, often involving the use of simple hand-held tools and, in some cases, requiring a degree of physical effort

⁹³ Annual Population Survey: July 2008-June 2009 to July 2017-June 2018

⁹⁴ The APS shows that 63% of Cambridge residents work in higher paid occupations

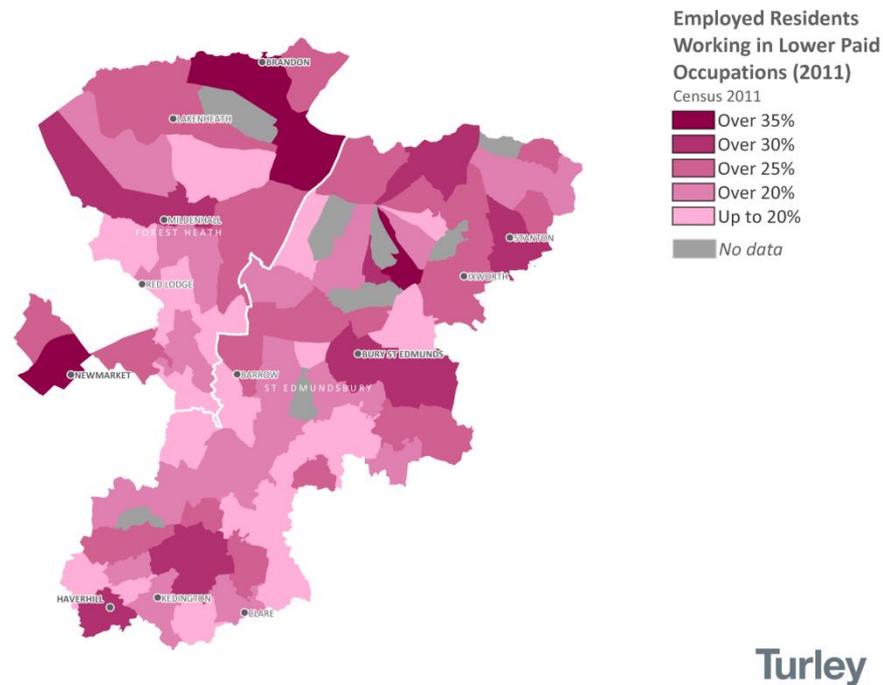
Figure 5.4: Residents in Higher and Lower Paid Occupations (2008 – 2018)



Source: ONS

- 5.35 These trends reinforce a position where the area has offered a more affordable housing location for those priced out of other market areas, particularly to the west. This forms an important consideration in understanding the comparative demand for housing at different price points and the scale of the market to support elevated levels of delivery. Whilst it would suggest a growing need/ market for more affordable market homes, this in turn may prove to be less attractive to the national house-builders where it is apparent that adjacent areas to the east are seeing a higher demand from those commanding higher wages.
- 5.36 Although the APS does not report below local authority level, the 2011 Census provides an indication of spatial patterns in the occupational profile of West Suffolk. The following plan identifies parishes in which residents are more or less likely to work in lower paid occupations. This suggests that such roles are comparatively prevalent in many of the area’s larger settlements, most notably Newmarket, Brandon and Haverhill. It can be broadly observed that these lower paid roles are more common in northern parts of West Suffolk, which may be a factor influencing the lower price paid for housing in these locations (Figure 5.1).

Figure 5.5: Residents Working in Lower Paid Occupations (2011)



Source: Census 2011

Accessibility

- 5.37 The proximity and accessibility of major employment centres is reflected in commuting patterns, which were recorded in detail by the 2011 Census.
- 5.38 As summarised in Table 5.3, the Census indicates that only one third of employed West Suffolk residents work elsewhere. This suggests a relatively strong level of self-containment and a more localised economy. In terms of the destinations for those commuting it is clear that the main destinations are to the west into the Cambridge economy.
- 5.39 Approximately 7% of workers in West Suffolk travelled to Cambridge with commuters also travelling to the employment centres in neighbouring east and south Cambridgeshire. There is limited evidence of people commuting out of West Suffolk and travelling either north or east.
- 5.40 These commuting relationships both reinforce a picture of a relatively inward looking or self-contained market and confirmation of an economic relationship to the west which is likely to reflect the movement of workers looking to purchase more affordable housing but access the greater employment opportunities in Cambridge and surrounds. As a result, the number of those who live in West Suffolk who commute to Cambridge and the surrounding area is likely to have increased since 2011.
- 5.41 Table 5.3 also displays information on the mode of transport used by commuters. This reinforces the localised nature of employment across the area; around one in five of

those that live and work locally walk to work, which is notably higher than at comparator geographies. Travelling by car is, however, widespread and accounted for almost three quarters of such journeys.

Table 5.4: Place of Work and Method of Travel for West Suffolk Residents (2011)

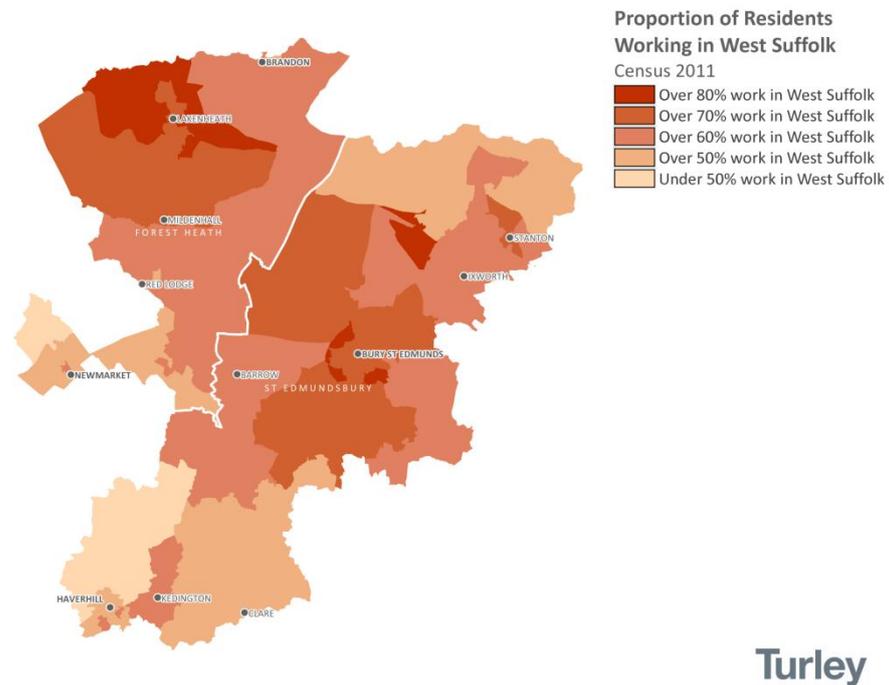
Place of work	Proportion of employed West Suffolk residents	Method of travel to work			
		Travelling by car or van, including passengers	Walking to work	Using public transport	Other ⁹⁵
West Suffolk	66%	73%	19%	2%	7%
Cambridge	7%	82%	1%	15%	2%
South Cambridgeshire	5%	95%	1%	2%	2%
East Cambridgeshire	3%	92%	2%	2%	4%
Breckland	3%	92%	2%	3%	3%

Source: Census 2011

- 5.42 Cambridge was the area with the highest proportions of workers using public transport. This contrasted with those working in South Cambridgeshire, East Cambridgeshire or Breckland, where over 90% of commutes were made by car.
- 5.43 Indeed, further analysis confirms that the vast majority (87%) of those travelling from West Suffolk to work elsewhere (i.e. excluding those living *and* working in West Suffolk) were made by car. In total, fewer than 1,700 residents used public transport to commute elsewhere.
- 5.44 While the majority of West Suffolk residents work in either Forest Heath or St Edmundsbury, this trend of self-containment does vary across the area. As shown in the following plan, those living close to Lakenheath were more likely to work within West Suffolk, with higher rates of containment also seen around Bury St Edmunds. In contrast, the employed residents of Newmarket, Haverhill and Clare were more likely to work elsewhere.

⁹⁵ 'Other' includes alternative means of transport, such as bicycle, motorcycle, scooter or moped and taxi.

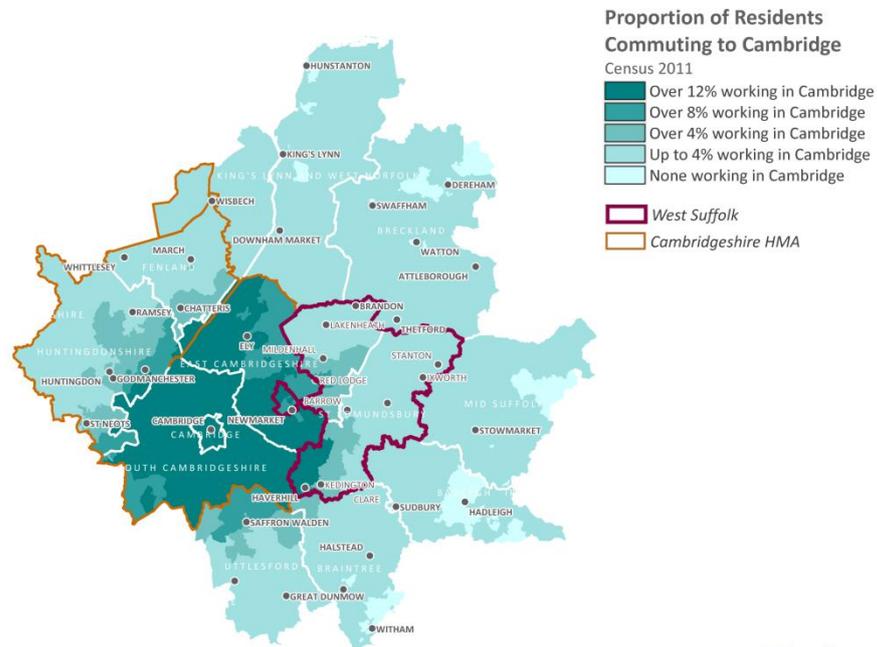
Figure 5.6: Variance in the Proportion of Residents Working in West Suffolk (2011)



Source: Census 2011

5.45 As noted above Cambridge represents the second-most frequent commuting destination for West Suffolk residents, after West Suffolk itself. It is evident that those areas with lower levels of self-containment see larger volumes of people commuting to Cambridge. This is reflective of a wider trend, as shown below when local trends in West Suffolk are compared with lower super output areas in neighbouring authorities (including the full Cambridge HMA).

Figure 5.7: Proportion of Residents Working in Cambridge (2011)



Turley

Source: Census 2011

Summary

- 5.46 This section has described longer-term factors which will potentially shape and determine the level of housing demand in West Suffolk. The analysis has focused on local and sub-regional factors, albeit it has been recognised that national factors – relating, for example, to mortgage costs and availability, the economy, Government policy, business cycles and Brexit – can also be expected to influence the demand for homes in West Suffolk.
- 5.47 It has been concluded that the most important local and sub-regional factors are likely to be:
- The **natural market area**, and specifically those areas from which purchasers are typically drawn. Analysis of 2011 Census data indicates that over half of people moving to new addresses in West Suffolk originated from West Suffolk. This suggests a comparatively contained and important local market demand profile. This could have implications, where it is sustained, on the level of interest from national house-builders. Looking to external relationships it is identified that almost two thirds originate from within the Cambridge HMA to the west of West Suffolk, with stronger relationships evident within Forest Heath and most notably with East Cambridgeshire. St Edmundsbury also showed pronounced links to the east and north – reflecting in the case of the former its relationship with Mid Suffolk in particular – and also saw 5% of its movers originate from

London. A more limited relationship with the capital was evident in Forest Heath;

- The level of **competition** caused by rates of delivery in neighbouring areas, with this section having analysed historic and planned delivery in areas from which moves to West Suffolk most commonly originate. These areas have generally seen absorption rates reduce over recent years, albeit Cambridge is a notable exception. The City is currently delivering a high volume of new homes, which is higher than the long-term average but is not planned to continue. This is likely to have had a bearing on moderating the ripple effect of strong market demand in Cambridge to the more peripheral West Suffolk areas. Whilst to date levels of completions have been relatively low compared to pre-recession levels in South Cambridgeshire, East Cambridgeshire and Breckland they are each planning to boost historic rates of housing delivery. This could result in this moderating of demand from the Cambridge market into West Suffolk even though the planned level of delivery in Cambridge itself is more modest. In terms of those areas with market relationships to the east and north there is less suggestion of competition with rates of delivery lower than those seen to the east and areas planning for more modest boosts to longer-term levels of housing delivery;
- **House prices and affordability** reinforce the conclusions above by confirming that whilst there is evidence of high house prices linked to strong demand, in particular, to the west in much of Cambridge, South Cambridgeshire and Uttlesford, the adjacent West Suffolk areas show notably lower average prices. For example, the proximate settlements of Haverhill and Kedington are characterised by notably lower prices. Newmarket largely mirrors other areas to the north of Cambridge, and differs from the northern settlements of the district (Mildenhall, Lakenheath and Brandon) which – in common with adjacent areas of Norfolk and Fenland – tend to see lower house prices reinforcing the lower demand pressures from these market areas. These distinctions are also manifest when considering the price paid for new housing only, albeit in the case of Mildenhall this has been influenced by the typically flatted nature of new development over the recent historic period. Across West Suffolk, it is notable that the imbalance between residents' house prices and earnings is less severe than seen in some neighbouring authorities, albeit remaining comparatively high; and
- **Patterns of employment and accessibility of major employment centres.** Two thirds of employed West Suffolk residents work locally within West Suffolk, although self-containment is higher to the north and notably lower to the south, around Newmarket, Haverhill and Clare. These areas contain a comparatively high proportion of residents working in Cambridge, in line with a wider spatial trend. This reinforces the comparatively localised nature of the area with relatively strong levels of people living and working in the area. The strongest commuting relationships are with areas to the east into the Cambridge HMA. A

growing proportion of West Suffolk residents work in lower paid roles, while fewer residents work in the highest paid occupations, particularly relative to the wider HMA. This could be the result of the area being more attractive to those workers priced-out of the Cambridge housing market but still looking to access employment opportunities to the west. It is equally likely to reflect the more localised employment markets to the north and west of West Suffolk in particular. The 2011 Census suggests that lower paid roles are prevalent in many of the area's larger settlements, and are more generally common towards the north of West Suffolk. This may be a factor influencing the lower price paid for housing in these locations.

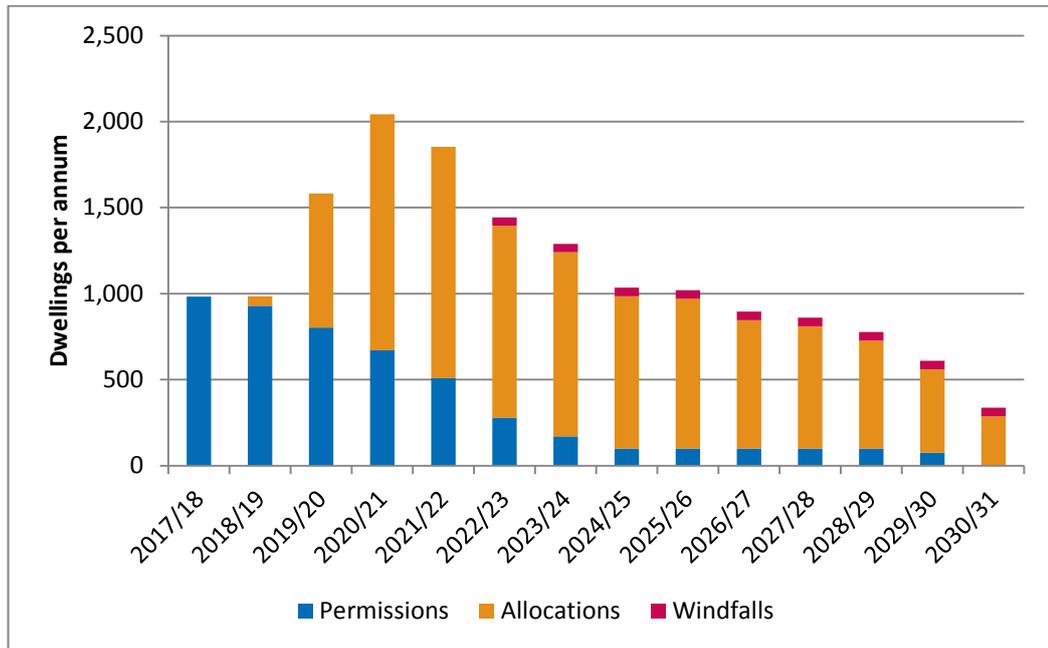
6. Housing Trajectory Planning

- 6.1 It is not the purpose of this study to provide the Councils with an updated trajectory of housing delivery. The analysis in the preceding sections, however, can be used by the Councils to inform the ongoing monitoring and development of a housing trajectory across West Suffolk as part of the future development of a Local Plan.
- 6.2 This section initially reviews the overall profile of sites that have currently been identified within the Council's housing trajectories (dated 2017). It subsequently reflects upon the implications of the analysis presented in preceding sections, determining recent precedents in terms of build-out, spatial distribution and lead-in times. This is intended to assist the Council in its development of a deliverable and realistic trajectory.

An Overview of the Supply Pipeline

- 6.3 Monitoring data supplied by the Councils to inform this study envisages the delivery of 15,715 homes across West Suffolk over a consistent period of 14 years (2017 – 2031). It is important to acknowledge that this trajectory oversupplies relative to need to provide a buffer and address shortfall in accordance with the methodology for preparing a 5 year housing land supply and in the event that sites do not come forward; as such, it is not intended to predict future delivery rates.
- 6.4 The trajectory provides a breakdown to separately show "sites with planning permission" and allocations, albeit it is understood that some of the latter also have planning permission or a resolution to approve. An allowance for windfalls has also been made by the Councils.
- 6.5 Figure 6.1 shows the diminishing contribution of permissions that is assumed within the trajectory, and the simultaneous growth in the contribution of allocations. This contribution is assumed to peak in 2020/21.

Figure 6.1: Components of Pipeline (2017 – 2031)



Source: Council monitoring

6.6 Table 6.1 shows the composition of anticipated housing supply broken down between the two authorities, over the same period. The table distinguishes between permissions on small and large sites (less than or greater than 10 units), and also isolates larger allocations with capacity for over 100 homes.

Table 6.1: Composition of Pipeline (2017 – 2031)

	West Suffolk		Forest Heath		St Edmundsbury	
	Total	%	Total	%	Total	%
Permissions on large sites (10+)	4,322	28%	3,068	30%	1,254	23%
Permissions on small sites (0-9)	596	4%	327	3%	269	5%
Larger site allocations (100+)	8,866	56%	5,665	55%	3,201	59%
Smaller site allocations (0-99)	1,481	9%	1,049	10%	432	8%
Windfall sites	450	3%	225	2%	225	4%
Total	15,715	100%	10,334	100%	5,381	100%

Source: Council monitoring

6.7 The remaining capacity of sites within the pipeline is also recorded by the Council, allowing a more detailed breakdown of the assumed contribution of different sizes of site. This is summarised in Table 6.2 overleaf.

Table 6.2: Remaining Capacity of Sites in Pipeline (2017 – 2031)

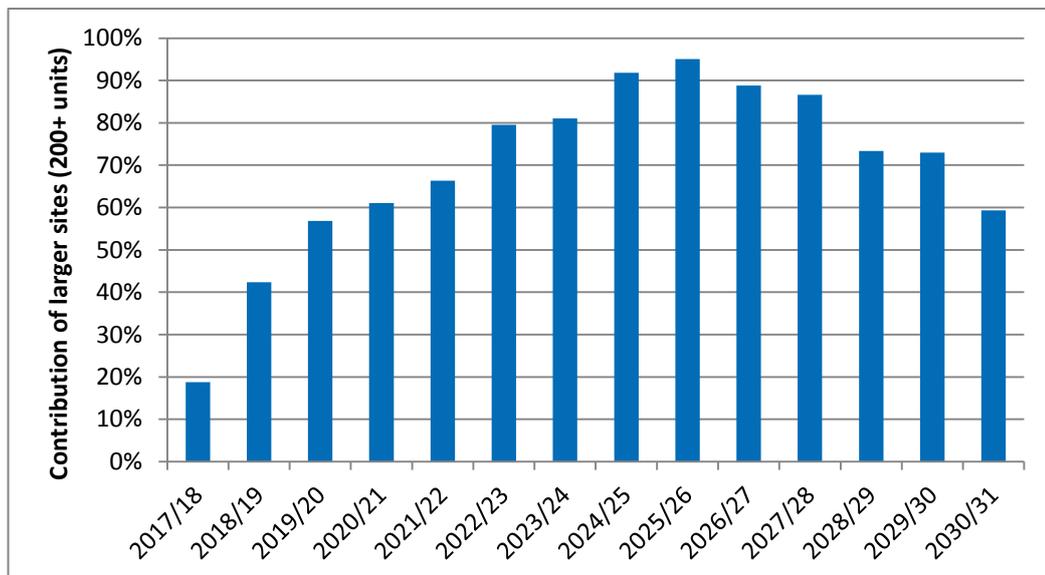
Source: Council monitoring

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Total	%
Forest Heath															5,381	100%
<10	80	50	50	50	39	25	25	25	25	25	25	25	25	25	494	9%
10 – 49	127	50	56	43	55	0	0	0	0	0	0	0	0	0	331	6%
50 – 99	86	79	105	145	90	50	25	0	0	0	0	30	30	27	667	12%
100 – 199	92	171	237	182	173	91	62	0	0	40	65	72	70	50	1,305	24%
200+	24	82	225	363	270	270	275	230	220	145	120	120	120	120	2,584	48%
St Edmundsbury															10,334	100%
<10	145	95	30	30	27	25	25	25	25	25	25	25	25	25	552	5%
10 – 49	110	53	100	117	40	49	48	0	0	10	0	30	0	0	557	5%
50 – 99	45	0	70	228	200	55	60	35	0	0	0	25	15	10	743	7%
100 – 199	113	70	35	0	0	0	0	0	0	0	0	0	0	0	218	2%
200+	160	335	675	885	960	879	770	720	750	650	625	450	325	80	8,264	80%
West Suffolk															15,715	100%
<10	225	145	80	80	66	50	50	50	50	50	50	50	50	50	1,046	7%
10 – 49	237	103	156	160	95	49	48	0	0	10	0	30	0	0	888	6%
50 – 99	131	79	175	373	290	105	85	35	0	0	0	55	45	37	1,410	9%
100 – 199	205	241	272	182	173	91	62	0	0	40	65	72	70	50	1,523	10%
200+	184	417	900	1,248	1,230	1,149	1,045	950	970	795	745	570	445	200	10,848	69%

6.8 Across West Suffolk, 13 larger sites – with remaining capacity for over 200 units – account for over two thirds (69%) of the pipeline to 2031. A factual summary of these sites is provided at **Appendix 1**, based on information supplied and published by the Council at the time this study was prepared. The reliance upon larger sites is particularly acute in St Edmundsbury, where such sites account for some 80% of anticipated supply. The pipeline in Forest Heath is slightly more weighted towards smaller sites, with a notable contribution from sites with a remaining capacity for 100-199 homes.

