

Updated Statement on Matter 2

On behalf of Pegasi Limited

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Contents.

| | |
|--|----|
| 1. Introduction..... | 3 |
| 2. Five-year requirement | 4 |
| 3. The supply | 6 |
| 4. Five-year land supply position..... | 11 |
| 5. Plan period supply | 12 |

1. Introduction

- 1.1 On 3rd June 2025, the LPA published a new Housing Trajectory and Five Year Housing Supply Update.
- 1.2 This raises new issues which could not have been addressed in the previous Matters Statements. As such the Inspectors have afforded Pegasus Group the opportunity to provide this further representation to address newly arising issues.
- 1.3 In particular, the previous trajectory of the LPA demonstrated that once past under-delivery was taken into account, as the LPA now accept should be the case, a five-year land supply (5YLS) was unable to be demonstrated. As such, the only matter that was material to the existence of a 5YLS was whether past under-delivery should be taken into account, and it was not necessary to consider the deliverability of individual sites as this was not material to the soundness of the Local Plan.
- 1.4 However, the LPA now suggest that a 5YLS will be able to be demonstrated once past under-delivery is taken into account. The consequence of this is that the deliverability of individual sites is now material to the existence of a 5YLS and thereby to the soundness of the Local Plan.
- 1.5 It should however be noted that owing to the very recent publication of the new trajectory, it has not been possible to undertake a comprehensive assessment of the deliverable supply prior to the submission of this statement. Notwithstanding this, based on a high-level review, it is apparent that the supply of the LPA is over-stated in numerous regards as addressed in this statement.
- 1.6 References to the NPPF are to the December 2023 version unless otherwise stated.

2. Five-year requirement

Taking account of past-delivery

- 2.1 The LPA acknowledge in paragraph 3.2 of UTT5 that it is appropriate to take account of under-delivery as required by the PPG. This gives rise to a requirement (excluding buffer) of 3,831 homes over the period 2026–31 as set out in Tables 2, 3, 5 and 6 of UTT5.

The buffer

- 2.2 The LPA acknowledge that at present it is necessary to apply a 20% buffer in paragraph 4.2 of UTT5, given that the latest HDT result is 69%.
- 2.3 The LPA however now suggest that following the publication of future HDT results, a 5% buffer will become applicable and therefore the examination should proceed on this basis.
- 2.4 This is incorrect for two reasons.
- 2.5 Firstly, paragraph 80 of the NPPF states:

“The Housing Delivery Test consequences set out above will apply the day following the annual publication of the Housing Delivery Test results, at which point they supersede previously published results. Until new Housing Delivery Test results are published, the previously published result should be used.”

- 2.6 The NPPF is therefore explicit that the latest results should continue to be used until new results are published. Therefore, at least at present, the examination should proceed on the basis that a 20% buffer is applicable.
- 2.7 Secondly, the LPA have estimated what they consider the next HDT result will be. In so doing, the LPA has assumed that the minimum local housing need (LHN) of the former standard method will be applied for 2023/24 when calculating the HDT. However, this is as yet uncertain, and I would suggest that it is more likely that MHCLG will use the minimum LHN of the current standard method for 2023/24. Assuming this is the case, the next HDT result would be 81% as calculated below. This would still necessitate the application of a 20% buffer.

| Using which LHN for 2023/24 | Number of homes required | | | | Number of homes delivered | | | | HDT result |
|-----------------------------|--------------------------|---------|---------|--------------|---------------------------|---------|---------|--------------|------------|
| | 2021/22 | 2022/23 | 2023/24 | Total | 2021/22 | 2022/23 | 2023/24 | Total | |
| Former LHN | 700 | 692 | 684 | 2,076 | 208 | 740 | 828 | 1,776 | 86% |
| Current LHN | 700 | 692 | 804 | 2,196 | 208 | 740 | 828 | 1,776 | 81% |

2.8 Therefore, at least at present, a 20% buffer should continue to be applied. In the event new HDT results are published these should then be used, but whilst this is uncertain, I consider that it is likely that a 20% buffer would still be required.

2.9 Indeed, it would be remiss to rely upon the existence of a 5YLS that may arise if and only if new HDT results are published during the period of the examination and these do not require a 20% buffer, as in the event that no updated results are published or these are published and require a 20% buffer, a 5YLS will still be unable to be demonstrated and the Local Plan would be unsound.

The five-year requirement

2.10 With the 20% buffer that is currently applicable, the LPA correctly identify that there is a five-year requirement for 4,597 homes in Table 5 of UTT5.

