DCAPLCOR
10/00408/OUT
JH

Nathaniel Lichfield & Partners
Planning. Design. Economics.

Mr J Hicks
Principal Planning Officer
Development Control,
Hinckley & Bosworth Borough Council,
Council Offices, Argents Mead,
Hinckley, Leicestershire,
LE10 1BZ

3rd Floor
One St James's Square
Manchester M2 6DN

0161 837 6130
manchester@nlpplanning.com

nlpplanning.com

Date 29 September 2011
Our ref 12221/03/MW/CRo/1912240v1
Your ref 10/00408/OUT

Dear James

Hinckley Road Stoke Golding [10/00408/OUT]:
Matters for Further Consideration

On behalf of our client Morris Homes (East Midlands) Limited, we write concerning the Inspector's decision to dismiss the appeal against the refusal to grant outline planning permission for the development of 60 dwellings at Hinckley Road, Stoke Golding.

Since the Inspector's decision on 10 May 2011, we are aware of several significant changes regarding the Borough's 5-year forward supply of housing land; the developability of the Sustainable Urban Extensions [SUEs] which form a key element of HBBC's spatial vision; and, the deliverability of the Mar City site in Stoke Golding.

As such, we set out for your consideration the likely implications of these points and how our site could, if reconsidered, assist HBBC in meeting its housing objectives.

Recent Appeal Decision at Leicester Road, Hinckley

There have been significant changes to HBBC's housing supply and the deliverability of key sites. This has culminated in a key decision by an Inspector regarding an appeal site at Hinckley Golf Club, Leicester Road, Hinckley [ref: APP/K2420/A/10/2142660].

As you will be aware, the Inspector allowed the appeal and granted planning permission for an outline application for 232 residential units on the grounds that HBBC could not demonstrate a 5 year supply of housing land, and that despite being located in a 'Green Wedge', the site was sustainable.

The Inspector raised a number of key points that demonstrate the extent to which the planning landscape has evolved since the time of our original application.

Housing Land Supply

The Inspector noted that the Council's most recent housing land supply figures (as of April 2011)

indicated that, at best, they had 3.6 years worth of forward supply, and hence could not demonstrate an up-to-date 5-year supply of deliverable sites. The Inspector also noted that when the application was first considered, the level of supply had stood at 4.4 years and had fallen steadily since that time. She therefore concluded that:

> *"This shows a continuous downward trend over a very short period of time and the Council now have well below the required 5 year supply (as set out in PPS3) and a level materially below that considered in recent appeals."* [¶12]

The Deliverability of the SUEs

The Inspector considered the issue of the deliverability of the SUE sites, which will be crucial for HBBC to achieve its medium/long term housing supply goals. The Inspector pointed out that there has been a considerable delay in the adoption of both the Area Action Plan for the SUEs (currently running a year behind schedule) and the production of an SUE Infrastructure Plan. As a result, the Inspector concluded that the appellant's assumption that no dwellings would be completed until 1 April 2014 at the earliest was not unreasonable *"and possibly even a little optimistic."* [¶15]

The Inspector subsequently took the view that HBBC's housing trajectory would have to be altered to postpone the start date for housing delivery at the SUEs by at least 2 years later than planned, pushing more development into the later years. As a result, *"there is a strong chance that the SUEs will not deliver the projected 4,150 dwellings in the plan period...when weighed with the continually falling housing land supply and in particular the anticipated problems with the deliverability of the SUEs in the short term, it starts to become far more worrying."* [¶16]

As such, the Inspector considered that the Council should employ their contingency strategy for housing delivery, which centred upon a review of sustainable sites identified in HBBC's SHLAA should the SUEs fail to deliver the housing requirements in the CS. This is an important point relevant to the Stoke Golding site, which was identified as being suitable for residential development in the appeal decision [APP/K2420/A/10/2138596].