6.9 Across West Suffolk, the contribution of larger sites is assumed to progressively increase. Sites with remaining capacity for over 200 units account for only 19% of estimated housing supply in 2017/18, increasing to 66% by 2021/22 and 95% by 2025/26. The contribution of such sites is assumed to slow thereafter, as illustrated in the following chart.

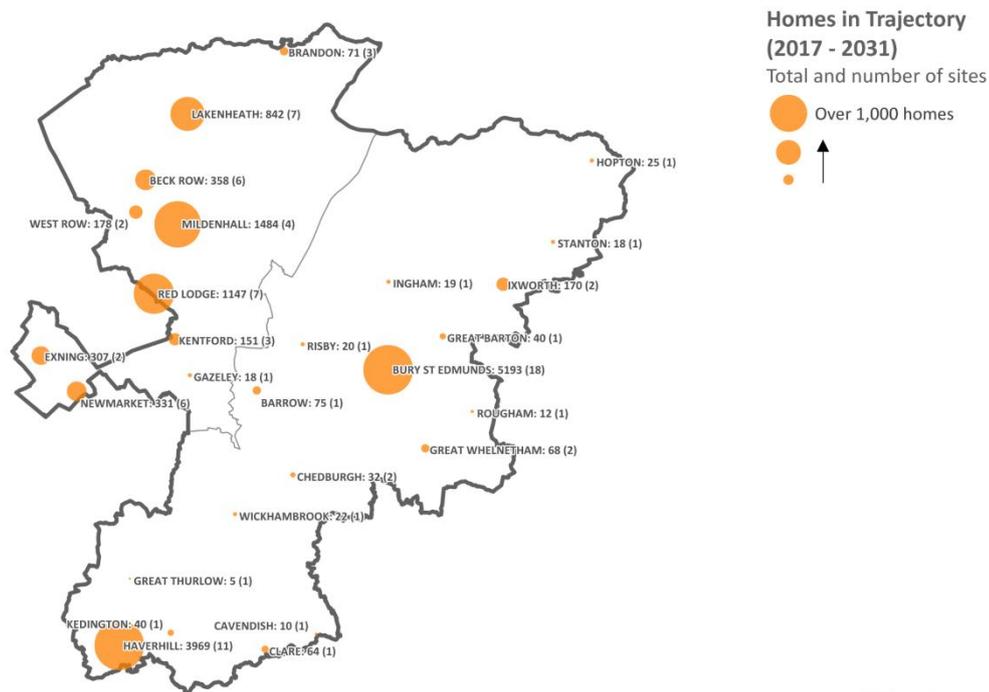
Figure 6.2: Annual Contribution of Larger Sites (200+ units) in Trajectory



Source: Council monitoring

6.10 Finally, the distribution of sites is also an important consideration. The Councils’ monitoring records the settlement in which each site is located, enabling the aggregation of supply by settlement. This is shown in Figure 6.3, which also identifies in brackets the number of sites in each settlement.

Figure 6.3: Distribution of Homes in Pipeline (2017 – 2031)

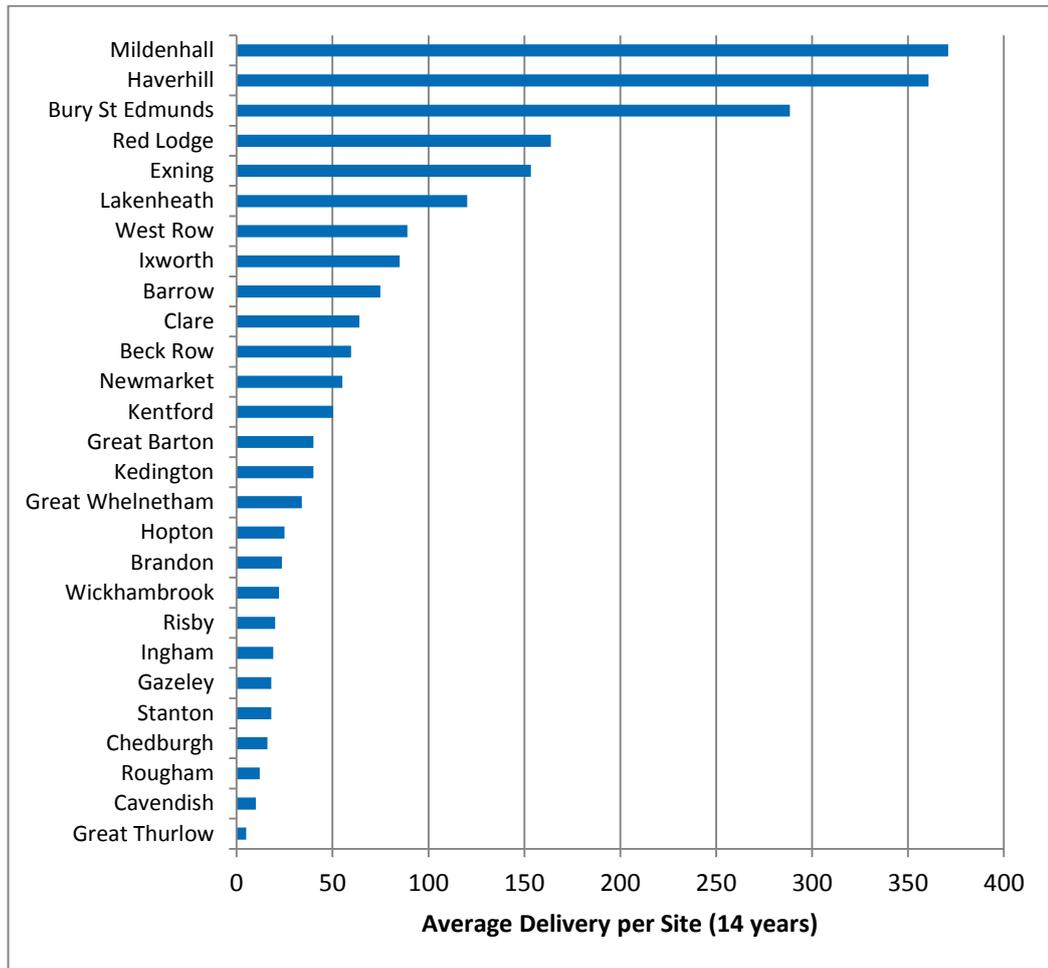


Turley

Source: Council monitoring

- 6.11 Housing sites are distributed across 27 settlements in West Suffolk, although almost half of these settlements (13) contain a single site with capacity for no more than 75 homes over the period to 2031.
- 6.12 Bury St Edmunds, Haverhill and Red Lodge are assumed to make much larger contributions towards housing supply, collectively accommodating some 36 sites that would deliver a total of 10,309 homes over the period to 2031. This equates to around two thirds (66%) of anticipated housing supply. Reflecting the current planning strategy, Bury St Edmunds is alone assumed to accommodate 33% of all new housing supply in West Suffolk, across 18 housing sites.
- 6.13 This would lead to each site in Bury St Edmunds delivering an average of 289 homes over the period covered by the trajectory. Although the following chart shows that this is comparatively high relative to other settlements, sites in Mildenhall and Haverhill are assumed to make a still higher contribution on average. In the case of the former, this reflects the comparatively large contribution assumed to be made by only four sites.

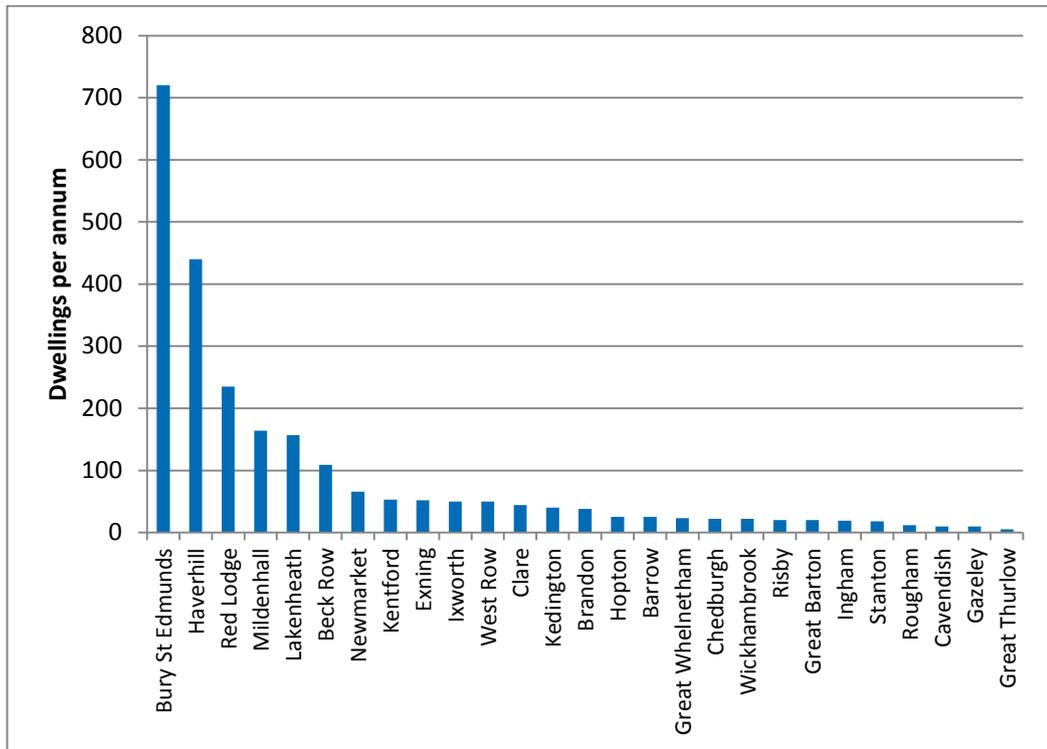
Figure 6.4: Average Delivery per Site across Settlements (2017 – 2031)



Source: Council monitoring

6.14 While the above provides an average over 14 years, the *maximum* assumed contribution in any one year across different settlements also provides valuable context. This indicates that some 720 homes are assumed to be delivered in Bury St Edmunds in 2021/22. Haverhill is also assumed to deliver 440 homes in 2020/21, with annual delivery in Red Lodge assumed to peak sooner (235dpa; 2019/20). Mildenhall, Lakenheath and Beck Row are expected to see development peak at over 100 dwellings per annum before 2022.

Figure 6.5: Peak Annual Delivery Assumed in Settlement (2017 – 2031)



Source: Council monitoring

Informing the Council’s future approach to updating its trajectory

6.15 The Councils’ latest trajectory project housing completions from a base date of 2017, and is now increasingly dated.

6.16 A review and updating of the trajectory by the Council will reflect the revised NPPF, which requires the identification of ‘specific, deliverable sites for years one to five of the plan period’ and ‘specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15 of the plan’⁹⁶.

6.17 The NPPF currently defines “deliverable” housing sites as being:

*“...available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years...”*⁹⁷

6.18 It further clarifies ‘in particular’ that:

- Sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (for example because they are no longer viable, there

⁹⁶ MHCLG (2019) National Planning Policy Framework, paragraph 67

⁹⁷ *Ibid*, glossary

is no longer a demand for the type of units or sites have long term phasing plans); and

- Where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years.

6.19 Recognising the implied reliance on allocations in the pipeline, it is suggested that the Councils update the trajectory to take account of the new definition of 'deliverable' as set out in the revised NPPF. This should be done as soon as practically possible to ensure that it is compliant with national policy and guidance. Particular attention needs to be given to the status of the allocated sites and the assumed rates of build-out. In developing the trajectory the Council is encouraged to adopt a pragmatic and cautious approach, recognising the potential prospect of a weakening national housing market based on its cyclical nature in the near future.

6.20 In reviewing and updating the trajectory, the Councils should also take account of the evidence that has been assembled within the preceding sections of this report. This has implications both when planning for the future build-out of known development sites, and for the identification of new sites within an updated trajectory.

Planning the trajectory of known sites

6.21 There is evidently a current pipeline of known sites throughout West Suffolk, with an existing planning permission or allocation.

6.22 There is evidence that planning permissions on larger sites in West Suffolk rarely lapse, and it is therefore reasonable to anticipate the future development of existing larger sites with planning permission. Non-implementation is slightly more common on smaller sites, but remains comparatively infrequent in West Suffolk with the Councils needing to therefore consider reasonable albeit prudent assumptions in this regard.

6.23 An allowance for non-implementation of smaller sites could provide a buffer in the event that some permissions do lapse, but should not overstate the issue recognising the historic evidence from West Suffolk and the fact that it is unlikely to significantly affect the quantum of homes delivered in the area. This assumes that there remains a robust underlying level of demand for housing in West Suffolk.

6.24 The lead-in time for known sites is an important consideration. Section 4 has demonstrated that lead-in times vary across different sizes of site, with local evidence that smaller sites of less than 100 dwellings have progressed relatively quickly from submission to commencement when compared to national evidence. However, there are typically longer lead-in times for larger sites in West Suffolk which is in line with the national evidence.

- 6.25 It is recommended that the Councils reflect upon the benchmarks presented at Table 4.8 of this report when updating their trajectory, and take account of specific factors that may prolong or shorten the period between submission and commencement on individual sites. It is important for the Councils to make reasonable assumptions in this regard, notwithstanding the interventions that they could make to reduce lead-in times and support an acceleration of housing delivery. These elements are considered separately in Part 2 of this report.
- 6.26 The rate at which known sites build out is also an important consideration. Section 4 presents detailed analysis of past build out rates, which again vary according to the size of individual sites. Table 4.6 highlights that larger sites in West Suffolk have delivered no more than 63 dwellings per annum on average, even where multiple housebuilders have been involved. Build-out in any one year has over the period assessed not exceeded 112 homes on an *individual* site, and has been as low as 10 dwellings per annum on the smallest sites.
- 6.27 These benchmarks should inform the revised trajectory to ensure that build out assumptions for individual sites are realistic. Any assumption that sites build out at a markedly faster rate should be supported by evidence-based justification in the absence of recent historic precedent, and should be agreed and reinforced with supporting submitted evidence from the housebuilder. It will be important in this regard to have a positive process of collaboration with housebuilders to ensure that required evidential information is provided and kept up-to-date.
- 6.28 The Councils should take a holistic review of build-out assumptions across sites to take account of the spatial distribution and in particular concentration of sites within individual settlements / market areas. The situation should be avoided where unrealistic cumulative build out rates arise when considering multiple sites within a single settlement, particularly where this is predicated upon simultaneously high build out rates across proximate sites. Historic precedents within individual parishes are shown at Tables 4.3 and 4.4 of this report, and should be used when estimating settlements' assumed ability to accommodate new housing on a yearly basis. This should also consider the spatial market analysis – regularly updated to take account of the latest market position – and the evidence of variation in local drivers of demand as set out within section 5.

Identifying new sites within an updated trajectory

- 6.29 In moving forward with a new Local Plan, the Councils will need to identify new sites to support the delivery of the homes required to meet needs over the long-term.
- 6.30 This will be informed by a call for sites exercise, but in assembling a plan-led approach the Council should draw upon the evidence in this report in reviewing both the spatial distribution and make-up of sites.

- 6.31 The evidence assembled would strongly indicate that securing a balanced supply of larger and smaller sites is advisable, given national and local evidence that they face different issues in terms of delivery.
- 6.32 Whilst larger sites evidently offer the potential to deliver more significant contributions and achieve higher rates of annual delivery they are also exposed to potential risks associated with delays often linked to the initial requirements for infrastructure investment. A more diverse portfolio can lead to the delivery of housing on smaller sites, recognising that such sites tend to have shorter lead-in times.
- 6.33 Such an approach could support a more diverse housebuilding sector, with many different developers of different sizes willing to take on very different sized sites. This is likely to help boost housing output, especially if it is accompanied by diversification of product types and locations. Widening choice for those willing to consider buying a new home, rather than buying in the second hand market, will support higher levels of delivery.
- 6.34 The distribution of new housing supply throughout West Suffolk is also important. This should take account of the spatial patterns of demand, and ensure that a sufficient but deliverable supply of housing is provided in those areas of higher demand to avoid imbalance in these locations.
- 6.35 Whilst it is important that the spatial distribution of development is understood, avoiding concentrations of sites within specific parts of West Suffolk to the detriment of also enabling a dispersed strategy of development needs to be carefully considered. It is also important that the Council considers larger concentrations or large single sites in the context of settlements and sites in close proximity to administrative boundaries. This recognises, as set out in section 5, that housing markets are not constrained by these boundaries but reflect wider push/ pull factors.
- 6.36 The implications of these aspects are considered further in Part 2 in terms of informing the Council's housing delivery plan and ensuring that it supports the delivery of the new Housing Strategy in the short and long-term.

7. Summary of Housing Delivery Assessment

7.1 Part 1 of this report has presented a detailed assessment of past and current rates of housing delivery across West Suffolk. In summary:

- The Council is committed through policy to increasing the supply, range and quality of housing provided in West Suffolk. This aligns with the objectives of Government and the Cambridgeshire and Peterborough Combined Authority.
- Past levels of housing delivery in West Suffolk have been comparatively stable, averaging around 635 dwellings per annum since 2001. Delivery peaked in 2007/08 immediately before the recession. A total of 1,095 homes were completed in this year.
- In terms of performance relative to current plan requirements, delivery has hitherto fallen short of average annual requirements and evidenced housing need. Much of this is attributable to the recession following the global financial crisis of 2008-09.
- There is a need to deliver a significant increase in housing delivery across West Suffolk in the future. This will require active intervention to encourage delivery through multiple channels.
- However West Suffolk has demonstrated in the past the ability to “absorb” comparatively high levels of housing growth in excess of the national average, when benchmarked against the size of the existing housing stock.
- This indicates that it should be possible to increase overall delivery rates in future, though this will require supportive action by West Suffolk Council to enable support for higher levels of delivery.
- A mix of market and affordable housing has been delivered in West Suffolk over recent years. Around a quarter of all homes completed since 2012 have been affordable. This has contributed towards addressing an evidenced need for affordable housing.
- Sites of all sizes have contributed towards housing supply in West Suffolk over the past six years (2012 – 2018). Although larger sites account for the majority of homes delivered in the area, smaller sites (<10 dwellings) account for 30% of overall housing supply.
- St Edmundsbury in particular has seen a number of developments by local and regional housebuilders, although the larger sites have generally been delivered by national housebuilders.
- New homes in West Suffolk have in the past been delivered on both greenfield and brownfield sites, with a relatively even split. Since 2012, housing

completions in West Suffolk have been maximised in those years when brownfield sites matched or exceeded the supply delivered on greenfield sites.

- In terms of actual delivery Red Lodge, Bury St Edmunds and Haverhill have been the most significant locations in terms of housing delivery since 2012.
- Since 2012, over half (56%) of all housing sites in West Suffolk were commenced and built out in a single year. The highest number of homes built on a site completed in one year is 56 dwellings.
- Larger sites are built out over a longer period of time. Annualised delivery rates range from 21 to 60 dwellings per annum for sites accommodating over 50 dwellings. The maximum number of homes built in a single year on such sites was 112 dwellings. The range in average annual rate of delivery is in line with national housebuilders' typical build out rates per site (45dpa).
- Lead-in times for smaller sites in West Suffolk (<100 dwellings) are relatively short, when compared to national research. The average lead-in times for larger sites in West Suffolk are longer than small sites, and align with the national average.
- There is little evidence of planning permissions lapsing on larger sites in West Suffolk. This is consistent with national evidence that non-implementation is uncommon on larger sites outside major urban areas. While permissions on some smaller sites have lapsed, this remains comparatively rare and does not significantly affect the overall supply of new homes in the area.
- The latest published iteration of the trajectory of housing sites produced by both St Edmundsbury and Forest Heath Councils has been provided to inform this study. These trajectories are comprised of existing permissions and allocations. Larger sites are assumed to progressively make a stronger contribution towards future supply over the next ten years.
- Identified housing sites are distributed across 27 settlements – of which almost half contain a single site, with capacity for up to 75 homes. However the largest concentrations of planned housing provision are focused on Bury St Edmunds, Haverhill and Red Lodge. These three settlements account for two thirds of the housing supply pipeline.

7.2 While the Councils' current trajectory has been summarised in this assessment, it is recognised that this will be reviewed and updated, not least to reflect the publication of the new NPPF and the creation of the new West Suffolk Council and the future joint Plan. Such a review should take account of the evidence that has been assembled for this report recognising the importance of making reasonable and evidence-led assumptions on build-out rates and lead-in times, both on individual sites and cumulatively when multiple sites are coming forward in individual settlements.

