

GLOUCESTER CITY PLAN EXAMINATION

RESPONSE TO POST HEARING SUBMISSIONS ON BEHALF OF PEEL GROUP (RESPONDENT ID:19669921)



MATTER 11: IDENTIFYING AND MAINTAINING A SUPPLY OF HOUSING RESPONSE TO EXAM 7A – GCC NOTE – GCP HOUSING REQUIREMENTS (UPDATE POST HEARING) RESPONSE TO EXAM 11 – GCC 5YHLS 2021 REPORT (UPDATE) 24.06.21

Summary of Representations

1. This response to the post-hearing comments should be read alongside representations made in February (ID comments: 400, 403, 411, 503, 509) and further comments made in April 2021 on behalf of The Peel Group.
2. The post hearing notes prepared by Gloucester City Council ('GCC') have done little to persuade in respect of identifying and maintaining a supply of housing. The Gloucester City Plan ('GCP') does not identify sufficient land to meet the housing target for the City over the plan period. More site allocations are needed in order to significantly boost the supply of housing and to satisfy the requirement to meet housing needs.
3. The assumptions adopted in the supply of housing calculations appear woefully optimistic, ignore the evidence of matters such as windfalls, place too much reliance on delivery of strategic allocations and have no regard to well-publicised industry-wide issues such as scarcity of building materials and substantial fluctuation in price of materials.
4. The failure to meet the full housing needs as identified in the adopted Joint Core Strategy ('JCS') and setting aside that that 'need' did not account for the full needs of Gloucester, has the potential to undermine wider investment in the local economy, open the door to opportunistic planning applications resulting in unsustainable patterns of development and fail to meet the housing needs of the local population, undermining the GCP as a whole.
5. The GCP has not been positively prepared and is unjustified.
6. The allocation of the Madleaze site as part of a wider Canal Corridor allocation for housing-led mixed uses is required to make the GCP sound and in order for the GCP to meeting the minimum JCS defined housing requirement and to boost the supply of housing.

Response to Exam 7A

7. This document compares the position at March 2021 to that when the JCS was adopted in 2017.
8. Despite the continued failure to meet the annual housing requirement of 718 dwellings per year for all years, save for one, GCC make the surprising and counter-intuitive claim of having an

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'oversupply' of 636 dwellings above that identified as the 2017 position for Gloucester City Capacity.

9. Over the period 2017/18 - 2020/21, GCC has under supplied against the annual 718 dwelling requirement by 629 dwellings (see Table 1 of Exam 11, 24.06.21). How this undersupply, a continuation of the trend from the start of the plan period, could possibly lead to an 'oversupply' of housing in any calculation is baffling and is completely unexplained.
10. This slight-of-hand must stem from the assumptions adopted by GCC in respect of delivery, lapse rates and windfalls. There is also no account taken for dealing with the undersupply in these calculations.
11. We have commented previously that windfalls are adopted at a rate not supported by the delivery from windfalls for the first 10-years of the plan period. This suggests a windfall rate of 41 dwellings per year is appropriate, whereas GCC has assumed 64 dwellings. We note that this was 'agreed' at the JCS examination, but as the clear evidence of what is happening in Gloucester does not support this, it is folly to continue to use an outdated figure which will continue to skew the housing figures and perpetuate the undersupply.
12. We further note no lapse rate is adopted in the figures presented in Exam 7A. This optimistic assumption again skews the figures, giving the illusion of 'oversupply'.
13. Finally, there is no commentary or allowance by GCC of the industry-wide issue of scarcity of building resources which is cause significant delays and increase in prices, and thus impacting viability, in the assumptions adopted for delivery. One such article from The Times, 27 January 2021 says the industry is facing a damaging shortage of building materials including roof tiles and timber ([Shortage of building materials puts a ceiling on construction industry | Business | The Times](#)). This continues to be borne out by on-going tender processes which Peel Group is currently running.
14. In short, there is no oversupply of housing. Unless more sites are identified in the GCP for housing the poor performance of housing supply in Gloucester will continue.

Response to Exam 11

15. GCC purport to show a 5.02year supply of housing. In our view the assumptions adopted in order to supposedly demonstrate this supply of housing are overly optimistic, differ from even those presented by GCC less than two months earlier and so appear contrived.

16. The supply is split as follows:

5YR Supply	4,826	
Permissions (5+)	1,642*	(34%)
Permissions (1-4) + windfalls	209	(4%)
Brownfield Sites	92	(2%)
City Plan Allocations	550	(12%)
Strategic Allocations	2,333**	(48%)

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* 1,892 from Table 2 of Appendix 3 of Exam 11, less 250 dwellings from 'Land South of Winnycroft Farm', which is a JCS Strategic Allocation (as per Appendix 2, Exam 7A).

** 2,083 from Appendix 6 of Exam 11, plus 250 dwellings from 'Land South of Winnycroft Farm' (as per Appendix 2, Exam 7a).

17. The figures above highlight the reliance of the five-year housing land supply position on the build out of the strategic allocations, with nearly 50% of supply being from just four JCS Strategic Allocation sites. This reliance brings about particular risks – any slippage or changed phasing with any of these sites will leave GCC exposed. Indeed, housebuilders will not want to flood the market and so will temper their delivery to ensure areas are not saturated with new housing, which will be a real risk with the build out rates assumed by GCC. This will be particularly relevant when delivery is coming forward on only four sites.
18. Dealing with windfalls, the 64 dwellings per year exceeds the evidence from the first ten years of the plan period. We note a lapse rate has been included in this, but it is unclear what assumption is used and it is equally unclear how the 209 is derived, as the figures set out in Table 1 of Appendix 2 of Exam 11 do not appear to come to 209. As such, doubt must also be raised on the reliability of this figure.
19. Turning to the delivery from the City Plan Allocations (550), this is assumed to be greater than that assumed by GCC in May 2021, which was 495. No explanation or evidence is presented to support this renewed optimism or changed position.
20. The changed position suggests a delay in delivery for these City Plan Allocations from that assumed in May 2021, plus an accelerated assumption for delivery in the latter years of the five-year supply period, see below. No explanation or evidence is provided to support this changed position:

	21/22	22/23	23/24	24/25	25/26
May(495)	0	45	145	145	160
July (550)	0	15	130	165	240

21. Overall, supply appears contrived to show a positive five-year land supply. The altered assumptions on delivery are presented without any explanation or justification. They appear overly optimistic and are too heavily reliant on delivery of four strategic sites, at a high build out rate which would risk market saturation and are not therefore ever likely to be achieved. No regard appears to have been had to matters such as acute shortage of building materials across the industry, the desire not to saturate the market in one area and for one house type/builder and general delays which have resulted in no houses being delivered on the City Plan Allocations in the first ten years of the plan.

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Conclusion

22. In conclusion, the position remains as per our original representations. The GCP does not allocate sufficient land for housing in order to meet the Government's objective of significantly boosting the supply of homes. More allocations are required in order to make the GCP positively planned and justified.
23. The allocation of the Madleaze site as part of a wider Canal Corridor allocation for housing-led mixed uses is required to make the GCP sound and in order for the GCP to meeting the minimum JCS defined housing requirement and to boost the supply of housing.