The Inspector made a final reference to the Stoke Golding appeal decision, stating that *"on reading this decision it seems that the Inspector had not been made aware of the likely delays in delivering the SUEs or indeed the second appeal decision."* [¶19]

Taking all this into account, the Inspector concluded that due to the delayed programme for delivering the SUEs and the continuing falling housing land supply, there is a pressing need to remedy the situation. She attached significant weight to the advice in the written Ministerial Statement, 'Planning for Growth', which promotes sustainable economic growth and the need to maintain a flexible and responsive supply of land for key sectors, including housing.

Mar City Site Update

It is clear from the Stoke Golding Appeal Inspector's decision that, in the absence of the permission granted on the convent site, the application for residential development at the Hinckley Road site would, in all likelihood, have been approved. As noted by the Inspector:

> *"As things now stand, the minimum addition of 60 dwellings identified in policy 11 has, given the recent planning permission for 59 dwellings at the Convent site, the few other 'committed'*

> *developments and the 'completed' dwellings (be they 14 or 32), already been easily exceeded."* [¶20]

As a direct consequence, he considered that the appeal site would result in the over-provision of housing land in Stoke Golding to the detriment of the Core Strategy's spatial vision. However, the Inspector accepted that *"where market conditions have changed significantly or where the trajectory is clearly 'off course', it may well be necessary to review the Strategy and to update the level of provision."* [¶21]

Mar City's outline application for a residential development of up to 59 dwellings was approved on 9th September 2010. A s106 planning agreement was subsequently agreed between Mar City and HBBC which stipulated that 40% of the homes would be affordable.

Furthermore, a condition attached to the approval requires that any application for the approval of reserved matters shall be made within 1 year from the date of the permission, and that the development shall be begun not later than 1 year from the date of approval of the last of the reserved matters to be approved. Mar City submitted a reserved matters application for the site, which was subsequently approved by HBBC on 24 June 2011. This means that Mar City has until the end of June 2012 to commence development before the permission expires.

However, we understand that Mar City is currently negotiating with HBBC to enter into a deed of variation to alter the current s106 agreement so that the number, quality standards and tenure of the affordable dwellings and key milestones for their delivery can be revised.

According to the *'Affordable Housing Delivery Proposals'* document submitted to HBBC by Bridgehouse property consultants on behalf of Mar City in April 2011, *"the scheme is not financially viable at either a policy compliant level of affordable housing or at 40% with all of the affordable housing being Intermediate."* [¶5.1] Instead, the consultants concluded that 15% provision of affordable homes is more likely to be commercially attractive to potential Housing Association partners.

Until an agreement is reached between the two parties, it is clear that the permission as it currently stands is not viable and will not be delivered. Furthermore, the proposed reduction in the proportion of affordable homes, from 24 dwellings to just 9, would materially reduce the benefits of the convent site scheme compared to the Morris Homes scheme. The presumption that the convent site would provide a substantial level of affordable homes was a contributory factor referenced by the Inspector when considering the merits of our site at Stoke Golding, namely:

> *"I agree that the affordable housing targets for the rural areas of the Borough are not being met and that the appeal proposal would represent a modest reduction of that shortfall by providing 24 additional affordable units. But the permission for the Convent site would provide a similar number of affordable homes and the logic of directing enough additional residential development to rural areas to make up the number of affordable dwellings required would run the risk of undermining the urban focus of the Strategy."* [¶25]

As such, and given the severe need for affordable housing in the rural areas of the Borough, it is considered that the Council should not agree to Mar City's request to reduce the number of affordable homes to be delivered on the convent site.

It is suggested that the Council should let the extant permission expire in June 2012, as Mar City's intention to enter into a deed of variation with HBBC reducing the amount of affordable housing to 15% would fail to meet Core Strategy requirements. In this eventuality, HBBC would then be in a position to revisit the Hinckley Road application, which would provide 24 affordable dwellings at the higher 40% rate.

Benefits of Hinckley Road Site Remain

As you will be aware, the main reason for the Inspector's decision to refuse permission for the residential development of the site was on the basis of settlement policy. His decision confirmed that there are no technical, conservation or agricultural objections to the site's development, whilst local residents' objections to the scheme were rejected by the Inspector. As such, the site was found to be suitable for development. This is a very important consideration, particularly taking into account the appeal decision discussed above.