7.3 An updated trajectory can also be considered in the context of the underlying drivers of demand, which have also been introduced within this report. In summary:

- Over half of people moving to new addresses in West Suffolk during the year before the Census (2010/11) were existing residents of the area, suggesting that local demand is an important driver of the market. There were, however, also moves from other parts of the Cambridge HMA, to the west of West Suffolk.
- Plans to boost historic rates of housing development in South Cambridgeshire, East Cambridgeshire and Breckland could influence the number of moves from this area to West Suffolk, increasing competition and moderating demand arising from this location.
- Parts of West Suffolk could be perceived as more affordable locations, particularly when compared to neighbouring area such as Cambridge, South Cambridgeshire and Uttlesford. This could generate demand from households seeking more affordable market housing.
- Although the majority of West Suffolk residents work within the area, some locations (Newmarket, Haverhill and Clare) have a larger proportion of residents commuting to Cambridge, in line with a wider spatial trend. Accessibility can be expected to influence demand that could be generated by workers that are “priced out” of the Cambridge market.

Part 2: Informing the Housing Delivery Plan

8. Recommendations

Introduction

- 8.1 The Study Brief identifies a range of topics to be covered to assist in informing the Housing Delivery Plan. These are as follows:
- Identification of best practice and how these could be applied to West Suffolk
 - How best to increase housing delivery in West Suffolk, including consideration of the adoption of the ‘Housing Enabler Role’ as proposed in the Elphicke House Report⁹⁸
 - How housing and planning policies might be refined to facilitate housing delivery
 - The merits of direct investment in land and development including the role of Barley Homes and the Government’s One Public Estate (OPE) initiative
 - The role that Modern Methods of Construction might make on housing delivery, build out rates, and sales rates
 - The implications of the Letwin Review for housing delivery in West Suffolk
 - With respect to all of the above, the timescale in which change should or could be delivered in terms of short, medium and long term impacts
- 8.2 Planning for, and providing housing that meets the needs of the current and future resident population of any area such as West Suffolk is a significant challenge, which needs to involve many different partners in addition to the Planning and Housing authority.
- 8.3 The vision within the Housing Strategy confirms that the Councils are ‘committed to increasing the supply, range and quality of housing for our current and future residents.’⁹⁹ It also confirms the Councils recognition of the opportunity to explore new ways of increasing the rate of housing delivery locally. It states:
- “We need to find new innovative ways to help developers speed up the rate that they build new homes, through making the planning system as efficient as it can be, supporting the provision of required infrastructure and using all the powers we have to act where housebuilding has been significantly delayed or slow to come forward”¹⁰⁰*
- 8.4 The development of an approach which realises such an ambition has, at its core, three elements that need to be integrated:

⁹⁸ The Elphicke-House Report: From Statutory Provider to Housing Delivery Enabler: Review of the Local Authority Role in Housing Supply. HMSO January 2015

⁹⁹ West Suffolk Councils (2018) ‘Draft West Suffolk Housing Strategy 2018 – 2023’

¹⁰⁰ *Ibid*

- **The Local Plan**, which should be thought of as setting out the local authority's strategy in terms of the number of new homes to be provided, where those homes are to be provided, and a broad-brush assessment of when these homes should be delivered in the plan period. Local plans also address the size, type and tenure mix of new homes that should be delivered over the plan period
- **Housing Strategies** vary in scope, but typically are more focused on the housing stock as a whole (not just new-build homes), and on the housing needs of the current and future population of the area in terms of dwelling size, type, and tenure; and go beyond this, for example, to assess the care needs of individuals, and the need for specialist housing or adaptations for people with disabilities.
- **A Housing Delivery Plan.** Growing recognition is being given to fact that in order to achieve the Government's ambition of delivering 300,000 new homes pa by the mid-2020s, the public sector as a whole will need to be more proactive in enabling housing delivery. Increasingly, local authorities are recognising the need for a strategic plan to bring forward alternative forms of delivery that can complement the currently dominant major housebuilder and registered provider delivery models, which account for the vast majority of housing delivery in England.

Progress to Date: Strong Foundations

- 8.5 The West Suffolk Councils have already sought to take a positive approach by playing an active role in enabling the delivery of the homes that are needed.
- 8.6 The Councils have committed funding to support additional staff specifically tasked with facilitating housing delivery. This has included the funding of additional staff in Development Management and investment in resources to perform the Growth and Housing Enabler role, including resources to build-on investment made already in the development of the Council's own development company, Barley Homes (Group) Ltd.
- 8.7 In order to harness and direct this investment the Councils prioritised the preparation of a new Housing Strategy. This was adopted in December 2018. The preparation of the Housing Strategy involved engagement from stakeholders responsible for delivering housing in many forms across the area and represents a commitment from the Councils to seek to work towards increasing the supply of new homes in West Suffolk.
- 8.8 The Councils have also sought to adopt a proactive approach to progressing NPPF compliant Local Plans. As set out in section 2 of this report, St Edmundsbury's Local Plan was adopted in 2010 and Forest Heath is expecting to receive the Inspector's Report on its Local Plan Examination in the near future, following its submission in March 2017.
- 8.9 The Councils have commenced preparation of a new Local Plan for West Suffolk. Work on the new Local Plan will be able to fully reflect the emphases in the new NPPF and revised PPG. It also offers an opportunity to reflect and build upon the current

generation of Local Plans, particularly the St Edmundsbury Plan which has had an important role in shaping new house building since its adoption.

- 8.10 In terms of the forward planning for housing and related development, the key gap in the suite of strategic planning documents is the Housing Delivery Plan, particularly as it will provide the key route to the application of the strategic direction to enable the increase in the rate of housing delivery sought through the Housing Strategy and existing/ emerging planning frameworks.
- 8.11 This section provides key recommendations to inform the Councils' development of a Housing Delivery Plan, focusing on achieving the objectives set out within the Housing Strategy to increase the quantum and rate/speed of delivery of new homes provided across West Suffolk. Aligning with an approach to continue to move the local authorities into a Housing Enabler Role, it recognises the importance of action from both local authorities and the development sector.

Structuring our recommendations to inform the Housing Delivery Plan

- 8.12 In structuring the proposed recommendations, actions and associated outcomes are presented and considered under the following headings in this section:
- Forward Planning of Housing Delivery
 - Development Management and Strategic Planning
 - Co-ordination of Infrastructure Investment
 - Increasing the Diversity of Housing Delivery
 - Local Authority Investment in Land and Development
- 8.13 The section also examines the role of Modular Housing and Modern Methods of Construction (MMC) in accelerating housing delivery. This is not directly part of the Housing Enabler Role, since the decision to use these techniques in construction is largely up to the developer. However, the use of such methods may have implications for the planning system, and are relevant if West Suffolk Council starts to be directly involved in financing or enabling development.
- 8.14 The recommendations presented under each of these headings take into account the evidence presented in Part 1 of this report; and insights from a workshop held in November 2018 that engaged a wide variety of participants directly delivering or supporting the delivery of homes in West Suffolk. The workshop was attended by around 50 stakeholders and included the presentation of the initial findings of the analysis undertaken through Part 1 of the study. A summary of key points raised through the workshop are included at Appendix 2.

Step 1: Forward Planning of Housing Delivery

- 8.15 The ability to predict accurately the volume of future development depends on a deep understanding of the way that the market for new-build housing works in a particular area. Authorities who embrace the role of Housing Delivery Enabler need to have an in-depth understanding of their local new homes housing market.
- 8.16 This has become even more important than in the past because the revised NPPF defines what is deemed to be a 'deliverable' site more tightly than the original NPPF, published in 2012. The revised NPPF states that sites with outline planning permission, permission in principle, allocated in a development plan or identified on a brownfield register should *'only be considered deliverable where there is clear evidence that housing completions will be on site within 5 years'*.
- 8.17 The NPPF goes on to state that *'sites for housing should be available now, and be achievable with a realistic prospect that housing will be delivered on site within five years'*. To balance this, the NPPF states that *'sites which do not involve major development'* and sites with detailed planning permission *'should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years.'* A major development is defined as any scheme that will deliver 10 or more homes, or with a site area of at least 0.5 ha.
- 8.18 As recognised above West Suffolk Council has recently invested to allocate dedicated resource a growth team to ensure that it is in a position to continue to build an understanding of the operation of the local housing market. This provides a strong foundation from which to build and in the context of policy changes this resource will be critical to maintaining a pro-active approach to rigorously reviewing the pipeline of existing and emerging residential applications to assist in the accurate forecasting of new housing delivery. Part 1 of this study provides the building blocks for future monitoring of development trends, albeit at a static point in time.
- 8.19 The analysis of lead in times and research into build-out rates in West Suffolk presented in this report can be used as a foundation from which the Council can draw in updating and monitoring the areas of analysis undertaken to build greater local insight; and enhanced interaction with the development industry to understand their future plans and response to market considerations, including project financing, the mortgage market, and buyer confidence.
- 8.20 Developing expertise in this form of market intelligence will enable West Suffolk Council to further develop more accurate forecasts of housing delivery on a site by site basis for major sites, and for the authority as a whole. This provides the necessary intelligence to actively manage the pipeline of planned housing provision and to identify potential opportunities to intervene to assist in reducing lead-in times specifically. Good forecasting is always underpinned by good data.
- 8.21 Sustaining the team tasked with this work will be important, recognising that a significant body of knowledge will be assembled. Retaining staff will therefore be an

important priority to ensure continuity of knowledge and the benefits which can accrue. In order to mitigate against risks of capacity being stretched the Council could explore opportunities to work alongside or with other adjacent Councils in initially sharing best practice around the collection and analysis of data related to the local housing market (recognising that it stretches beyond the two authorities).

- 8.22 A process of shared best practice with other local planning authority teams would appropriately go hand-in-hand with a continued investment in bespoke IT systems that would allow more comprehensive analysis of the housing development pipeline across a wider geography. If the teams could establish that their data is authoritative, there could be considerable savings to local authorities in staff or consultant time linked to planning appeals.
- 8.23 In the longer run, shared systems could be developed to capture data automatically on key stages in the development process, though agreement of protocols with key players in planning, building control, infrastructure providers, individual housebuilders sales outlets etc. Much of the current research on smart cities (for example through the Future Cities Catapult¹⁰¹) has relevance to the systematic process of capturing data relevant to pipeline of housing delivery.
- 8.24 Going forward, options to explore a further sharing of resources through the establishment of a shared team with other authorities could also be considered in order to achieve efficiencies in the collection of data, mitigate against the exposure of the loss of key staff and the cultivation of contacts that can provide market intelligence.
- 8.25 A specialist team of this nature could offer further benefits going forward, with its larger geographic coverage enabling an increased depth of expertise, with the scope of the team focused on this task alone. There would be greater scope for the team to develop good contacts with developers who are active across a number of authorities in Suffolk and Cambridgeshire. Logically, the development of a team that operated across the Housing Market Area would provide a sensible geographic starting point, however, other administrative areas such as the County or LEP areas could be explored where there are benefits with regards the securing of further resource or funding.

¹⁰¹ <https://futurecities.catapult.org.uk>

Table 8.1: Timescales for Step 1: Phasing Suggestions for Implementing Change

Short-term outcomes	Medium-term outcomes	Long-term outcomes
Reflect evidence from the Housing Delivery Study (Part 1) in future trajectory planning	Establish enhanced mechanisms for sharing best practice and intelligence from all involved in delivery (housebuilders, Suffolk/Cambridgeshire authorities etc)	Contribute to national policy debates to ensure guidance/policy is supportive of local issues
Ensure continuity of team and embed continuous learning culture	Explore if functions can be shared/joint resource or team	Capture best practice nationally (RTPI; HBF etc) Invest in data capture systems, reduce time and elevate consistency

Step 2: Development Management and Strategic Planning

Development Management

- 8.26 The term ‘Development Management’ can be used to refer to the active management of the housing delivery pipeline. A key element of this ‘management’ is the local authorities’ own internal systems for assessing and approving planning applications. This is the part of the development process for which West Suffolk Council will, as of April 2019, have direct responsibility.
- 8.27 It is entirely right that schemes should be thoroughly scrutinised, albeit a degree of proportionality should apply in terms of the resources and time devoted to scrutiny. Major schemes should, in general, be subject to greater scrutiny than small schemes. However, it not uncommon for small schemes to absorb a disproportionate amount of staff time relative to the number of homes to be provided.
- 8.28 As has been recognised the Councils have invested in additional resource within the development management team, recognising the direct control the Council has over this aspect and the importance of capacity to enable planning systems to be implement efficiently. It has not been part of this study to review the effectiveness of the West Suffolk planning teams and related teams (e.g. building control) in the processing of planning applications, and site inspections to ensure compliance with the consent and building regulations. It is, however, strongly agreed that it is critical to the acceleration of housing supply that the development management function is well-resourced and managed.
- 8.29 Staff time needs to be deployed efficiently between different types of planning applications. Continuity of staff involvement, and good record keeping, is also important given that schemes often take many years before a developer has an implementable consent; that is, all the pre-commencement conditions linked to the planning consent they have secured are agreed upon with the planning authority. It is

recommended that the Council gives consideration to approaches for ensuring that there is a flexible resource/ capacity beyond the team already assembled that the authority can call upon when there is a significant volume of applications. This will enable schemes to be progressed in parallel to a greater degree without negative impacts on the time taken to process.

- 8.30 It is important to consider the Development Management function more broadly than a simple focus on the processing of planning applications and associated issues. The Development Management function should be about the active management of the development pipeline to meet the housing delivery requirements as set out in the Local Plan. This requires an approach which is proactive rather than reactive. Critical to this is the ability to adopt an interventionist approach, which requires strong levels of communication with those responsible for progressing and developing larger sites in particular within the authority.
- 8.31 In reviewing the evidence presented in Part 1 of this report, there has been a comparatively limited number of large sites that have been built out in recent years. The analysis has, however, started to identify that a pipeline of larger sites are now beginning to deliver including those in Bury St Edmunds. In addition, in reviewing the latest completion data post April 2018, it is also apparent that a number of other sites including Marham Park, Moreton Hall and the strategic site at Haverhill are already delivering new homes in the current monitoring year. Nonetheless, the comparative absence of large site development in the past in West Suffolk means that there is little historic evidence on the pace at which large sites will be brought on stream and the pace of development.
- 8.32 In such a situation, contingency planning is appropriate. It is appropriate for the authority to identify in advance what it would do if one of the major development sites expected to come on stream is suddenly identified as likely to take many more years before it commences. One solution is to identify reserve sites, considered further below as part of the role of future strategic planning; another not mutually exclusive approach is to cultivate good relationships with developers, so the authority has good intelligence of the plans of each major developer.
- 8.33 A key part of the Housing Delivery Enabler function of the authority is to keep abreast of changes in the delivery timescale of developments in the pipeline. The Housing Delivery Enabler team should be aware of the risk factors that could lead to the construction and completion of new homes being delayed, or being built out at a slower rate than previously anticipated.
- 8.34 West Suffolk Council should maintain strong lines of communication with active local house-builders and developers in order to identify when schemes may be delayed and the housing trajectory may need to be changed. One way of doing this would be the re-establishment of a developers' forum, noting that such a group previously operated but has not met in recent years. Through this forum, the Council can discern what is happening in the market generally and on particular sites, so that it has up-to date

market intelligence. It also offers an opportunity for a broader understanding of the operation of the housing market for each of the developers involved in the forum. However, this cannot substitute for maintaining close contact on a one-to-one basis with developers.

- 8.35 Contacts need to be built both with housebuilder representatives that liaise directly with the Council on planned developments, and more senior personnel, such as senior staff in the regional HQs of larger housebuilders. Local teams may not be fully appraised of what is happening in the higher echelons of their business. This is particularly so with respect to development finance.
- 8.36 In general, developers prefer not to compete head-to-head in the same location unless there is robust demand, or they can differentiate their development from other developments close by. It is wise to assume that developers will be influenced as to their start date, and the pace of build out, in part by what their competitors are doing, as well as the strength of the market and their own cash flow position, bearing in mind that the different regional operations of major housebuilders may be competing internally for finance.
- 8.37 However, there is a reasonable expectation that if one developer is unable to proceed with development for a significant period of time due to site specific or business specific issues then another developer may well bring their site forward, or accelerate delivery to take advantage of the situation. West Suffolk Council should be alert to such opportunities to ensure that any loss in anticipated delivery of new homes on one site, can be compensated by accelerating delivery on another site.
- 8.38 The Council must also recognise through such processes that demand for a new home on one site with a particular product mix and location, will not automatically transfer to a different site with a different housing mix, and character. This requires careful monitoring and consideration as to, not only the location of sites coming forward, but the breadth of product and housing typology being proposed.
- 8.39 Being proactive when a gap appears in the housing trajectory may lead to other developers accelerating delivery on their own sites. However, it would be unwise to simply rely upon an assumption that if one site fails to deliver, it is possible to accelerate delivery on other sites. It is important the Council seeks, through dialogue, to understand where there may be other business reasons that mean local developers cannot accelerate delivery, such as cash flow management, difficulties associated with securing infrastructure provision, or simply a business led decision that a site is not a priority at the current moment in time, in the light of other business opportunities.
- 8.40 This will require a greater depth of relationship with the smaller SME house builders operating in the area in particular. The Council's role as a developer through Barley Homes provides it with an important route to enhancing these relationships and allowing a direct engagement with local contractors to fully understand their capacity and issues constraining their future growth. Positive dialogue with this component of

the local housing market offers the opportunity to build trust to elevate the role the Council could play in facilitating the co-ordination of site delivery where this is required to mitigate against delays on larger sites in particular (i.e. where there impact would be more pronounced).

- 8.41 In considering a more direct approach to intervention it is noted that the Housing White Paper proposed to provide local authorities with certain duties and powers to accelerate the building of new homes (see paras 2.39 to 2.46). This includes a power for local authorities to take into consideration as part of the decision making process on the granting of planning the failure of previous applicants to implement previous consents on that site; and to take into account the track record of delivery by an applicant.
- 8.42 However, there is no firm commitment in the Housing White Paper to implementation of these ideas. Initial industry comment indicated that developers were sceptical that the Government would give significant powers to local authorities, and these ideas have not been progressed.
- 8.43 The Government also indicated that authorities would be given the power to withdraw planning permission by means of a completion notice, as a means to force the hand of the developer to get on with building. But this is only a real threat if the local authority has alternative identified sites it can bring forward, or it is willing to use CPO powers to take a stalled site forward. Use of CPO powers itself would be time consuming and potentially expensive for a local authority.
- 8.44 It is important to recognise, however, that any adoption of a more interventionist and pro-active approach to seek a co-ordination of site delivery across West Suffolk would have limited impact if there is a general downturn in the market, which would likely lead to reduced confidence in those building homes irrespective of a reduction in competition.
- 8.45 In addition to strong lines of communication, it is strongly advisable that the Council adopts an equally proactive approach to strategic planning to respond to more significant market challenges.
- 8.46 Local authority trajectory planning should acknowledge that, based on history, there is a strong chance that the market will be cyclical with evidence suggesting that there is a downturn in the market every 10 years or so, with a consequent under-performance in housing delivery. This implies that there is a need to ensure that there are sufficient sites to accommodate demand in the years of robust demand to offset years where delivery rates are affected by market downturn. It is more than 10 years since the downturn in housing delivery in the wake of the global financial crisis of 2008. This forms an important context at this point in time in terms of planning for the supply of homes through the new Local Plan.

Strategic Planning

- 8.47 In this context, it is recommended that West Suffolk Council works towards ensuring that a proactive stance is taken in the new Local Plan, when identifying and planning for a robust supply of genuinely deliverable sites for housing development. This is because almost inevitably some sites that form part of a 5 year housing land supply will not deliver as much as expected at the point of assessment.
- 8.48 Based on the evidence presented in Part 1 of this report, this will be influenced by:
- The rate at which different types of site, in different locations, build out;
 - The extent to which multiple sites in a single settlement are building out simultaneously;
 - The lead-in times before certain sites begin to deliver; and
 - The drivers of demand in different locations, at different points in time.
- 8.49 Other things being equal, the Local Plan can assist in facilitating enhanced housing delivery if the planned supply is diversified in terms of the type and location of sites. This is where the Housing Delivery Plan can complement the Local Plan in informing decisions with regard to the spatial distribution of development proposed and in assisting in strengthening the development of the forward housing trajectory. Consideration should be given in the Local Plan to identifying sites that differ:
- in terms of site size and number of homes that can be provided – a diverse mix of small, medium sized and large sites; the new PPG requires the authority to provide at least 10% of planned provision on small sites (10 or fewer dwellings)
 - in terms of location, and character – a mix of town centre, suburban, and rural sites, including in both brownfield and greenfield sites
 - in terms of appeal to buyers or tenants of different incomes, ages, aspirations, lifestyles, household characteristics etc
 - in terms of the type of developer that would lead on the development; major housebuilders, medium and small housebuilders, self-build and custom build, institutional investors, landlords
 - in terms of the design of the dwelling (inside and outside), its setting, outdoor space, and scope for customisation.
- 8.50 A good supply of genuinely deliverable sites will enhance the chances of the authority being able to accelerate housing delivery if certain sites within the delivery plan are delayed. The inclusion of a suitable buffer to ensure delivery, as required by Government planning policy, will assist the Council in delivering the required quantum of housing.

- 8.51 This is already built into the Local Plan process and the calculation of the five year housing land supply, but the need for over-programming (i.e. the identification of a quantum of land to mitigate against non-delivery) should be informed by past performance over the business cycle rather than relying on the application of a particular formula.
- 8.52 The Housing White Paper suggests that Government is minded to place a requirement on developers to provide more information to local authorities on the timing and pace of development (see paras 2.36 – 2.38). This offers the potential to enable a more locally informed approach to be taken to both identifying a sufficient supply of land and ensuring sufficient flexibility is built in. As yet, this does not seem to have been given any practical effect; but if the Government follows through on this, it will help West Suffolk in performing its role of Housing Delivery Enabler.

Table 8.2: Timescales for Step 2: Phasing Suggestions for Implementing Change

Short-term outcomes	Medium-term outcomes	Long-term outcomes
Re-establishment of a developers’ forum (existing one not met in recent years)	Work proactively to identify a wide variety of small sites in emerging West Suffolk Local Plan – to include settlements lower down the hierarchy	Explore, in conjunction with SME builders, whether there are actions that the Council could take that would help SME builders to scale-up their operation
Embrace the need to ensure flexibility in planned provision for housing in the new Local Plan – safeguarded land	Pro-active steps (Barley Homes) to engage with local contractors to build capacity, understand issues	

Step 3: Co-ordination and Enabling of Infrastructure Provision

- 8.53 While landowners and developers have a commercial interest in progressing the development of their own sites for housing, they do not have a commercial interest in maximising housing delivery consistent with the number of homes as required in the Local Plan time frame; and they are unlikely to have oversight of the different pressures on the essentially publicly-funded infrastructure on which the quantum of development depends.
- 8.54 The difference between the ‘public’ and the ‘private’ interest in housing development can be illustrated thus. A developer, or land promoter, may well press for an element of road infrastructure to be implemented at a particular point in time. Even if they pay for that infrastructure themselves, this does not automatically mean that they will immediately bring forward the site for new housing development. Having made the site more development-ready the owner may seek to trade the site.

- 8.55 In contrast, local authorities or LEPs, provided they are adequately resourced, should be better placed to maintain an overview of infrastructure requirements alongside good market intelligence into the plans and investment priorities of different developers. The Housing Delivery Enabler should therefore be in a position to decide where and when infrastructure investment should be targeted in order to maximise housing output in the short term.
- 8.56 The stakeholder consultation highlighted the importance of having a clearer set of protocols and potentially a specifically constructed team to undertake this function. This originated from a concern that the current absence of an individual or team to broker agreements between interested parties such as District and County Council, infrastructure providers, and different stakeholders seeking financial contributions to support essential services such as schools, health centres etc was delaying the provision of sites.
- 8.57 Representatives indicated that some people have taken on the role of seeking to broker agreements between different interested parties, but generally they have done so without sufficient formal authority to do so, which significantly weakens their position. All too often, the final decisions have to be made by people not present at the meeting, so even if agreement between the parties present was achieved, this unravels as it goes back to other persons who were not part of the discussion.
- 8.58 The Councils have already appointed a post within the recently established Growth Team with a focus on co-ordinating infrastructure. This provides the opportunity to start to establish more effective protocols for prioritising infrastructure investment and clarity regarding lead responsibility. This role should also develop relationships with and re-establish trust between different parties responsible for co-ordinating the delivery of infrastructure.
- 8.59 The role of the Housing Delivery Enabler is not about whether or not projects get funding for infrastructure, but more about managing the programme of investment in a way that gives priority, in terms of timing, to those projects where making the investment now will bring forward development sooner than other investments that will be made in due course. It is not so much about funding, important as this is, as about programming and timetabling. The Councils will need to clearly establish where responsibility lies for making decisions related to infrastructure investment and for providing this co-ordination. A senior lead, be it within the role of this new post or elsewhere, should be clearly established so decisions can be made to ensure agreements can be brokered swiftly and in accordance with a strategic view on programming.
- 8.60 More effective deployment of whatever funds and project management capabilities are available for infrastructure investment, to ensure that funds unlock new housing delivery immediately, should boost overall delivery rates. It would also ensure that investment is not used on sites where there are other barriers that mean that housing delivery cannot commence immediately.

- 8.61 It is, however, recommended that further consideration be given to additional resource to support that already made. The case for resource to be put into co-ordination of infrastructure investment is all the greater where there is a two tier structure of local government, as in West Suffolk; or where an element of public funding for infrastructure is to be provided by a LEP or a similar organisation.
- 8.62 In a two tier local government structure there is greater risk that different priorities and workloads between the lower tier and upper tier authorities is a source of delay in progressing approved housing developments. The creation of a single West Suffolk Council will help infrastructure co-ordination but there will still need for co-ordination with Suffolk County Council. There is also the complication that West Suffolk falls within the area covered by the New Anglia LEP, but also relates closely to the Business Board of the Cambridgeshire and Peterborough Combined Authority (C&PCA), which has taken over the functions of the Greater Cambridge & Greater Peterborough LEP.
- 8.63 It has not been a requirement of this study to investigate the working relationship between Suffolk County Council and West Suffolk on matters that affect housing delivery (eg highways investment, education contributions, minerals and waste issues etc). But, given the need to deliver the Local Plan requirements for West Suffolk, the District and County Councils need to work effectively together to deliver the planned level of new homes, and to ensure that resources are targeted to those developments that are 'ready to go' once the final piece of the jigsaw is in place.
- 8.64 The need for effective co-ordination between the County Council and West Suffolk Council, New Anglia LEP and potentially to liaise with the Business Board of the Cambridgeshire and Peterborough Combined Authority is of great importance. The fact that West Suffolk is part of an HMA covered by a LEP and a large combined authority could be a complicating factor in planning infrastructure investment. It is important, therefore, that there is an agreed plan for infrastructure investment required to support the development of housing in West Suffolk, and clarity about how infrastructure requirements are to be funded. This clearly entails agreement between the New Anglia LEP and the C&PCA with respect to funding.
- 8.65 In many areas another constraint on the timely delivery of new housing which has secured planning consent is the failure of one or more of the utility companies to deliver connections to essential services (electricity, gas, water, sewerage and telecoms) in a timely manner. At the national level, the performance of utility companies has been investigated by the Housing and Finance Institute (HFI). HFI's report '*How to Build Homes Faster*', published in March 2016¹⁰², identifies that the time and costs associated with securing provision of essential services (water, gas, electricity, telecoms) can introduce significant delays into the delivery of new homes.
- 8.66 The Government indicated in the 2017 Housing White Paper that it is aware of this issue, and stated that '*if necessary, (the Government) will consider obligating utility*

¹⁰² <http://thehfi.com/how-to-build-more-homes-faster-march-2016/>

*companies to take account of proposed development*¹⁰³. HFI have developed an approach to planning of infrastructure linked to housing provision called Infrastructure Dependencies Mapping, and recommend that this be undertaken in areas of significant housing growth by local authorities and Local Enterprise Partnerships.

- 8.67 The aim of Infrastructure Dependencies Mapping is to provide a firmer basis for forward planning of infrastructure provision and for negotiation with the relevant local infrastructure providers. This should be more effective than each developer having to undertake their own negotiations; and should also improve the forward planning undertaken by the utilities in fulfilling their responsibility with respect to their 'regulated connections' role.
- 8.68 HFI have worked in partnership with the South East LEP and Greater Anglia LEP (now the New Anglia LEP), and the developers and the utility companies in each of these two areas on a pilot scheme to identify ways of overcoming the delays to development associated with utility provision. However, this did not cover West Suffolk and it is recommended that the Council works with the LEP and HFI to undertake comparable work for West Suffolk.
- 8.69 More recently HFI have published a consultation paper entitled *Better Connections*¹⁰⁴. One of the specific recommendations in the report is the creation of '*Fast Track Development Mediators to provide technical and engineering support for developers to unblock site-specific housing and infrastructure concerns*'.
- 8.70 The report sets out a process to ensure that investment in local infrastructure that supports housing delivery is given proper priority. This covers an improved process for assessing the infrastructure requirements essential to the delivery of housing (such as water and electricity, flood water remediation and transport connections), to give priority to schemes that are closest to being able to be delivered, over schemes that will not deliver quickly. The HFI argue that priorities for infrastructure investment should be determined by local politicians (eg a council portfolio holder and leader).
- 8.71 Management of relationships with the County Council, the New Anglia LEP, which cover West Suffolk, and other statutory organisations and utilities, is clearly a role for the Housing Enabling Team. It is recognised that County and LEP staff cover much a wider geography than West Suffolk; and there is a need for liaison and potentially joint working with the new Cambridgeshire and Peterborough Combined Authority. The West Suffolk team should maintain a good working relationship with key personnel. There is also a role for senior Councillors to play in developing and maintaining relationships at a political level with key representatives within these organisations.

¹⁰³ Para 2.24 of the Housing White Paper

¹⁰⁴ *Better Connections: a consultation paper on improving the delivery of housing infrastructure*; Housing Finance Institute, November 2017

Table 8.3: Timescales for Step 3: Phasing Suggestions for Implementing Change

Short-term outcomes	Medium-term outcomes	Long-term outcomes
Use identified staff resource in the Growth Team to start work to establish more effective protocols for prioritising infrastructure investment and clarity regarding lead responsibility	Work with the LEP and Housing and Finance Institute (HFI) to see if lessons from recent pilot scheme with SE LEP and Anglia LEPs are applicable / can be rolled out	Manage and monitor programme of investment
Refine and build trust between different parties	Nominated senior lead role to broker agreements	Ongoing funding security – Solution finding to identified likely ‘gaps’ with key stakeholders (Homes England, County Council, LEP etc...)

Step 4: Increasing the Diversity of Housing Delivery Mechanisms

- 8.72 The actions set out above are essentially focused on supporting housing delivery through the mainstream mechanisms of delivery as they have existed over the past 30 years, namely; private housebuilding for sale to owner occupiers, largely delivered through national and regional builders; and, since around 2000, sale of homes by housebuilders to buy-to-let landlords (though now much reduced compared to previous years). This privately-led development is complemented by affordable housing developed alongside private housing or on a stand-alone development by Registered Providers/Housing Associations.
- 8.73 West Suffolk’s housing delivery trajectories will be more robust if new mechanisms to build homes, using different funding models, are brought into play. The rationale for encouraging additional supply routes to deliver new homes is that the current delivery mechanisms, new homes for sale and development of traditional affordable housing, do not meet the full spectrum of demand/need for new homes.
- 8.74 There is a need, therefore, to match demand and supply through a much more diverse housebuilding sector that taps into different sources of funding, uses different mechanisms for delivery, and meets unmet demand and need. Diversification of delivery mechanisms is likely to contribute to greater diversity of house-styles and innovation in construction and the financing of new housebuilding. This will contribute to a more robust housebuilding sector, less prone to cyclical ups and downs, and greater market acceptability of new homes.
- 8.75 West Suffolk, and potentially West Suffolk’s neighbouring authorities should, in their role of Housing Delivery Enabler, develop a strategy to support alternative housing delivery models. This requires identifying the possible new delivery models available, and assessing which of these offer the most potential for boosting housing delivery in West Suffolk; and identifying the actions that the Council can take to support additional housing supply through these alternative delivery mechanisms.

- 8.76 In West Suffolk, the majority (around 70%) of new housing is currently being delivered by larger sites that would tend to be developed by the national housebuilders, and some regional housebuilders. However, significant quanta of new homes (on average 30%) have been delivered on sites of 9 units or less. This suggests that there are a significant number of smaller and medium sized local or regional builders active in West Suffolk that contribute an important part of the total number of homes built in West Suffolk.
- 8.77 The actions outlined previously, in terms of development planning and co-ordination at District level, and the co-ordination and enabling of infrastructure provision will encourage these developers to deliver as much as they can, bearing in mind that developers are building to demand, and will not wish to oversupply the market. However, in order to deliver greater variety of new homes, and to make the housing delivery pipeline more robust, West Suffolk should look to take actions to support alternative delivery routes
- 8.78 Alternative mechanisms for the delivery of new homes are set out below, listed broadly in order of the anticipated relevance to housing delivery in West Suffolk:
- Registered Providers/Housing Associations
 - Small Housebuilders
 - Developers of Housing for Older Persons
 - The Custom and Self-Build sectors
 - Developers of Private Residential Communities - the Build-to-Rent Sector
 - Homes England (as landowner and funder)
 - Employers or Institutions
- 8.79 Brief comments on the actions required to support the growth of housing delivery from each of these seven alternative housing delivery routes are set out below.

Registered Providers

- 8.80 West Suffolk has good relationships with Registered Providers (RPs) /Housing Associations (HAs) in connection with the delivery of affordable housing, both for rent and shared ownership¹⁰⁵. At the national level a number of Registered Providers are moving into development for sale and this also reflected locally. This opens up a new delivery mechanism for homes for sale, by organisations that have a different funding model to that of the mainstream housebuilders.

¹⁰⁵ In recent years the principal outputs of RPs have been affordable rented housing and shared ownership, but other forms of subsidised rent housing and low cost home ownership are sometimes provided by RPs. RPs are likely to be expected to provide a wider range of affordable housing given the expanded definition of affordable housing in the revised NPPF and revised Guidance.

- 8.81 If Registered Providers, be they those already with operations in West Suffolk or more broadly in the Cambridgeshire - Greater Anglia area, or those that would consider establishing operations in West Suffolk, were to start to build for sale in the area, this would enhance diversity in the delivery of housing for sale. Greater diversity of developers should make the overall delivery system more robust; and less prone to the cycle of 'boom and bust' that has characterised the for-sale part of the housing market over past decades.
- 8.82 West Suffolk should continue to engage with RPs already active in West Suffolk, but should be engaging with potential new RP partners not currently active in the area, to explore their capacity, interest, and capability to develop both affordable housing (including intermediate sale homes) and housing for outright sale in West Suffolk. Greater diversity of providers increases the chances of securing additional investment as they have different funding lines, specialist expertise, and priorities.
- 8.83 A brief action plan identifying specific RPs (or similar organisations) should be developed. The Council needs first to identify what it would want from any RP, what type of relationship it wants to develop, and what it can offer any partners in terms of partnership working, land, finance etc. The Council then needs to identify potential partners, and the key contacts in each organisation. The list of potential partners should be prioritised, and discussions initiated with the outcome sought the attraction of RPs not active in the area being attracted to West Suffolk.

Small and Medium Sized Housebuilders

- 8.84 In the recent past nationally small and medium (SME) housebuilders accounted for a much greater share of output than they have over the past 10 years. In 1988 there were some 12,000 small housebuilders, delivering around 40% of all homes in the UK. In the 1990s the percentage of homes built by these firms fell below 30%; and now there are around 2,500 small housebuilders, delivering about 12% of new homes¹⁰⁶.
- 8.85 The March 2018 Inquiry into Support for Small Housebuilders, by the All Party Parliamentary Group for Small and Micro Builders, sets out the full array of challenges facing SME housebuilders. Difficulties accessing finance, in securing sites, and the increasing complexity of the planning process are the key issues that have led to the decline in the number of SME housebuilders, and the number of new homes delivered by SME housebuilders.
- 8.86 The 2017 Housing White Paper states that the Government wishes to boost delivery by smaller housebuilders (see paras 3.5 to 3.13) and set out the actions that it would undertake¹⁰⁷. These include the establishment of the £3bn Home Builders Fund, with a further £1.5bn of lending to be made available specifically to small housebuilders announced in the 2017 Autumn Budget.

¹⁰⁶ An Inquiry into support for Small Housebuilders, All Party Parliamentary Group for Small and Micro Builders, March 2018. See also Reversing the Decline of Small Housebuilders, HBF, 2017

¹⁰⁷ Housing White Paper 2017, paras 3.5 to 3.13

- 8.87 The Housing White Paper also announced the intent to create contract opportunities for SME builders through the new Accelerated Construction programme. This is a Government initiative, managed by Homes England, to accelerate the release and development of surplus public sector land. Government funding is available to support local authorities to develop surplus land; linked to this is the aim to support non-major builders, and to tackle the shortage of construction skills, including use of Modern Methods of Construction, an issue which is specifically considered in more detail in the final part of this section.
- 8.88 The complexity of the planning system has been identified as a major factor in the decline in housing delivery by SME housebuilders. The recommendations set out under Step 2 in particular have been provided with an acknowledgment as to the important role that SME housebuilders have played in delivering homes in West Suffolk but also the opportunity for them to make a larger contribution.
- 8.89 This includes a recognition as to the importance of: ensuring that sites suited to small developments are identified in the in the next version of the Local Plan; that there are clear policies regarding windfall sites; and that clear guidelines are developed on how applications for development on such sites will be assessed, so that the housebuilder knows clearly what it has to do secure planning consent.
- 8.90 In considering more specifically the potential for the Local Plan to support an increase in smaller sites it is recognised that these are likely to come forward in rural settlements, as well as the larger settlements in West Suffolk. The modest scale of developments in the more rural settlements, and perhaps the requirement for higher design standards and sensitivity to the local vernacular, would potentially open up opportunities for smaller housebuilders, helping to rebuild the diversity of the housebuilding sector that has been lost over the past 30 years.
- 8.91 Were the Council to go further than its current support for new homes in villages, it is very likely that this would lead to delivery of additional homes. This reflects the fact that while there are limits on the market demand for the standard product of major housebuilders, the output of small housebuilders building small numbers of homes in many different locations is much less likely to be constrained by potential demand.
- 8.92 It needs to be noted that many authorities have also adopted policies that make it hard to deliver small housing developments in rural settlements. It has become standard practice for local authorities, when considering whether to plan for new homes in smaller settlements to assess their 'sustainability' in terms of a range of services. If a settlement does not have certain key services, it is often deemed inappropriate to make housing allocations in that village.
- 8.93 Lord Matthew Taylor identified this as an issue in his 2008 report the Rural Economy and Affordable Housing¹⁰⁸. He critiqued local planning authorities for their approach to assessing whether villages could support additional growth; arguing that a narrow

¹⁰⁸ Living Working Countryside: The Taylor Review of Rural Economy and Affordable Housing, DCLG 2008

approach to defining what makes a place a ‘sustainable’ location for development was leading to villages falling into what Matthew Taylor referred to as a ‘sustainability trap’.

- 8.94 In brief, Lord Taylor described the ‘sustainability trap’ as follows: *‘Beneficial development can only be approved if the settlement is considered sustainable in the first place. Failure to overcome this hurdle essentially stagnates the settlement – freezing it in time – potentially for the life of the adopted development plan’.*
- 8.95 The Country Landowners Association in a recent report¹⁰⁹ have recently argued that nothing significant in terms of planning policies has changed in the 10 years since the Taylor Review was undertaken; but technology and connectivity has reshaped how people live and how they access services.
- 8.96 West Suffolk should consider in the next iteration of the Local Plan, whether in the light of advances in technology, there is scope to plan for additional homes in villages that would contribute to meeting local housing need, help to make small settlements more sustainable, and contribute to overall housing delivery in West Suffolk. There are a range of initiatives around the country associated with rural housing enablers, either employed by local authorities or funded by local authorities, to work with rural communities to develop plans for provision of new homes in their community. Members of West Suffolk’s strategic housing team perform this function in West Suffolk, supported by the work of Suffolk Community Action
- 8.97 This rural housing enabling work now supports communities to identify the potential sites for new homes as part of the Neighbourhood Planning process, or through Community Land Trusts, as well as helping to bring forward homes on rural exception sites.
- 8.98 Beyond ensuring a supportive planning context one particular opportunity in West Suffolk to support SME housebuilders is that sites coming forward through the One Public Estate (OPE) initiative are in general small sites (further detail on the OPE is include under step 5). There is the opportunity for West Suffolk Council to engage proactively with SME housebuilders when marketing these sites, to identify how the Council can support them, not just in developing the sites coming through the OPE, but to gather insights of what other types of sites they would be interested in and able to develop.
- 8.99 At present there is a lack of information on the characteristics of housebuilders undertaking small scale developments in West Suffolk. It is therefore recommended that work be undertaken to establish an understanding of the size and character of businesses that are developing smaller sites. Alongside this, discussions should be had with these businesses about what would help them scale-up their activities in West Suffolk if they wished to do so. The focus should clearly be on those issues where West Suffolk Council has scope to take action.

¹⁰⁹ Sustainable Communities, Making Rural Economies Fit for the Future, CLA, 2018

- 8.100 A number of urban authorities that are seeking to build up the capacity of the SME housebuilding sector are proactively identifying, and sometime assembling, small sites for development. Those authorities who have assembled sites, or own sites, are sometimes taking forward development themselves, commissioning designs and taking forward the scheme through their own planning department; and then selecting a contractor to build the development.
- 8.101 This approach is being done as a deliberate strategy to build-up the SME housebuilding sector. There are other benefits from the authority's perspective of taking this approach; for example, the Council can ensure a good quality of design by leading on consultation, and hence can arrive at a design that fits the context and is acceptable to local residents.
- 8.102 This approach also helps to ensure that the cumulative impacts on public service provision of a raft of small-scale developments in a particular town can be identified and mitigation put in place. Often, if the local authority is taking the lead in bringing forward sites, and perhaps assembling sites, the development can reach a scale where it can deliver an element of affordable housing.
- 8.103 This proactive and interventionist approach to developing small sites might be beyond what West Suffolk Council would feel appropriate. However the Council has already established its own arm's length housing development company Barley Homes, to undertake this form of pro-active 'public sector friendly' development.

Development of Housing for Older People

- 8.104 It is appropriate that the Housing Delivery Plan encourages provision of both specialist housing for older people, and general needs housing tailored to the needs of older persons. It has not been part of this study to consider the scale of need for specialist housing for older people; but growth in the older population of the country, and the fact that West Suffolk may be particularly attractive to older people, is likely to mean that there is a need for specialist housing for older people. This has been explored within the Cambridge SHMA, and features as a priority within the new Housing Strategy for West Suffolk.
- 8.105 The existing evidence provides a strong indication that there is a market for new homes built with older buyers in mind. In general mainstream housebuilders do not specifically target older (50 years and over) home buyers, and therefore may not be willing to tailor the standard house-types most housebuilders use to the current and future needs of older persons. The workshops undertaken during the course of the study indicate Bury St Edmunds is particularly attractive to older persons, whether they live in mainstream homes or in specialist developments.
- 8.106 Developers of specialist housing for older people have specific locational requirements, and they have their own methods for assessing demand. These developers have their own funding streams, and some of them have different funding models to the mainstream housebuilders. Any provision of housing by these developers represents

additional housing output, on top of what mainstream housebuilders and RPs may deliver, and should be encouraged if the Council wishes to boost housing delivery.