Morris Homes wishes to reiterate that the benefits of the proposed development at Stoke Golding would remain should the Council wish to reconsider the application. These include:

1 The provision of 59 residential units, which would go some way to addressing the significant under-supply of housing land in Hinckley and Bosworth. The fact that the site is viable and can be delivered within a relatively short time frame following planning approval would assist the Council in meeting their 5-year forward supply policy requirement;

2 40% of the units would comprise affordable dwellings (24) in an area where the Council has identified high demand and, of those, 75% (18) would be 'social rented' and 25% (6) 'intermediate' housing, all carefully integrated into the scheme. This would complement the existing residential area, widening the existing range and choice of housing to meet local needs. In particular, the proposed affordable housing would offer an opportunity for the young people of the village and elderly persons, to occupy smaller properties. There would therefore be no need to agree to a lower level of affordable housing provision at the Mar City site.

3 The development of the site will help to sustain the existing services and facilities in the area, including the local shops and schools. It will also help sustain public transport facilities in Stoke Golding, to the benefit of the wider community.

4 There are no physical or environmental constraints on the development. There are no features of ecological importance and the existing trees on the site will be largely retained and a management regime implemented to secure their longer term future. The indicative development scheme seeks to integrate landscape (both existing and proposed) with the built form establishing a sense of place that complements the existing character of the village.

5 The proposed development would result in a good mix of housing that reflects the needs of the local community for family housing, helping to create a more balanced community. There would be a mixture of dwelling types including terraced, semi-detached and detached properties in order to meet the Core Strategy requirements.

6 The proposed layout would meet the overall space requirements set out in the saved policies of the Local Plan. It would incorporate a total of 0.99ha of open space including 0.54ha of informal open space; 0.3ha of formal open space (incorporating a kickabout area); and

0.15ha of children's play space incorporating a LEAP. The main area of open space for future residents would be provided on the north western side of the site, where a village green is proposed with a children's play area.

Conclusion

In conclusion, whilst our client recognises the Inspector's decision concerning the Hinckley Road site, we are of the view that circumstances have materially changed since May 2011. As recognised in subsequent appeal decisions, as of April 2011 HBBC has just 3.6 years forward supply of housing land, and there has been a continuous downward trend over a short period of time. Furthermore, it has been demonstrated that the SUE sites, which form such an important element of the Council's forward supply, have fallen well behind schedule and will not begin to come on stream until 2014 at the earliest. As such, the Council has an acute housing shortfall that is significantly worse than at the time of our original application, a fact stated by the Inspector at the Leicester Road appeal.

Furthermore, it is clear from the Stoke Golding Inspector's findings that he considered that the Morris Homes site was sustainable, and that the main reason for refusal related to the fact that planning permission had been granted for a similar number of units on the nearby convent site. To allow both developments would have an adverse impact on the Core Strategy's spatial vision too soon after its adoption. As we have illustrated above, Mar City have stated that their permission as it currently stands is not viable, and that it will not come forward without a substantial reduction in the number of affordable homes, which was a clear benefit of the original scheme.

Morris Homes have reaffirmed their commitment to delivering 60 residential units on this sustainable site, which can be viably brought forward in the short term even with a 40% affordable housing commitment. This would go some way to addressing HBBC's affordable housing need and 5-year housing land shortfall. There would therefore be no imperative to agree a lower affordable housing figure with Mar City for the convent site, and HBBC should let the permission expire.

On this basis, we respectfully request that you will give further positive reflection to the proposed development of the Hinckley Road site. Morris Homes would welcome the opportunity to discuss these considerations further and would be happy to attend a meeting with HBBC Planning Officers ahead of potentially resubmitting the application later this autumn.

If you have any queries please do not hesitate to contact me.

Yours sincerely

P.P. C.J. Rhodes

Michael Watts
Director

DEVELOPMENT
SERVICES

3 0 SEP 2011

RECEIVED