- 8.107 Often these specialist providers are willing to develop sites that are not of interest to other mainstream housebuilders. Thus, they do not compete head-to-head with the mainstream housebuilders, even though they are building conventional homes as distinct from retirement complexes.
- 8.108 Extra Care schemes, which typically cater specifically for older or disabled persons, but provide self-contained flats are often regarded in planning terms as mainstream residential developments¹¹⁰ and hence contribute to meeting housing requirements. In contrast developments of care homes are C2 Use Class¹¹¹ and in the past have not counted towards housing targets. Nevertheless, when someone moves from their home into a care home, they release a dwelling onto the mainstream market.
- 8.109 There is a third aspect to providing housing for older persons. There is much press commentary on the large numbers of older people who state they wish to downsize from their existing home. Linked to this commentary, it is commonly noted that this would help free up larger homes for families or couples to move into – albeit this assumes that such households have the income necessary to buy the homes released by those down-sizing.
- 8.110 Much of the research on the numbers of people who would like to downsize has been undertaken on behalf of businesses that have a vested interest in providing or financing homes for older persons. This is not to suggest that the research is biased, but much of it lacks depth, highlighting the number of households that state that they are interested in downsizing, without identifying why relatively few households actually do so. Currently, only 5% or so of older persons live in specialist older-persons housing.
- 8.111 Research published by the Manchester School of Architecture in 2018 goes into much greater depth than other studies on the number and characteristics of those who move home in later life and their reasons for doing so, and why so many older people (aged 50 and over) who say they would like to move to home, do not do so. The findings are set out in the report '*Rightsizing: reframing the housing offer for older people.*'¹¹²
- 8.112 The report focuses on households comprised of people 50 years of age and over, in order to capture information on those households who move early on in older-age as a positive, pro-active, decision to prepare for changes in lifestyle with retirement in mind; though many of those in their 50s or 60s that move to a different home, often in

¹¹⁰ In planning terms mainstream residential dwellings are classified in terms of planning use classes as a C3 development.

¹¹¹ Care and nursing homes are classified as C2 developments and do not contribute currently to meeting housing targets as set out in Local Plans, though clarification on this issue is expected in revisions to the NPPF. However C2 developments are taken into account as part of the Government's Housing Delivery Test

¹¹² Rightsizing: Reframing the housing offer for older people
https://www.greatermanchester-ca.gov.uk/.../855/rightsizing_report

a different location, may continue working for a period of time. They may, however, adopt a more flexible working pattern be that self-employment, part-time working or remote working.

- 8.113 The report coins the term 'right-sizing' rather than down-sizing because of clear evidence that the majority of older (50+) people who move home, regardless of tenure, are not 'downsizing', but move to a property of the same size, which allows them to continue to live the same lifestyle, but may be easier to maintain; or allow them to release equity tied up in a house in a high value area. Even those who are downsizing generally only reduce the size of their home by one room.
- 8.114 The research shows that older (50+) people are less likely to move than younger people. Just 3.5% of older people move home every year, which is half as many moves when compared to the rest of the population. However, it is worth bearing in mind that this implies almost 430,000 households aged over 50, who are resident in England, move home each year.
- 8.115 The research identifies that older movers tend to fall into two groups as follows:
- The first group of movers are those who positively choose to move for lifestyle reasons, be that to move somewhere with a better quality of life, proximity to family, or to release an element of existing housing equity to support their lifestyle. The report suggests that the number of those who move is constrained by the absence of housing that meet their needs/aspirations. Often this group move further away from their previous home because of the lack of affordable options where they currently live, or for broader lifestyle reasons.
 - The second group are described as those that are 'accessibility-driven'. These households move in a response to their existing home being unsuitable, because of disability or other health or social issues, which impose lifestyle changes. The report indicates that often this group also face a limited choice of housing options. Support is required to ensure that a wider range of good options are available to this group.
- 8.116 The research indicates that those older persons who do move, go through a complex assessment of the benefits and dis-benefits of any move. These include, among many factors, people's attachment to their current home, the network of family and friends in the community in which they live; the costs of moving; the possibility of releasing equity in the sale of a house; the possibility of reducing running costs in a new home, and the appeal of a home that is easier to look after.
- 8.117 The research suggests that in the majority of cases, people that downsize make their decisions, not on the basis of their current circumstances, but rather in anticipation of how their personal circumstances might change (future income, health, ability to maintain a large house and garden, need/desire to be close to family members as they get older etc.).

- 8.118 Yet the evidence indicates that as much as 60% of the population of older people have little opportunity to be able to move to a property that is better suited to their needs or wishes. Only the 10% wealthiest people and the least wealthy – the 30% of old people in social housing – have a good range of options in terms of ‘right-sizing’. The clear implication is that there is a significant need, particularly for market sale homes that give older persons better housing options.
- 8.119 Workshops and discussion sessions undertaken in the course of this study indicate that the older population of West Suffolk is growing both through the ageing of long-standing residents, and through people aged 50 and over moving in to the area, with Bury St Edmunds a particularly favoured location.
- 8.120 There would appear to be an opportunity both to address the housing needs of this particular group, and develop a new strand in the Housing Delivery Plan that would not compete head-to-head with mainstream housebuilders in West Suffolk, and hence would increase overall delivery of new homes as well as meeting an identified housing need in the area.
- 8.121 This element of the Housing Delivery Plan might dovetail well with enhanced support for small and medium sized builders, since the target group are likely to favour living in established neighbourhoods. However, there may be some requirement for pump-priming such developments. West Suffolk Council could act as housing enabler identifying development partners, engaging local stakeholders, and brokering development funding to enable an initial pilot scheme for this target group to be brought forward.

Custom and Self Build

- 8.122 There is a significant overlap between the delivery of custom and self-build homes and delivery by small housebuilders. The phrase ‘custom build’ tends to be used where the future owner occupier of the home works with a specialist developer to build the dwelling. These ‘developers’ are likely to be either small housebuilders who build to order, or project managers who contract with small builders to build the new home.
- 8.123 In some cases these developers, or project managers, may work on behalf of a group of people. For example, Igloo, a national business specialising in new housing in regeneration areas, is working with the UK Government and the National Custom and Self Build Association to accelerate Custom Build in the UK. The approach is being piloted in Pool, near Redruth in Cornwall. Construction has started, and in total 54 homes are to be built.
- 8.124 At the other end of the spectrum is self-build where the self-builder chooses a design and then does much of the actual construction work themselves; or the ‘self-builder’ acquires a plot, organises a slab, buys a kit house, and puts the house together themselves. Sometimes these self-builders may also employ project managers, and only undertake part of the work themselves.

- 8.125 Nationally custom and self-build completions are estimated to account for between 7-10% of all completions in the UK¹¹³. The Housing and Planning Act 2016 introduced the Right to Build with effect from 1st November 2017. The Housing White Paper dated February 2017 restates the Government's commitment to support the self/custom build sector.
- 8.126 Since 1st April 2016 local authorities have been required to maintain a register of those interested in custom and self-build housing plots and in future may be required to make provision in response to demand for such plots. However, there is a challenge to know the extent to which those who register an interest with the local authority will, in fact, want, or be able to, build their home in the specific locations where provision is made, and whether they have any local connection.
- 8.127 The Housing and Planning Act 2016 places a duty on local authorities to grant sufficient suitable development of serviced plots of land to meet the demand for self/custom build homes. West Suffolk is understood to have around 120 persons on its custom and self-build register. It is understood that the majority of those registered are individuals/couples interested in developments outside of existing settlements in open countryside. There has been little interest from custom-build groups.
- 8.128 A possible reason for the relative absence of effective demand for custom and self-build homes in West Suffolk may be the opportunity in a relatively rural area such as West Suffolk for people to buy a plot of land, or a dilapidated house on a large plot and build a new house, going through the normal planning process. This would never be logged as a custom or self-build home, though in practice it is a new home, probably designed to the personal specification of its owners.
- 8.129 West Suffolk clearly has to comply with its statutory obligations. However, in the absence of clear evidence of demand in sustainable locations, West Suffolk may wish to wait until evidence of the scale of demand, and how best to meet it, emerges from those vanguard Councils such as South Cambridgeshire and South Norfolk who are Government pilots for custom and self-build provision, before committing significant staff and other resource to this element of the Housing Delivery Plan.

Private Rented Communities – Build-to-Rent

- 8.130 Investment in rented residential property which is rented exclusively to private tenants continues to grow in the UK, and is an emerging asset class for institutional investors such as Life Companies and Pension Funds. The model is maturing and becoming more mainstream. Some Registered Providers have entered the market.
- 8.131 Hitherto, these developments have been largely confined to London and the major regional cities, such as Manchester, Leeds, Birmingham, Bristol, Edinburgh, Glasgow and Liverpool. Property advisors JLL report that there is growing evidence of investors

¹¹³ Self-build and Custom-build Housing (England), House of Commons Briefing Paper, March 2017
<http://researchbriefings.files.parliament.uk/documents/SN06784/SN06784.pdf>

being willing to consider investments in what JLL term 'Private Rented Communities' (PRCs) in the UK's secondary cities¹¹⁴.

- 8.132 This is confirmed by the British Property Federation's map¹¹⁵ which shows that small schemes are emerging in smaller cities and towns with a strong employment base. The Build-to-Rent developments closest to West Suffolk are Bedford, Norwich and Bishop Stortford. Surprisingly, even Cambridge awaits its first Build-to-Rent development.
- 8.133 The phrase Private Rented Communities is preferred to Build-to-Rent, since PRC describes the product being created and sold to occupiers rather than the mechanism of its development. Build-to-Rent was the phrase coined to distinguish this type of development from the sale of significant numbers of new build properties (especially flats) sold to Buy-to-Let landlords.
- 8.134 Key factors that determine where investors and developers are building Private Rented Communities are the rents achieved and hence yields, and the depth of the local market. The number of people in well-paid employment who want to rent rather than buy a home is the key factor in assessing the risk of the development.
- 8.135 On the basis of an understanding of current market requirements, settlements in West Suffolk are not considered to be of a size, or have the necessary employment and demographic base, to support the sort of scale of Private Rented Community that the major institutions are currently seeking. What could possibly emerge are small-scale developments of purpose-built market rent properties by a local developer or existing landlord, where the developer/owner simply decides to rent all the properties rather than sell them. There may well be such developments in West Suffolk already.

¹¹⁴ Into the Mainstream, JLL November 2016 <http://residential.jll.co.uk/new-residential-thinking-home/research/residential-investment-report-mainstream-november-2016>

¹¹⁵ <https://www.bpf.org.uk/what-we-do/bpf-build-rent-map-uk>

Table 8.4: Timescales for Step 4: Phasing Suggestions for Implementing Change

Short-term outcomes	Medium-term outcomes	Long-term outcomes
Continue to maintain and develop relationships with Registered Providers / Housing Associations and private developers with different development models to the mainstream housebuilders	Follow up with organisations with different funding and development models for delivering new homes Look at bespoke product to cater for housing for households aged 50+. Pilot to be explored for delivery.	Explore with these organisations whether there are actions that West Suffolk Council could take that would encourage them to pilot new schemes in West Suffolk.

Step 5: Local Authority Investment in Land and Development

- 8.136 All of the actions outlined in Steps 1 to 4 essentially entail the local authority acting in its role of planning authority and as a Housing Delivery Enabler. West Suffolk could play a much more active role in enabling development to the extent of its willingness to intervene directly in the market, by acquiring land, either through negotiation or compulsory purchase; and by providing funding for, or making investments in, housing developments.
- 8.137 The revised NPPF says specifically that councils should *‘identify opportunities to facilitate land assembly, where necessary supported by compulsory purchase powers, where this can help bring more land forward for meeting development needs and/or secure better outcomes’* (para 119).
- 8.138 It remains to be seen whether the Government will provide the necessary financial resources for two-tier authorities (as distinct from unitary authorities) to act on this recommendation. It is possible that this role may be picked up by Homes England, or by providing support through the One Public Estate initiative.
- 8.139 However, West Suffolk Council has already taken a significant step towards active involvement in enabling development of new homes. The Council has established its own development company, Barley Homes (Group) Ltd. The company was set up in partnership with Suffolk County Council, but the County Council has subsequently withdrawn from the partnership. However, Barley Homes still exists, and is seen as an effective vehicle through which the Council can invest to bring development forward and secure a return.
- 8.140 The key issue for West Suffolk to determine with respect to intervention in the new homes market is the authority’s appetite for risk; and how it can make a difference?
- 8.141 The Council does not have a Housing Revenue Account (HRA) since some years ago both Councils transferred their stock of local authority owned homes to stand-alone, independent housing associations. The Prime Minister’s announcement in October

2018 that HRA borrowing caps will be scrapped has no relevance therefore to West Suffolk; unless West Suffolk were to find a mechanism and the funding to start-building local authority owned homes and increase its stock to a point where it could re-establish an HRA.

8.142 However, West Suffolk does have powers to undertake prudential borrowing to acquire land for residential development or to invest in residential development schemes. Both of these options can provide authorities with much greater control over the specification of developments in terms of quality and tenure.

8.143 Moreover, through Barley Homes, the Council has an established development company entity through which it can acquire sites, secure planning permissions and bring forward development. It can select local contractors, who may also be small housebuilders, to deliver new homes. Sites may also become available to Barley Homes through the One Public Estate initiative.

8.144 In this way West Suffolk Council could achieve a number of important objectives;

- the delivery of new homes, taking advantage of opportunities to acquire publicly owned land, and ensuring high standards of design and, if appropriate, suitability to the particular needs of occupiers;
- help strengthen the SME housebuilder sector in West Suffolk by employing SME housebuilders as contractors to build the development; this would strengthen and build capacity in the SME housebuilder sector; helping to overcome a number of the key barriers to growth of the sector;
- reduce barriers facing the SME housebuilder sector, which include the complexity of the planning system, particularly with respect to design; access to development finance; and the upfront costs of acquiring sites and securing planning consent; and
- the Council would also have the scope to be innovative, perhaps by delivering a different types of homes to those delivered by mainstream housebuilders; for example new homes that meet the needs and aspirations of older people.

8.145 This approach would allow West Suffolk Council to start to shape the housing market in terms of innovation, design and target market; and grow the capacity of smaller local housebuilders. Investment should probably be seen as pump-priming to build delivery capacity in West Suffolk and to demonstrate that a market exists for certain types of homes which the market does not currently cater for.

8.146 One approach to the strategy to build capacity in the SME housebuilder sector, as referenced in steps 2 and 4 particularly, could entail West Suffolk Council identifying and investing in preparing sites for small scale development, preparing designs for new homes, securing planning permission, and then contracting a SME housebuilder to construct the new homes. The homes might be sold on the open market or retained by

the Council. As referenced above in the absence of a HRA the Council would need to use prudential borrowing to fund such an approach or explore further other funding streams which the Government (or future Governments) introduce as the pressure to deliver more homes nationally increases.

- 8.147 An alternative approach focused on the same objective of building capacity, but also shaping the housing market, would be to pilot the development of homes for persons over 50 for rightsizing (as considered in step 4), in partnership with a developer or contractor. This might involve public land or the Council might need to acquire sites for this purpose. The Council could consider using its CPO powers in order to assemble suitable sites.
- 8.148 West Suffolk Council should also seek to use any investment it makes to lever in funds and land from other sources. The obvious partners are Homes England and Suffolk County Council; and to use the opportunities associated with the One Public Estate initiative to acquire sites and where possible to share risk.
- 8.149 In West Suffolk, greenfield sites are likely to be already in the ownership of developers or subject to options agreements. Generally the need for CPO interventions are greatest in town centres where land is in multiple ownerships, and land assembly is required in order to achieve comprehensive planning of key sites. The Council has a key role in enabling such sites to come forward.
- 8.150 Often such sites entail mixed use development, with housing as part of the mix. Elsewhere, development may be contingent on infrastructure investment, and the County Council and potentially the LEPs are likely to be key partners in delivering the required infrastructure. This highlights again the importance of the Council taking on the Housing Enabler role.
- 8.151 West Suffolk Council should work with other public sector bodies to make use of public sector land which is no longer required for operational purposes; or perhaps more likely, to work with public sector organisations that need to re-provision their service centres, but where there is an opportunity to deliver housing along with some service accommodation – be that a health centre, offices, libraries or other public services.
- 8.152 Central Government is very supportive of collaboration between public service providers to secure the best use of land and buildings in public ownership. The Government Property Unit and the Local Government Association supports the One Public Estate initiative which supports collaborative property-led projects in local areas, delivering ambitious projects that transform local services and aims to make best use of central government's property¹¹⁶. The OPE was referenced under step 4 in the

¹¹⁶ The One Public Estate Initiative is a Central Government Initiative that supports joint working across central and local government to release land and property and boost economic growth, regeneration and integrated public services. It encourages public sector partners to share buildings, transform services, reduce running costs, and release surplus and under-used land for development. See <http://www.local.gov.uk/onepublicestate>

context of the opportunity it could present to provide opportunities for SMEs in West Suffolk.

- 8.153 The Mildenhall Hub is one example of a scheme undertaken as part of the OPE in West Suffolk. This project brings together 8 public and voluntary sector service providers in to a single building in Mildenhall, along with a leisure centre and swimming pool. Another example of the imaginative use of existing properties is the Newbury Community Centre scheme in Bury St Edmunds, involving the redevelopment of a redundant school to be replaced by new homes, and re-provision of an existing community centre.
- 8.154 The partnership approach involves different public sector organisations working together to be smarter in the use of land and property assets in public ownership. The success of such partnerships depends on each partner getting a better solution to their particular property needs or wider development objectives than they could by taking unilateral action.
- 8.155 It is important that West Suffolk Council is appraised of emerging development opportunities on land owned by the public sector. Possible releases of previously developed land associated with the two major airbases in West Suffolk, RAF Lakenheath and RAF Mildenhall are regularly discussed. Probably more relevant for this study are the small scale sites owned by the public sector that from time to time are deemed redundant; or the opportunities to reconfigure provision on a site that releases land.
- 8.156 The Council should also be mindful of opportunities which emerge that could be brought forward as Joint Venture investments with private landowners or investors. This offers an opportunity to spread risk for both sides, albeit evidently the degree of control would be reduced from full public sector partnerships.
- 8.157 In terms of enabling housing development and raising delivery rates, it clearly makes sense for West Suffolk to prioritise interventions involving partnerships with others where there is close alignment with the Council's broader strategic objectives; and where additionality is highest; that is, where the input of the Council in terms of either significant staff time, land or funding, will lever in the most private or other public sector funding.

Table 8.5: Timescales for Step 5: Phasing Suggestions for Implementing Change

Short-term outcomes	Medium-term outcomes	Long-term outcomes
Internal discussions regarding the appetite for risk within the Council	Continue to explore partnership arrangements with other Partners e.g. Homes England to explore public sector land holding opportunities	Draw up mechanisms to identify funding streams to invest in purchasing land where considered appropriate
Agree long-term future of Barley Homes		

The Role of Modern Methods of Construction and Modular Housing

- 8.158 The Government is championing the adoption of Modern Methods of Construction (MMC) and Homes England has stated that it will expect developers to use MMC on sites which it owns or is enabling. The major housebuilders are starting to adopt MMC in some developments, often high-density flatted developments, but as yet MMC are not mainstream on developments of low rise estate homes.
- 8.159 Given that adoption of MMC by mainstream housebuilders for low rise development has been relatively limited to date, the key questions of relevance for this study are how quickly might MMC be adopted in West Suffolk; and does this have implications for the quantum of new homes that will be built; the speed of delivery; and the pattern of demand and supply.
- 8.160 The adoption of MMC is probably a necessary condition if the Government is to achieve its target of delivering 300,000 new homes pa in England by the mid-2020s, because of the ageing construction labour force, the low level of new entrants to the industry, and the possible risk that EU nationals working in the UK construction industry will find more attractive opportunities elsewhere.
- 8.161 However, the key factor that determines the quantity of new homes built is, and always will be, demand, whether that demand is paid for by households and investors (private sector homes for sale and rent), or built by Registered Providers or public sector organisations funded at least in part by grants and borrowing at favourable rates of interest.
- 8.162 MMC will not affect the demand for new homes unless it has the effect of reducing house prices, either by significantly reducing the cost of building a new home; or by expanding supply so greatly that the average cost of new homes falls. There is no definitive evidence to suggest that these outcomes are likely to be achieved in the next decade. MMC may, however, be essential to maintaining current levels of housing delivery and increasing delivery.
- 8.163 MMCs are currently being used most extensively in urban areas, and are well suited to development of large scale sites with relatively high densities, and in the development of mid-rise and high-rise developments. MMC are currently less likely to be found in

more traditional low rise developments, and developments where there is a requirement to provide a diversified product.

- 8.164 To summarise MMCs are not going to change the fundamentals of the UK housing market, or of West Suffolk. It is probable that developers in West Suffolk are unlikely to be in the vanguard of adopting MMCs, because of the nature of the local market in terms of scale, purchaser profile, and product. The single factor most likely to accelerate the adoption of MMCs is labour shortages.
- 8.165 The most likely scenario for West Suffolk is that MMCs will be adopted first on dense urban sites (of which there are relatively few compared to cities, and authorities with large towns); on single dwelling/ custom build sites (kit houses are akin to MMC); and in due course on large sites. The important factor to remember is that MMC will not change the fundamentals of the UK market for at least the next decade.
- 8.166 Further commentary on MMC is contained in Appendix 3

Summary of Recommendations

- 8.167 West Suffolk Council needs to have an integrated suite of plans and strategies to ensure that the right number of homes, of the right type are delivered in the right place at the right time. This takes into consideration the need for homes of different tenures, the need for good quality homes that are affordable, and are viable in commercial terms for those building and funding new homes.
- 8.168 The Council's recently adopted Housing Strategy presents a commitment to play a more active role in elevating housing delivery. The progression from the current Local Plans to a new Local Plan, prepared under the revised NPPF, will also provide significant opportunity to support the boosting of supply through the identification of land as well as supporting efficient development management of policies. This study has concluded with a series of recommendations to inform the Council's publication of the third part of this trilogy of documents, the Housing Delivery Plan. This will provide a route-map to deliverable actions to be undertaken by the Council to complement the Housing Strategy and Local Plan.
- 8.169 The core recommendation of this report is that West Suffolk Council, takes the lead as the Housing Delivery Enabler for West Suffolk building upon the work it has already begun and continues to work in partnership at both Member and officer level with other local authorities and key public sector partners to share costs and expertise. It may well be that this function over the longer term is best delivered over a larger geography than West Suffolk alone.
- 8.170 A core task of the Housing Delivery Enabler team is to be in charge of the Council's housing trajectory. The team needs to be on top of the forward planning of new homes; to proactively manage the planned delivery of new homes; and to be able to respond to the unexpected non-delivery of certain sites.

- 8.171 Essentially the team will be there to ensure that the pipeline of housing delivery is sufficiently flexible to ensure that the Council is able to implement its planning strategy. It will also be responsible for establishing trusted relationships with those responsible for delivering homes in West Suffolk.
- 8.172 It is clear that, nationally, the Government's ambition of delivering 300,000 homes pa in England by the mid-2020s is unlikely to be delivered through current models of housing delivery; essentially the major private sector housebuilders, and registered providers. There is a need for a wider range of organisations to be involved in housing delivery, reliant on different funding models.
- 8.173 In West Suffolk the most promising 'enhanced' delivery options are, first to help stimulate the growth in the number of homes delivered by small and medium sized homebuilders. Two key actions for the Council are to ensure a good supply of sites suited to small scale development; and for the Council, through its own development company Barley Homes, to take the lead on design of schemes which could be built out by small housebuilders/contractors.
- 8.174 The second initiative which has promise for increasing housing delivery, as well as meeting an identified need, is for the Council to pilot an initiative to build new homes for people aged over the age of 50, specifically tailored to the current and future needs of this age group, so that they can grow older in their home, as part of a mixed-age community, without the need to move. Such schemes for persons 50 and over would probably be best built in small clusters within existing settlements.
- 8.175 More broadly, West Suffolk Council should explore the opportunities for modest levels of housing in existing rural settlements across the whole authority, including smaller settlements. This would provide further opportunities for SME builders, and respond to the requirement placed on the Council by the NPPF to identify small sites for new homes equivalent to 10% of the total housing requirement.

Appendix 1: Key Sites in Current Housing Trajectory

As highlighted in section 6, 13 larger sites – each with capacity for over 200 homes – account for a significant proportion of the Councils’ current housing trajectory¹¹⁷. The Councils’ assumed phasing and contribution of these sites is introduced in this section, in descending order of size.

This evidence is presented on a factual basis and is not intended to justify their deliverability.

North-east Haverhill

Haverhill, St Edmundsbury

Remaining capacity of **2,500 homes**, including **550** assumed between 2017 and 2022

An allocation within the Haverhill Vision 2031 site allocation document, **North-east Haverhill** – also known as Great Wilsey Park – builds upon the principle of north-east expansion that was established in the Local Plan Core Strategy¹¹⁸. Adopted policy requires the preparation of a masterplan before development is commenced.

An application for outline planning permission¹¹⁹ was submitted in October 2015 on behalf of a private individual and Hallam Land, and granted in August 2018. This requires the ‘*first application for the approval of reserved matters...no later than five years*’ from the date of permission (that is 2023), with each phase to commence within two years of approval of the last reserved matter. Reserved matters applications are to be made within fifteen years of the outline approval (2033). The first reserved matters application is expected in 2019.

These conditions were deemed ‘*appropriate and reasonable*’ in this instance as:

“Given the scale of the proposed development, it will take many years to develop the entire site in a series of phases...it is likely that not all details will have been submitted by the time the [previously envisaged] 10 year limit is reached, as the site is significantly larger than any of the others previously considered...The application site is currently owned by a private individual rather than a development company. Experience elsewhere has demonstrated that the standard three year time limit for commencement can be difficult to achieve where land first has to be marketed”¹²⁰

The latest published trajectory envisages completion of the first 150 units in 2019/20, with 200 dwellings per annum in the subsequent four years (2020/21 – 2023/24), after which development will be stepped up to deliver 220 dwellings in 2024/25 and again to deliver 250 dwellings per annum between 2025/26 and 2029/30, with the final 80 being completed in 2030/31. This is shown in the below chart.

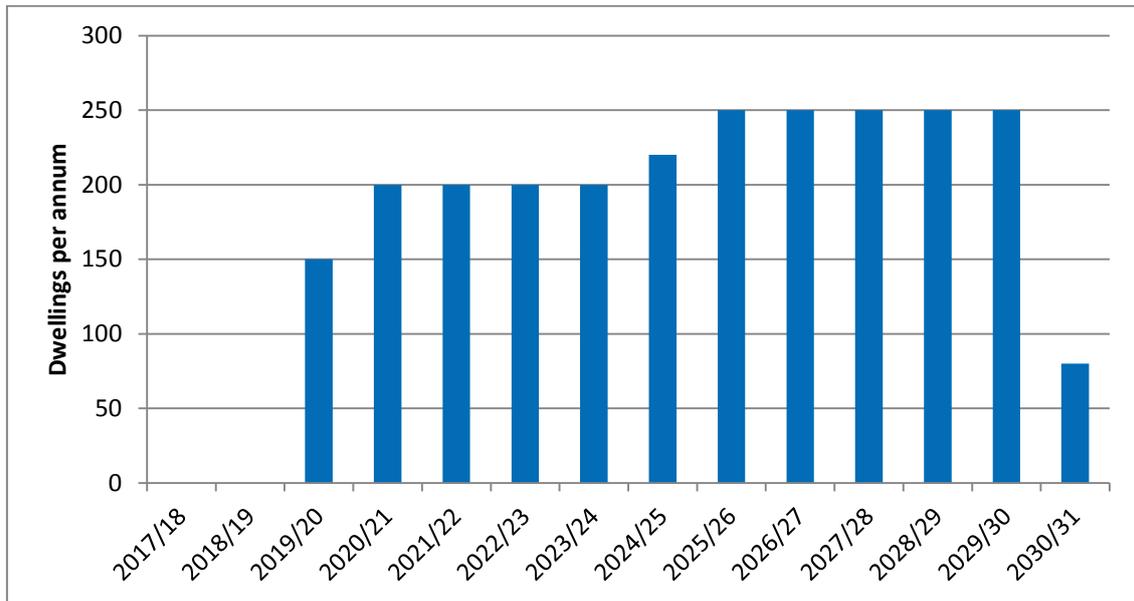
¹¹⁷ Which projected housing delivery with base date 1st April 2017.

¹¹⁸ St Edmundsbury Borough Council (2014) Haverhill Vision 2031, paragraph 5.23

¹¹⁹ DC/15/2151/OUT

¹²⁰ Development Control Committee 7 December 2017 – Agenda Item 7

Figure 1.1 Assumed Build-out of North-east Haverhill (2017 – 2031)



Source: St Edmundsbury Borough Council

Land west of Mildenhall

Mildenhall, Forest Heath

Remaining capacity of **1,300 homes**, including **220** assumed between 2017 and 2022

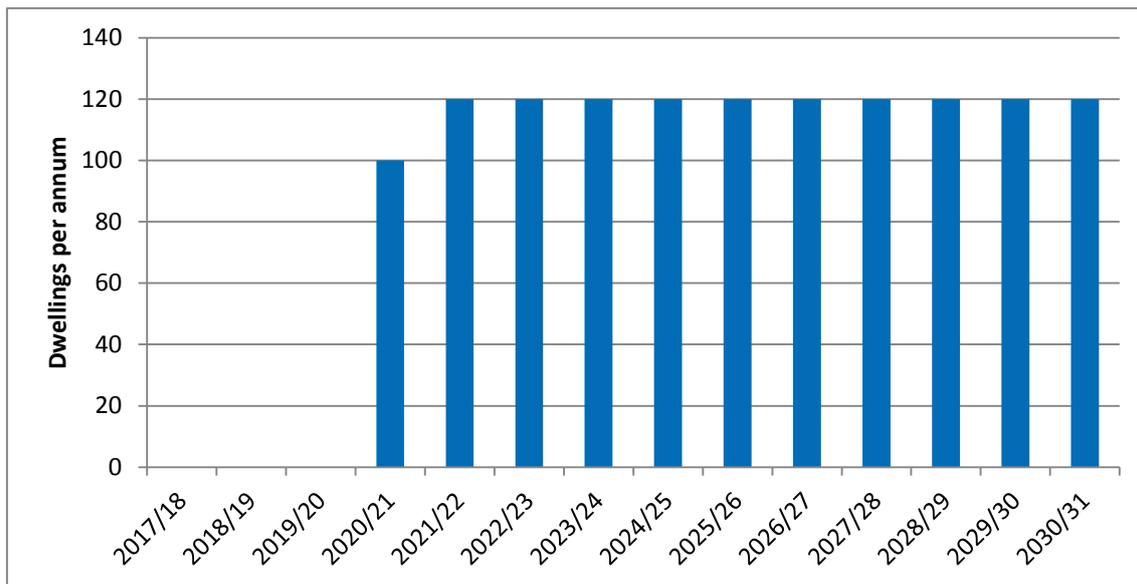
Land west of Mildenhall features within the emerging Site Allocations Local Plan (SALP) as Site SA4(a), and accounts for a large proportion of the 1,412 dwellings allocated to Mildenhall by the SALP. The site is largely in agricultural use.

The proposed “Mildenhall Hub” is located on the site, and is intended to ‘*rationalise and improve the public estate*’. The SALP confirms that the ‘*first phases of the Hub are required to address current demand for public services*’. It is understood that the first phase is due for completion in spring 2020, with the school opening in September 2020.

The Council has advised that a statement of common ground was agreed with the major landowner for the site in September 2017, to indicate that the site can be delivered within the timescale stated in the trajectory.

As shown in Figure 1.2, completion of the first 100 units were envisaged in 2020/21, with build-out subsequently increasing to 120 dwellings per annum thereafter until 2031.

Figure 1.2 Assumed Build-out of Land West of Mildenhall (2017 – 2031)



Source: Forest Heath District Council

An April 2018 appeal decision has commented on this assumed trajectory, the inspector expressing concern that the trajectory is over-optimistic and that it was unlikely to deliver the full 220 dwellings by 20221/22, although the fact that the project would be led by Suffolk County Council was cited as a delivery mechanism could potentially speed up delivery¹²¹.

Compiegene Way (North-east)

Bury St Edmunds, St Edmundsbury

Remaining capacity of **1,250 homes**, including **350** assumed between 2017 and 2022

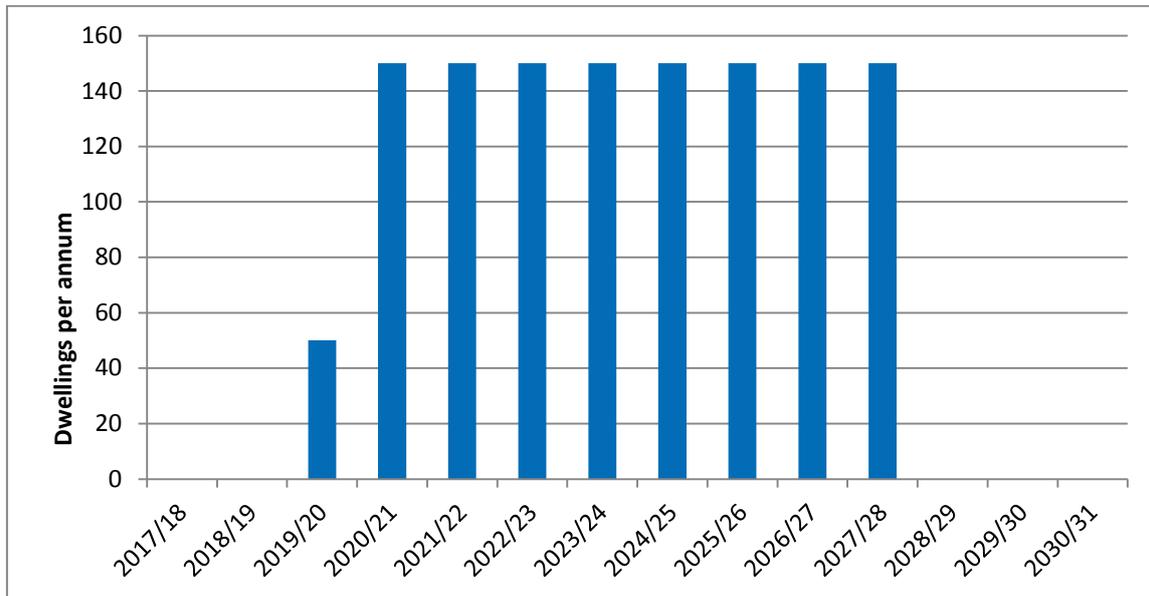
Compiegene Way was allocated through Policy BV6 of the Bury St Edmunds Vision 2031, which required a masterplan to be adopted before applications for planning permission are determined. A masterplan was adopted by the Council in June 2014, which envisaged the commencement of development in 2016¹²².

It is understood that a planning application is yet to be submitted. The Council’s trajectory envisages completion of the first 50 units at the site in 2019/20, subsequently increasing to 150 dwellings per annum thereafter until 2027/28 to full build out the site to capacity.

¹²¹ Stock Corner Farm, Stock Corner, Beck Row (APP/H3510/W/17/3189496) paragraphs 16 and 17

¹²² Berkeley Homes and St Edmundsbury Borough Council (June 2014) North East Bury St Edmunds Masterplan Document

Figure 1.3 Assumed Build-out of Compiegene Way (North-east) (2017 – 2031)



Source: St Edmundsbury Borough Council

Rougham Road (South-east)

Bury St Edmunds, St Edmundsbury

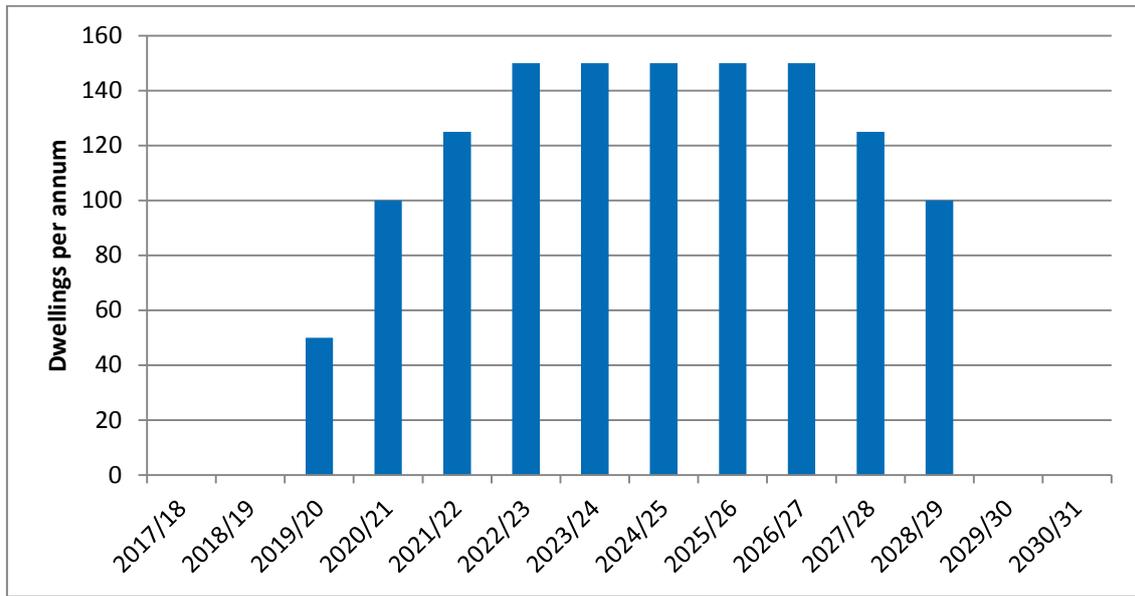
Remaining capacity of **1,250 homes**, including **275** assumed between 2017 and 2022

Again, **Rougham Road** was allocated through the Bury St Edmunds Vision 2031 (Policy BV7), which required production of a masterplan. The site remains subject to an outline planning application, which was submitted in December 2015 but is still awaiting a decision at the time of writing as the S106 agreement is still to be signed¹²³.

The trajectory anticipates completion of 50 units in 2019/20, increasing to 100 units in the following year (2020/21) and 125 units in 2021/22. This will be further stepped up to reach peak delivery of 150 units per annum between 2022/23 until 2026/27, before completing the site’s capacity with 125 and 100 homes in 2027/28 and 2028/29. This is outlined in the chart below.

¹²³ DC/15/2483/OUT

Figure 1.4 Figure 1.3 Assumed Build-out of Rougham Road (South-east) (2017 – 2031)



North-west Haverhill

Haverhill, St Edmundsbury

Remaining capacity of **1,150 homes**, including **375** assumed between 2017 and 2022

The Haverhill Vision 2031 document describes how:

“The Core Strategy confirmed the allocation of 42 hectares of land at north-west Haverhill primarily for new homes. The amount of land available for development has been informed by a masterplan which was adopted in 2009 following significant community engagement and then amended in 2011 to reflect a local desire to provide homes in a lower density environment in one part of the site”¹²⁴

This provides an indication of the lead-in time for this site, which was subject to an outline planning application¹²⁵ that was submitted in October 2009 but not decided until March 2015. It is noted that the consideration of the 2009 application had stalled following the economic downturn and serious concerns about viability, with serious discussion resuming in September 2013 following growth in the property market. The Haverhill Vision 2031 Local Plan document was adopted by SEBC in September 2014, with Policy HV19 requiring the production of a masterplan document for the site, which was completed in September 2015¹²⁶. A subsequent reserved matters application¹²⁷ – relating to a first phase of 200 dwellings only – was approved in September 2017, with its conditions currently being discharged by Persimmon at the time of writing.

¹²⁴ St Edmundsbury Borough Council (2014) Haverhill Vision 2031, paragraph 5.21

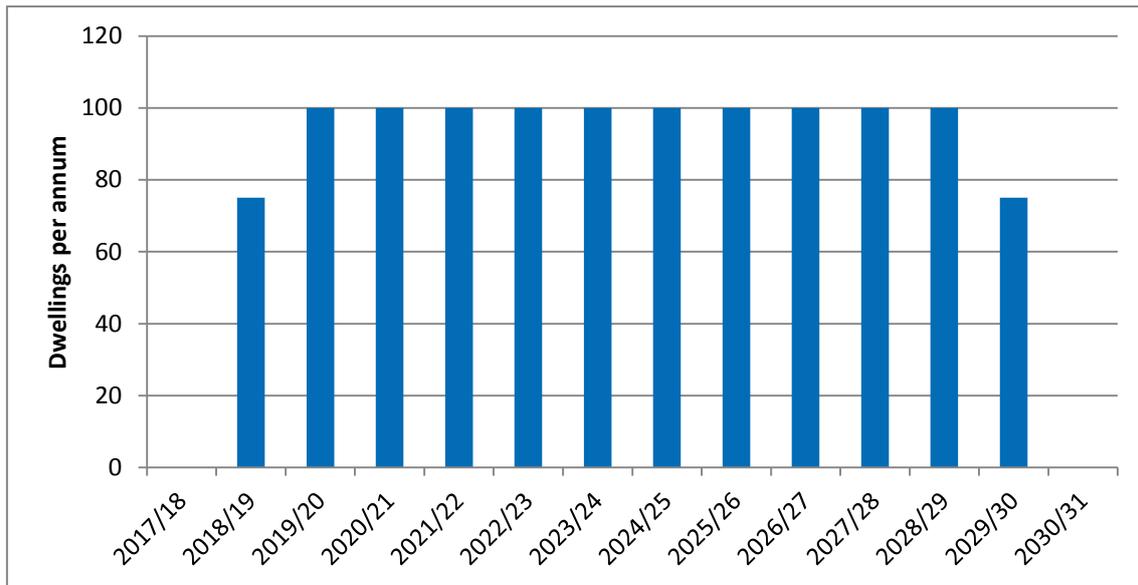
¹²⁵ SE/09/1283

¹²⁶ St Edmundsbury Borough Council (2017) St Edmundsbury Borough Council Overview and Scrutiny Committee: Update on Haverhill Town Centre Masterplan and North West Relief Road, Haverhill (Report No. OAS/SE/17/009)

¹²⁷ DC/16/2836/RM

The Council’s latest trajectory envisaged completion of the first 75 units in 2018/19, with build-out thereafter increasing to 100 units per annum to provide a total of 375 homes by 2021/22. This exceeds the 200 homes envisaged in the first phase of development, which was subject to the reserved matters application described above. Delivery is set to be maintained at 100 dwellings per annum up to an including 2028/29, before completing the site’s final 75 dwellings the following year. This is outlined in the table below.

Figure 1.5 Assumed Build-out of North-west Haverhill (2017 – 2031)



Source: St Edmundsbury Borough Council

It is additionally noted that 2018/19 council monitoring data (covering the period to April 2018 to December 2018) indicates that 2 completions were made during in this period, with a total of 44 further commencements. The developer (Persimmon) forecast that 50 completions will be achieved in 2018/19, this falling short of the 75 forecast by the above trajectory.

Fornham (North-west)

Bury St Edmunds, St Edmundsbury

Remaining capacity of **950 homes**, including **720** assumed between 2017 and 2022

Fornham was allocated through Policy BV3 of the Bury St Edmunds Vision 2031, requiring adoption of a masterplan before determination of any application. An appended Concept Statement for the site highlighted an anticipation that ‘*development is likely to commence early in the plan period*’¹²⁸.

An outline planning application for the site¹²⁹ was submitted in July 2013, and approved through the issue of a decision notice in October 2014. This has been followed by applications to discharge conditions and numerous reserved matters applications for the site, which is

¹²⁸ St Edmundsbury Borough Council (2014) Bury St Edmunds Vision 2031, Appendix 6 paragraph 1.4

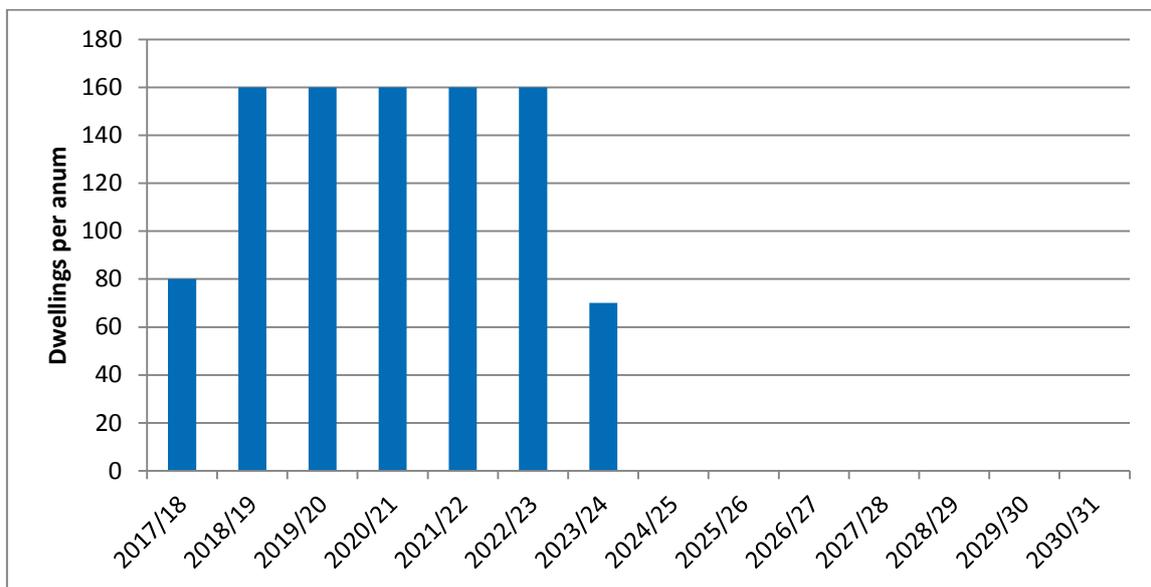
¹²⁹ DC/13/0932/HYB

known as Marham Park. A Planning Statement recently submitted in August 2018 confirms that:

“Marham Park is now under development with parcels being built out by Bloor Homes, Countryside Properties and Barratt David Wilson Homes. There are a number of units already occupied within the redline area and significant progress has been made on delivering the strategic road, drainage and landscape scheme within the site”¹³⁰

The trajectory shared to inform this study envisaged completion of 80 homes at the site in 2017/18, with build-out increasing to 160 dwellings per annum over subsequent years to 2022.

Figure 1.6 Assumed Build-out of Fornham (North-west) (2017 – 2031)



Source: St Edmundsbury Borough Council

It is noted that as of January 2019, up-front infrastructure is in place, with 3 active developers (Bloor Homes, Countryside and David Wilson Homes) on site. 2018/19 council monitoring data (covering the period to April 2018 to December 2018) indicates that these developers between them completed 77 homes during in this period, with a total of 113 further commencements made.

Moreton Hall

Bury St Edmunds, St Edmundsbury

Remaining capacity of **499 homes**, including **480** assumed between 2017 and 2022

Moreton Hall was an allocation in the Bury St Edmunds Vision 2031 (Policy BV4), requiring initial production of a masterplan. An appended Concept Statement indicates that this allocation provides ‘*limited further growth...that will complete the recent growth*’ of Moreton Hall. It envisaged the commencement of development early in the plan period, but specified

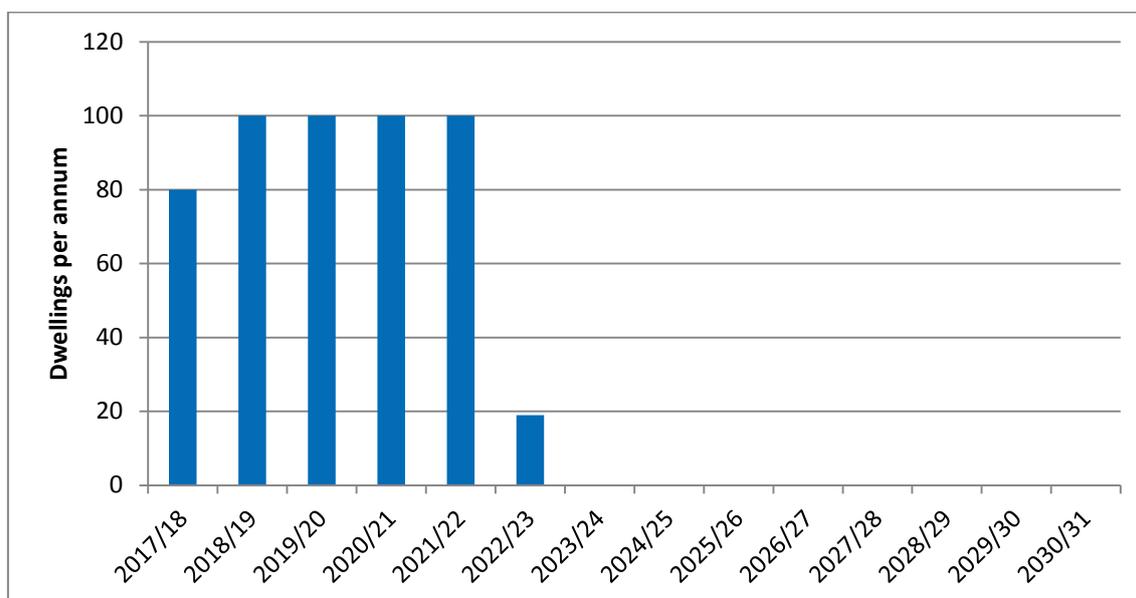
¹³⁰ Planning Statement submitted in respect of DC/18/1678/RM

that 'additional housing will not be permitted until the completion of the Eastern Relief Road to junction 45 of the A14 (Rookery Crossroads)¹³¹. The relief road opened in September 2017.

A hybrid application¹³² for the site – now known as Lark Grange – was approved in February 2016, providing full consent for 100 dwellings and outline approval for a further 400 homes. The intervening period has seen the discharging of various conditions and the commencement of construction at the site by Taylor Wimpey, with a reserved matters application for a second phase of 80 homes also approved in December 2017¹³³. A reserved matters application for the remaining 320 homes¹³⁴ was submitted to the Council in August 2018, which confirms that Phase 2 is now under construction. A decision on this application is awaited at the time of writing.

The Council's 5YHLS trajectory envisaged completion of the first 80 units in 2017/18, with completion of 100 homes annually thereafter until 2022, with a final 19 in 2022/23.

Figure 1.7 Assumed Build-out of Moreton Hall (2017 – 2031)



Source: St Edmundsbury Borough Council

2017/18 council monitoring data indicates that 39 homes were completed in this year, falling short of the 80 projected. 2018/19 council monitoring data (covering the period to April 2018 to December 2018) indicates that 27 homes were completed during in this period, with a total of 66 further commencements made.

¹³¹ St Edmundsbury Borough Council (2014) Bury St Edmunds Vision 2031, Appendix 7

¹³² DC/14/1881/HYB

¹³³ DC/17/1006/RM

¹³⁴ DC/18/1751/RM

Westley (West)

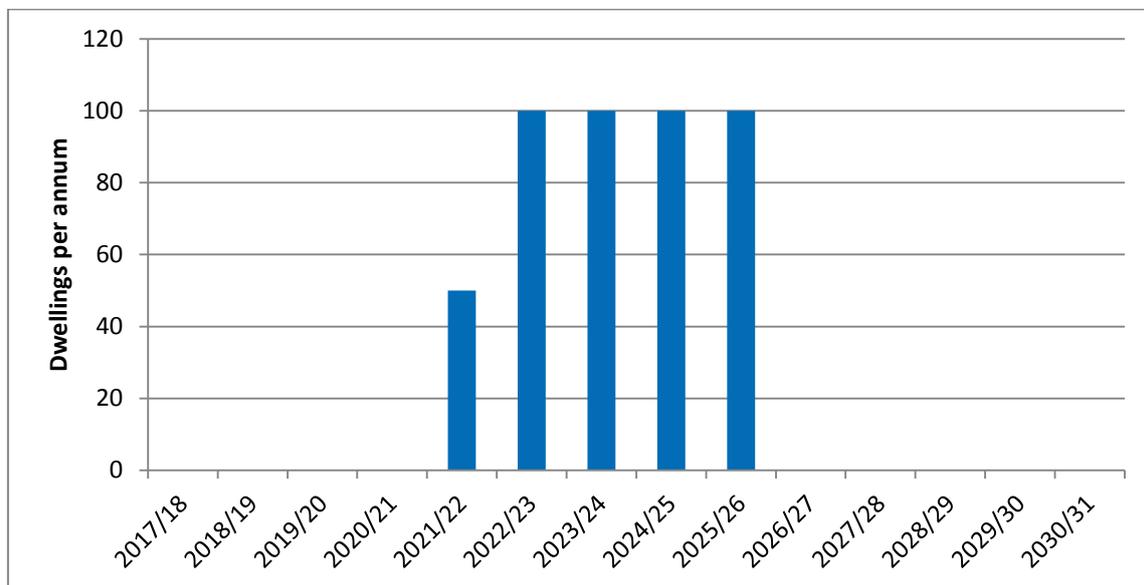
Bury St Edmunds, St Edmundsbury

Remaining capacity of **450 homes**, including **50** assumed between 2017 and 2022

A further allocation under Policy BV5 of the Bury St Edmunds Vision 2031, **Westley** again requires an initial masterplan before applications are determined. The appended Concept Statement highlighted that development was *'likely to commence early in the medium term'*, with access from a relief road to the east of Westley *'in the medium term'*¹³⁵. Construction of the relief road is yet to commence, and no planning application has yet been submitted.

The Council's trajectory does not anticipate a contribution from this site until 2021/22, when the completion of 50 homes is envisaged. Delivery of 100 homes per annum is forecast thereafter until site capacity is attained in 2025/26.

Figure 1.8 Assumed Build-out of Westley (West) (2017 – 2031)



Source: St Edmundsbury Borough Council

Land at North Lakenheath

Lakenheath, Forest Heath

Remaining capacity of **375 homes**, including **120** assumed between 2017 and 2022

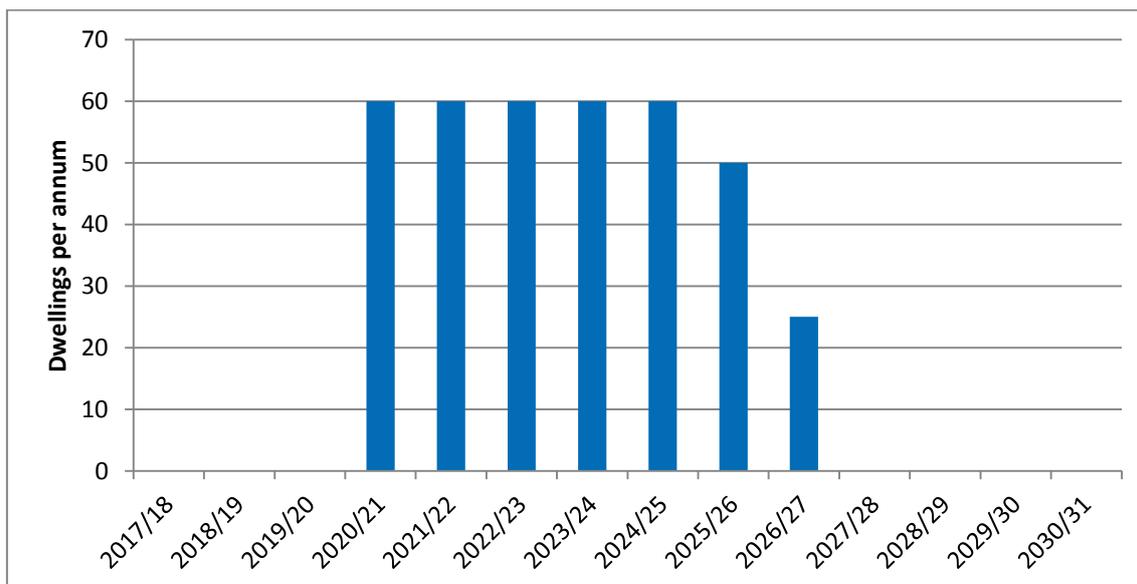
Land at North Lakenheath is an emerging allocation within the SALP, which focuses growth to the north of Lakenheath where capacity exists for a total of approximately 523 homes. This is the total yield of three sites, with land to the north of Station Road (SA8(b)) the largest of these component sites.

¹³⁵ St Edmundsbury Borough Council (2014) Bury St Edmunds Vision 2031, Appendix 8

The SALP references an emerging hybrid application¹³⁶ which seeks outline consent for 375 homes and a primary school on the site, the latter of which had a resolution to grant permission in August 2016.

The Council’s trajectory envisages the completion of 60 homes each year from 2020/21, with this rate of delivery assumed to remain constant until the last year of development (25dpa; 2026/27).

Figure 1.9 Assumed Build-out of Land at North Lakenheath (SA8 b) (2017 – 2027)



Source: Forest Heath District Council

Land east of Red Lodge (south)

Red Lodge, Forest Heath

Remaining capacity of **354 homes**, including **354** assumed between 2017 and 2022

The emerging SALP confirms in respect of **land east of Red Lodge (SA9(c))** that:

“There is a hybrid application which includes the demolition of Hundred Acre Farm and the construction of up to 268 dwellings, new public open space and other facilities, on land forming part of Phase 4a Kings Warren. A full application has a resolution to approve subject to legal agreement. This is for Phase A: construction of 106 dwellings (including the relocation of 3 committed dwellings from Phase 4a)...”¹³⁷

The site forms part of a wider development by Crest Nicholson, which is known as Kings Warren and received outline permission in 2003¹³⁸. A decision notice for this component of the

¹³⁶ DC/14/2096/HYB

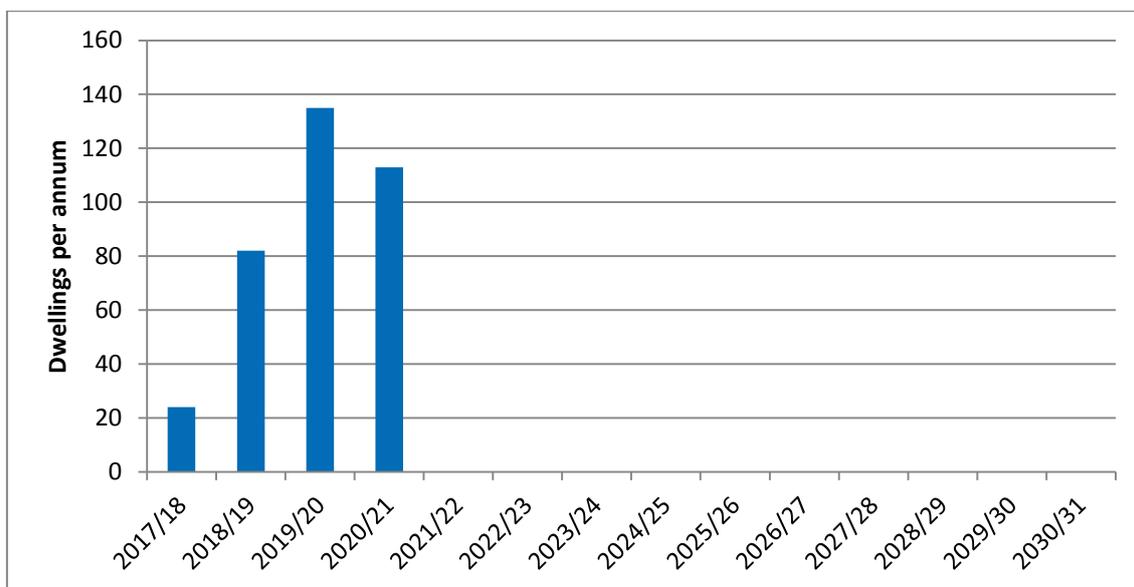
¹³⁷ Forest Heath District Council (2017) Proposed Submission Site Allocations Local Plan, paragraph 5.8.18

¹³⁸ Design Statement submitted in relation to recent Reserved Matters application (DC/17/0516/RM)

scheme was issued in June 2016¹³⁹, which has been followed by the discharging of conditions and the commencement of the first phase of development on site.

The Council’s trajectory envisaged the completion of 354 homes by 2021, with build-out peaking at 135 units in 2019/20.

Figure 1.10 Assumed Build-out of Remaining Capacity at Land East of Red Lodge (South)



Source: Forest Heath District Council

Land north of Acorn Way

Red Lodge, Forest Heath

Remaining capacity of **300 homes**, including **150** assumed between 2017 and 2022

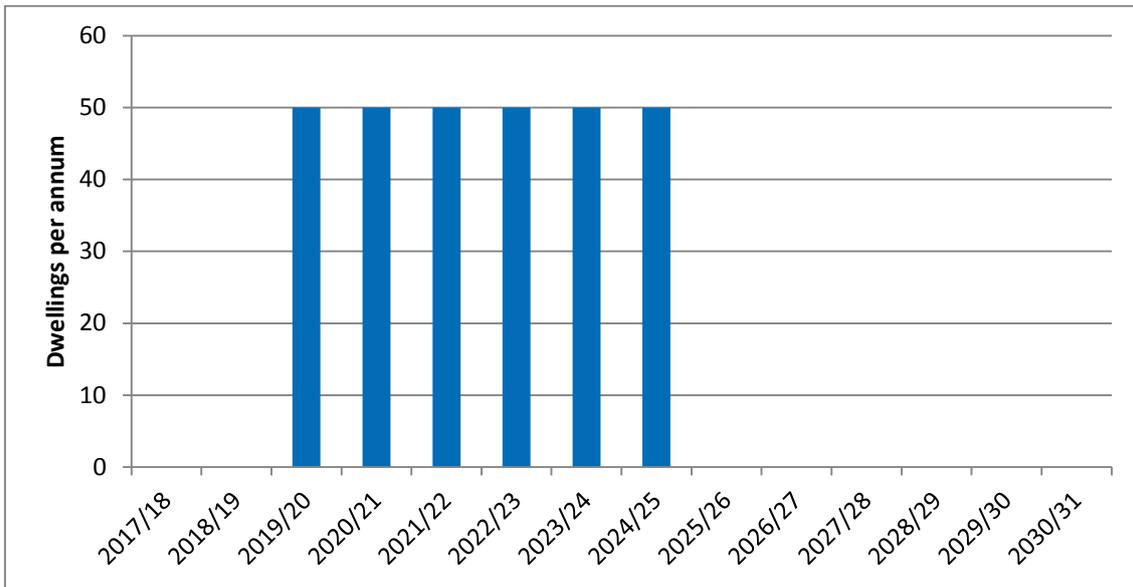
Land north of Acorn Way an emerging allocation in the SALP (SA10(a)), It is understood that a masterplan for the site is being prepared with no firm timescales for submission of a planning application.

The Council’s trajectory anticipates commencement of delivery in 2019/20, with the annual build-out of 50 homes each year through to 2024/25. A recent appeal decision in the district expressed concerns around the assumed trajectory for this site¹⁴⁰.

¹³⁹ F/2013/0257/HYB

¹⁴⁰ Stock Corner Farm, Stock Corner, Beck Row (APP/H3510/W/17/3189496) paragraph 20

Figure 1.11 Assumed Build-out of Acorn Way (2017 – 2031)



Source: Forest Heath District Council

Tayfen Road

Bury St Edmunds, St Edmundsbury

Remaining capacity of **215 homes**, including **215** assumed between 2017 and 2022

Tayfen Road was allocated through Policy BV9 of the Bury St Edmunds Vision 2031, which seeks to deliver mixed-use development with retail warehousing, a foodstore and leisure uses, alongside 100 homes (indicative). The mix of uses was to be determined through a masterplan, which must be adopted prior to the determination of any application.

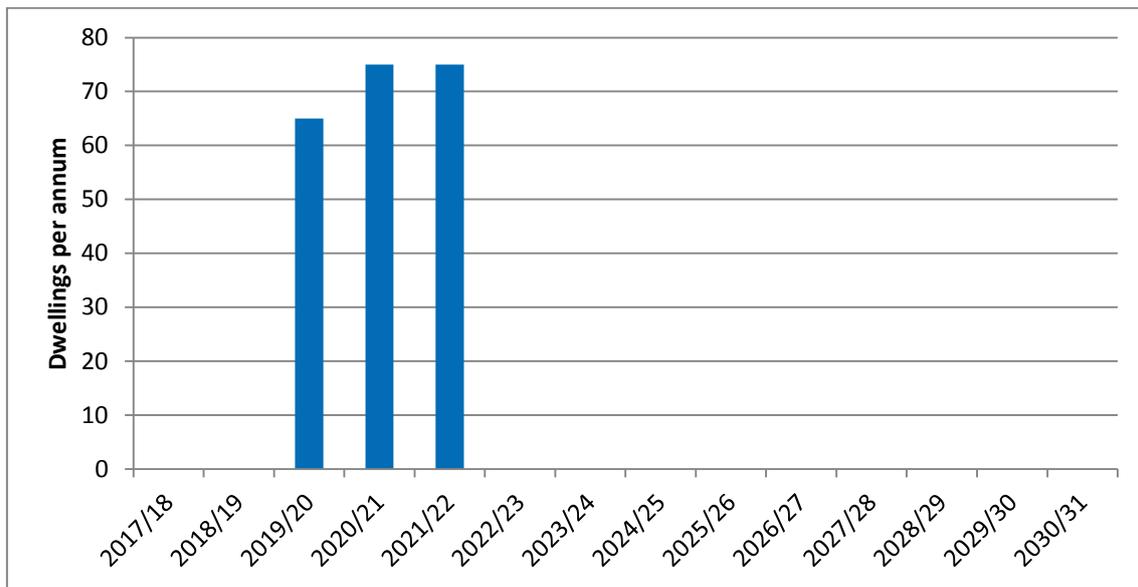
A revised masterplan was developed alongside submission of an outline application for part of the site only, which proposed up to 215 dwellings and a 60 bed care home¹⁴¹. This exceeds the indicative number referenced in Policy BV9 to reflect the incorporation of higher density flats in the central part of the site, which were proposed ‘*as part of a well-designed regeneration scheme and will help to achieve a commercially deliverable proposal*’¹⁴². The officer’s report confirmed that the resultant density is ‘*appropriate at this edge of town centre location*’, with outline permission granted through the issuing of a decision notice in December 2017.

The trajectory envisages all units being delivered between 2019 and 2022, with 65 homes completed in 2019/20 followed by 75 homes in each of the subsequent two years (2020/21; 2021/22).

¹⁴¹ DC/15/0689/OUT

¹⁴² Design and Access Statement submitted in respect of this application

Figure 1.12 Assumed Build-out of Tayfen Road (South)



Source: St Edmundsbury Borough Council

Land south of Burwell Road and west of Queens View

Exning, Forest Heath

Remaining capacity of **205 homes**, including **120** assumed between 2017 and 2022

Land south of Burwell Road and west of Queens View is an emerging allocation in the SALP, with its Policy SA12 requiring adoption of a Development Brief before determination of a planning application.

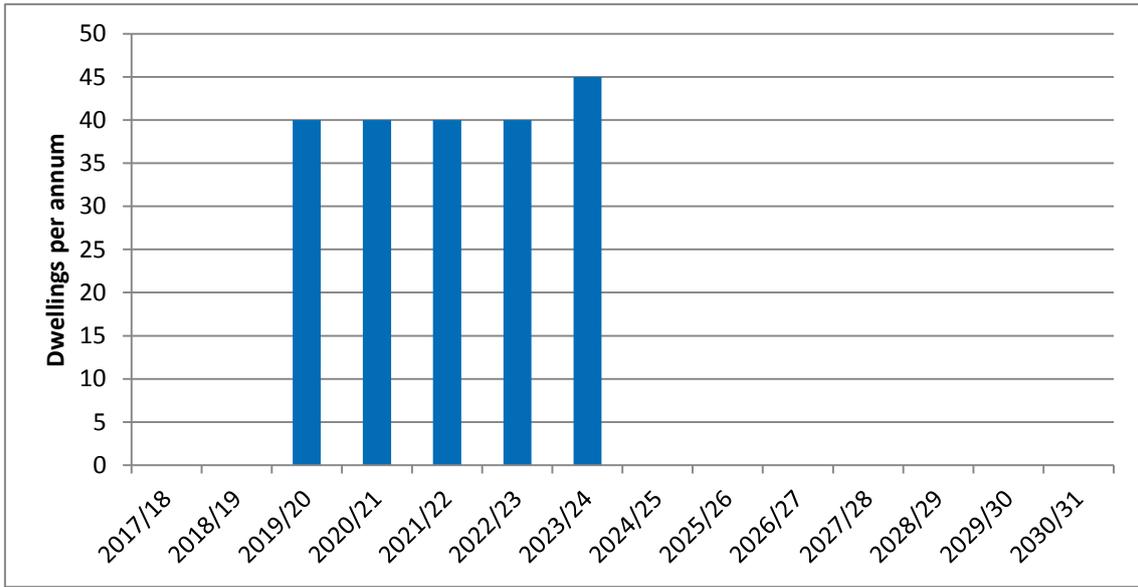
It references the site's promotion by Persimmon, which is also developing an adjoining site with extant permission for 120 homes under its Charles Church arm¹⁴³. This adjacent development is now complete (**Table 4.5**). It has been understood that the allocation is to come forward following the completion of the adjacent development, although an application is yet to be submitted at the time of writing.

The trajectory envisages the delivery of 40 homes per annum from 2019/20, peaking at 45 homes when completed in 2023/24. While the developer (Persimmon) endorsed these 'realistic' assumptions within a 2017 Hearing Statement¹⁴⁴, a recent appeal expressed concern around the envisaged timescales given the ongoing absence of a planning application.

¹⁴³ Forest Heath District Council (2017) Proposed Submission Site Allocations Local Plan, paragraph 5.10.8

¹⁴⁴ Boyer (on behalf of Persimmon Homes (Anglia)) Examination of the Single Issue Review of Core Strategy Policy CS7 – Response to Matter 3 – The Supply of Land for Housing and Matter 4 – The Spatial Distribution of Housing, 2017

Figure 1.13 Assumed Build-out of Land South of Burwell Road and West of Queens View



Source: Forest Heath District Council

Appendix 2: November Stakeholder Workshop Notes

The following presents a summary of the key areas of discussion within the stakeholder workshop held in November 2018. The workshop was attended by approximately 50 stakeholders who are all actively involved or interested in the operation of the housing market within West Suffolk.

The format of the event involved a presentation of emerging draft analysis relating to the housing delivery assessment which makes up part 1 of this report. This was then followed by a structured set of smaller group discussions to inform the development of recommendations to inform the housing delivery strategy. The event concluded with a feed-back session with the purpose being to identify three key issues arising out of the discussions.

Invitees and attendees to the workshop were invited to provide follow up comments within a two week period following the event to assist in informing the development of the report and its conclusions.

Specific observations or comments relating to the draft housing delivery assessment analysis

The suggestion was made that the Council could consider mapping out all land surrounding settlements which is under an Option for development. Officers advised the SHELAA will have a Call for Sites which is the first stage in identifying sites for consideration; this can pick up such sites.

There was surprise at the relatively high proportion of small sites that the draft analysis showed as contributing to completions. There was discussion about underpinning reasons, with the limited remaining FH Local Plan allocations considered to be a factor contributing towards speculative sites coming forward. It was raised that the Council could focus on identifying more small sites to come forward. It was noted by Officers that the SHELAA now requires identification of sites of 5 dwellings, which is smaller than previously included.

It was commented that community-led housing was can contribute to housing provision, but was not given prominence in the draft analysis presented to date. Schemes in Babergh District Council were cited for 4-6 dwellings and 18 dwellings in Lavenham. They can in effect take the place of rural exception sites i.e. not necessarily identified themselves in neighbourhood plan, but the need for such sites can sometimes be identified in it.

It was commented that small sites do not deliver affordable homes, as no policy requirement to do so. Council should push for affordable housing provision on small sites, as can be made viable when paying the right price for the land.

It was also commented that the Council should consider selling off small plots of land to small housebuilders or sell off small plots of serviced sites.

Wider discussion points noted through the workshop discussions

Experience of the housing market in West Suffolk

West Suffolk lies within commuter belt to Cambridge, so housing market reflects this especially along A14 corridor. West Suffolk needs to accommodate young people and the elderly population. Opportunities were discussed with regard to sustainable growth along the rail corridor, Newmarket and Bury St Edmunds, as well as the proposed upgrading/improvements of rail from Bury to Norwich and the high tech corridor. Reference was made to a report by Atkins.

Haverhill must have a planned balance of jobs and homes – not just affordable homes, but a mix to include homes attractive to higher-paid jobs. The research park site in Haverhill has not attracted an employment use. The two need to go hand in hand.

It was expressed that the Government encourages starter homes but nothing for the next step up e.g. family homes.

Housing trajectories

It was generally felt there is an over-reliance on big sites in the West Suffolk area, which are more complicated and take longer to deliver. A representative from a major house-builder considered the housing trajectories for the individual sites were unrealistically high – sometimes more than double what they themselves were projecting.

Building regulations and specialised housing

Specialised housing was highlighted as an effective means of freeing up larger, family-sized housing through enabling older residents who did not want to move into care homes to live more independently. It was raised that allocating sites at an early stage in the process as those suitable for specialised housing would mean that realistic prices were paid for the land and that lower sales values would be possible for developers.

Lack of flexibility in the planning system (focus on loss of B2 / B8 space)

It was agreed that the delivery of sustainable sites was often constrained by infrastructure issues. For example, industrial space is not always compatible with residential development, but residential cannot be delivered without the existence of nearby employment sites. Additionally, loss of B2/B8 sites is often cited as a reason to refuse planning permission for residential sites near to the centre of settlements, even if this is widely recognised as no longer the most appropriate use of the land.

Neighbourhood plans

Neighbourhood Plans were highlighted as a potential means of identifying sites and engaging more fully with residents when planning housing delivery. However, they should equally not be used as a way of stifling development. It was thought that closer ties between parish councils and the authority's Planning departments could help to manage Neighbourhood Plans in a way that would facilitate the delivery of the right kinds of homes in the right places.

What gets in the way of increased housing delivery?

The Council can be aiming to do the right things to boost housing delivery, but local councillors (District and County) often have to respond to a local agenda. This sometimes slows down approvals of schemes which are deemed to be acceptable, and this sometimes halts development – and may lead to development in less appropriate places. Officers at all levels need to work to explain the implications of their actions. However conflicting agendas cannot be totally avoided. There can also be conflicting agendas and priorities between the County Council and the Local Planning Authority, for example in agreeing s106 agreements.

So who has the responsibility for brokering deals, for progress chasing, bringing people together to resolve problems? i.e. who is the fixer?

It is not obviously any one person's job, so things can easily be stalled by people assuming it is for someone else to do this, and no one does it. Part of the problem appears to be that often no one is formally empowered to do this, but it is also a reflection of the relevant teams being very stretched. So, one potential solution could be to identify 'housing enablers' who are empowered to chase progress and bring people together to resolve issues that are delaying implementation.

To what extent do you think that small sites delivered by small builders are an important part of the solution to increasing delivery rates?

The role of small sites (and implicitly small builders) is important, but a major issue is the cumulative impacts of small scale development on service providers. For example contributions to health provision can only be captured on schemes of over 50 dwellings, but 5 schemes of 10 dwellings each have a material impact on demand for health services. There is no CIL in place to capture these cumulative impacts; and developers can challenge attempts to secure funding to support the impact of cumulative small scale developments.

Rural exception sites have a role, but can take a long time to come forward, and other there are viability issues and financial constraints. There can be interest in these schemes, but activists need to know who to contact to support them; establish need/demand can also be a challenge, though the Home-Link register helps where affordable housing is being provided, but it will tend not to identify former residents with local connections who would like to return to their home community. There is a need to connect people.

What is the role of the Registered Providers?

The RPs active in the area tend to be relatively small. Perhaps with a more ambitious plan and supporting framework, there might be more scope to attract RPs with a greater depth of resource and expertise.

Big sites are important

In contrast to the view noted above that there was too much reliance on larger sites it was also noted by others that whilst large sites are time consuming and can take a long time before they start to deliver, they have the scale necessary to fund strategic infrastructure, which is critical. From the District perspective, the feeling is that the County often controls this aspect of development and requirements that are important to the development that are more

modest, but still important can be difficult to secure. Additionally, it was noted that smaller sites may add to the numbers, but do not contribute significant levels of infrastructure.

General comments on delivery issues and actions to be taken in short, medium and long term to improve housing delivery.

- Reference was made to modern methods of construction and the capacity for factories to produce 250 homes per year, but where are those homes going to be built and by who?
- It was noted that volume house builders are active in Bury St Edmunds, but that a role for small sites and resurgence of small builders was emphasised. Long-term, national-level analysis presented based on the draft findings showed private sector builders as continuing to deliver at same rate over historic period, whereas council houses has fallen short. So this indicates that the gap needs to be filled by council house and RP. It was concluded that the area needs a range of small, medium and strategic sites. It was also thought that bringing forward smaller sites alongside communities could achieve more and better quality housing;
- The Council should look for opportunity to attract big institutional investors. The Council should acquire land and find funding for infrastructure. Opportunities for joint ventures to deliver housing should be explored.
- The planning process should be made smoother, as it has become much more involved submitting a planning application with all the supporting work to be done before and pre-commencement conditions. Cannot change statutory time periods but can make satisfying conditions (surveys work to be undertaken etc.) a smoother process to speed and simplify.
- Master planning is key to planning for the future – smaller sites need to be integrated in this approach as well as the large strategic sites. Better spatial master planning co-ordinated centrally is therefore required, although it was acknowledged that there is a squeeze on Council resources making it harder for LPAs to recruit staff e.g. planners.
- The need for good trajectory planning was also emphasised – seen as key for infrastructure planning and the timing for when strategic sites can be brought forward
- Developing brownfield sites is important and has been a positive contribution to housing development, but how much land is left and some sites might be better left as brownfield as they have ecological importance
- It was expressed that there can be an over-emphasis on quantity of housing delivery – should also take account of quality as we want to build communities for the future. Focus needs to be on developing communities and not just houses – understanding the DNA of the area in order to create a place. One size

doesn't fit all – requires early engagement with existing communities. Early and real engagement with consultees should take place, and not just when the planning application is submitted. More could be done in order to take consultation responses on board

- Land values need to be looked at. High values raise viability issues for the actual developers. Should not forego affordable housing due to “propping up” landowners return. Need to clearly understand what is meant by affordable housing – needs to be truly affordable and offer a wide range of products. Affordable housing also should not be clustered together nor disguisable from the rest of the development – make communities not just housing
- View expressed that Government has “locked in” high house prices. Must remember that borrowing is at an unprecedented low level and young people are taking out large mortgages, when rates rise this will have huge repercussions. The Help to Buy scheme is a short term measure and what support is there for those households when the term finishes? This should be considered.

Feedback session: Three Key Issues to be addressed

Following feedback at the end of the session, three “key issues” were identified as follows:

- Co-ordination/Project Management of infrastructure investment (not just roads, but social infrastructure), and effective working between District and County (and utilities)
- A growing issue of labour shortage for the construction trades; action is needed to gear up training in construction trades; a responsibility to be shared between developers, contractors and the public sector.
- It is hard to see how the enabling role (the fixer) required to accelerate housing delivery and enable an increase in diversity of delivery can be achieved without additional investment in staff and systems (e.g. IT) that increase staff efficiency.

Appendix 3: Additional Commentary on Modern Methods of Construction

The Government is championing the adoption of Modern Methods of Construction (MMC) and Homes England has stated that it will expect developers to use MMC on sites which it owns or is enabling. The major housebuilders are starting to adopt MMC in some developments, often high-density flatted developments, but as yet MMC are not mainstream on developments of low rise estate homes.

The adoption of MMC is probably a necessary condition if the Government is to achieve its target of delivering 300,000 new homes pa in England by the mid-2020s, because of the ageing construction labour force, the low level of new entrants to the industry, and the possible risk that EU nationals working in the UK construction industry will find more attractive opportunities elsewhere.

However, the key factor that determines the quantity of new homes built is, and always will be, demand, whether that demand is paid for by households and investors (private sector homes for sale and rent), or built by Registered Providers or public sector organisations funded at least in part by grants and borrowing at favourable rates of interest.

A private sector developer will not build without reasonable certainty of there being willing buyers of new houses or flats. Similarly without an investor, a Registered Provider, Homes England or a local authority willing to fund a development, no new homes will be built by the sector, be that on site or in a factory.

The challenge of increasing housing supply in the UK is more about the reliance on the traditional housebuilder model of development, supported by development of affordable housing by Registered Providers, than the particular method by which new homes are built. The mainstream development model has adapted itself to the planning system, which has for many decades placed restrictions on supply of development land, and therefore embedded landowner expectations of high values.

A particular challenge in seeking to establish MMC as a mainstream aspect of the housebuilding sector is the cyclical nature of the housing market. A business intending to invest in establishing a factory to build new homes using MMC, needs to have certainty of continuity of demand, because they will be investing in factory premises, and taking on labour on regular employment contracts.

To make the upfront investment, the business needs to be assured of continuity of demand, year in, year out. This is in contrast to the mainstream developer model in the UK, which relies heavily on sub-contractors, who in turn rely on sub-contracted labour. If the demand for new homes dries up, the developer simply stops building, and it can rapidly reduce its spending, because it enters into no new contracts with its sub-contractors.

This explains why some of the early adopters of MMC are developers with a very different model to that of the traditional housebuilders. The investment company Legal and General are establishing a factory in Leeds with initial plans for build 3,000 modular homes, both for its own developments but also to supply housebuilders and Registered Providers. L&G are reported to have invested £55 million in establishing their Leeds factory.

In 2015 about 140,000 homes were built in England, but it is estimated that only 15,000 homes, less than 11% of total output, were built using modular methods of construction. However, the housebuilding industry is starting to invest in MMC. For example Berkeley Homes indicated in June 2016 that in future it would deliver 20% of its output via factory built homes. Many developers of homes in major cities are adopting modular construction models (for example Urban Splash, Pocket Living, Essential Living, and Igloo).

Modular construction is particularly likely to be adopted for certain types of development. It is already widely used for the development of student accommodation and hotels, and it is easy to see that it will be used for development of similar types of properties, such as Retirement Homes, Extra Care facilities; and for new private Residential Rented Communities (Build to Rent to schemes) and for affordable housing.

The reason why modular housing is particularly suited to these types of housing is that there is no particular need to customise or differentiate the homes built. In contrast local authorities and owner occupiers may want their homes to be differentiated in some way from other houses on a site and developers may want to change the mix of homes in response to market demand. Generally modular solutions are being more widely applied to flats than to houses, though they can be applied to both.

The use of modular construction and other Modern Methods of Construction will, it is reasonable to assume, become increasingly common. There are a number of factors supporting the expansion of MMC.

- The construction labour force in the UK is ageing and is not currently being replaced. There is heavy reliance on construction workers from the rest of the EU, and this source of labour supply may be affected by Brexit. Off-site construction is based on permanent labour contracts, a skilled workforce, and a controlled indoor environment.
- It is claimed that it is much easier to achieve key environmental performance standards such as designing-in energy efficiency in a controlled factory environment than in the on-site environment. With a regular permanent staff team, rather than a rotating team of sub-contractors, it is suggested it is easier to achieve higher quality outputs.
- It is anticipated that modular construction will deliver cost savings once volumes are optimised. The comparison is made with the motor manufacturing industry, where detailed design, standardisation of components and volume production have driven down the real cost of cars and raised quality. It is argued that MMC will do the same for housing.

- The hope is that extensive use of MMC will reduce the cost of building homes, and therefore reduce the cost to purchasers (be they individual households, public sector landlords, registered providers or private landlords/investors). However, to deliver significant cost savings in the construction process it will be necessary to increase the volume of homes built by MMC significantly to secure economies of scale.
- It is claimed that building using MMC can deliver time savings of up to 6 months in the completion of new homes. This is largely due to avoiding the down time associated with building on site resulting from poor weather; and avoiding dependence on contract workers, who may have varied availability.

However, there are challenges to the growth of housing output delivered by MMC:

- Off-site construction requires detailed design at an early stage, and there may be considerable lead-in times to the development of an optimised design. Once the design is fixed there is no or little scope to modify the design or space planning.
- If MMC is to become mainstream, Local Planning Authorities may have to accept that they have much less influence over the design of proposed developments. The anticipated costs savings all flow from standardised, volume production, with only limited customisation.
- The upfront costs of establishing off-site manufacturing units are high. Therefore investors will want to be assured of continuity and volume of demand before they invest. Ideally this requires buyers who will assure continuity of demand even in a housing market downturn.
- Time savings in delivery of new homes will only be achieved if modules for particular developments can be delivered when complete. This requires effective programme management to ensure that sites are ready to receive modules as soon as they are completed.

The use of Modern Methods of Construction will increase, but early adoption is occurring mainly in larger cities, particularly for flatted developments and dense urban schemes. In part, the cities are early adopters because there are a much wider range of developers active in the cities, including those willing to innovate. It may also be that Planning Authorities are also more geared up to accept non-traditional designs.

However, it is unclear if MMC will, on its own, result in delivery of more new homes. MMC is essentially a supply-side response to the need for housing. It will only increase the effective demand for new homes, if new homes can be delivered by MMC at lower cost than by traditional methods. This will increase demand either by pricing-in those wishing to buy their own home, or allowing landlords to build more homes than they would otherwise be able to do.

Probably the most important aspect of MMC is that it is associated with the emergence of a new set of developers into the UK new homes market. The mainstream housebuilding

industry has become increasingly concentrated over the last 20 years, while, as previously noted, the SME housebuilding sector has shrunk considerably. The housebuilding industry has therefore become less competitive, which is not healthy.

Increasing competition in the housebuilding sector should, over time, deliver more homes and improved efficiency, along with innovation. However, innovation is being driven largely by the development sector in the big cities, where there is real depth of demand. For West Suffolk, providing sufficient sites are provided for development, the key factor constraining development is likely to be the depth of demand.

MMC will not affect the demand for new homes unless it has the effect of reducing house prices, either by significantly reducing the cost of building a new home; or by expanding supply so greatly that the average cost of new homes falls. Neither of these outcomes are likely to be achieved in the next decade. MMC may, however, be essential to maintaining current levels of housing delivery and increasing delivery.

MMCs are currently being used most extensively in urban areas, and are well suited to development of large scale sites with relatively high densities, and in the development of mid-rise and high-rise developments. MMC are currently less likely to be found in more traditional low rise developments, and developments where there is a requirement to provide a diversified product.

To summarise, MMCs are not going to change the fundamentals of the UK housing market. The single factor most likely to accelerate the adoption of MMCs are labour shortages or large scale public sector intervention in building for lower income households. Clear evidence of MMC homes providing higher build standards and easier and lower cost maintenance than traditional build homes will accelerate adoption of MMC, and lay to rest traditional methods for all mass production homes.

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