2.11 Against this, the LPA identify a deliverable supply of 4,598 homes which provides for a 5.00 year land supply with a surplus of 1 home.

3. The supply

Small, permitted sites

- 3.1 Paragraph 77 of the NPPF requires that the LPA identifies a supply of specific deliverable sites.
- 3.2 However, in UTT5, the LPA have not identified the specific small, permitted sites upon which they rely contrary to the requirements of national policy.
- 3.3 In my experience, it is commonly the case that the supply arising from small, permitted sites is erroneous including for example as a result of mutually exclusive permissions on a site being included such that the supply is double-counted, or owing to the mis-recording of the capacity of some sites. This is why national policy requires the specific sites to be identified so that any such errors can be identified and quantified.
- 3.4 In the absence of this necessary evidence, the trajectory of the LPA does not accord with national policy, and it is at least possible that it will over-estimate the supply from this source. Notwithstanding this, in the following analysis I assume that the supply has been accurately identified.

Lapse rates

- 3.5 The LPA identify in paragraph 2.3 of UTT5 that they apply a 10% lapse rate to small, permitted sites. Within UTT5A the LPA identify a supply of 357 homes on small, permitted sites from 2026–31 which with a 10% lapse rate would result in a reduction of 35.7 homes. However, presumably mistakenly, the LPA only deduct 34 homes in UTT5. As such, based on the 10% lapse rate identified by the LPA, the supply should be 1.7 homes less than suggested in UTT5 which alone would be sufficient to result in a 5YLS shortfall.
- 3.6 Over the plan period, the LPA include 535 homes, for which a 10% lapse rate would equate to a reduction of 53.5 homes. However, the LPA only reduce the supply by 51 homes presumably mistakenly. Accordingly, on the basis of the 10% lapse rate of the LPA, the plan period supply should be reduced by 2.5 homes.
- 3.7 The 10% lapse rate assumed by the LPA is also demonstrably grossly insufficient. The LPA prepared a Windfall Allowance Paper in 2017 which identified that only 63% of homes on small sites are ever implemented. Similarly, it is apparent from recent housing land supply assessments of the LPA that far fewer than 90% of homes on small sites are delivered. Indeed:

- i. In 2019, the LPA's assessment identified a supply of 521 on small permitted sites, and yet only 400 (76.8%) were implemented within the following three years¹.
- ii. In 2020, the LPA's assessment identified a supply of 526 on small permitted sites, and yet only 372 (70.7%) were implemented within the following three years.
- iii. In 2021, the LPA's assessment identified a supply of 587 on small permitted sites, and yet only 299 (50.9%) were implemented within the following three years.
- iv. In 2022, the LPA's assessment identified a supply of 409 on small permitted sites, and yet only 307 (75.1%) were implemented within the following three years.

3.8 Notwithstanding this, in the following analysis, I adopt the 10% lapse rate assumed by the LPA albeit as a result the supply will be over-stated.

Windfall allowance

3.9 As addressed in the previous Matters Statement, the LPA has partially double-counted the supply from small, permitted sites and the windfall allowance, and the extent of this has now increased.

3.10 The LPA assume that 110dpa will be delivered from small sites in accordance with historic trends to justify the windfall allowance. It should be noted at the outset that the rate of windfall that has arisen in the context of acute housing land supply shortfalls will not presumably exist post-adoption, and so it is likely that this will over-state the supply. Nevertheless, on the basis of the 110dpa from small sites, it would be expected that 550 homes will be delivered on small sites in any five-year period.

3.11 The LPA assume that 535 homes will arise from small, permitted sites from 2025–30, with a reduction of 51 to account for lapses (or 53.5 once correctly calculated), which provides for a supply of 484 (or 481.5 once correctly calculated). The LPA then make an allowance for 220 windfall homes in this period. This provides for a supply of 704 homes within five years, significantly in excess of historic rates of delivery and there is no compelling evidence to suggest that windfall delivery will significantly increase which is the effect of the way in which

¹ It should be noted that in each of these periods, some of the homes that were completed may not have had permission at the base-date and so the proportion of the homes that were permitted at the base-date that were implemented may be lower.

the LPA apply the windfall allowance. Therefore, the windfall allowance of the LPA does not accord with paragraph 72 of the NPPF.

3.12 In order to maintain the past delivery rate of 550 homes over five-years, it is appropriate to include a windfall allowance of 66 homes (or 68.5 once correctly calculated) over the period 2025–31.

3.13 Over the period 2026–31, this has the effect of reducing the supply from 330 homes identified in UTT5 to 176 (or 178.5 once correctly calculated) over the period 2026–31. Over the plan period, this reduces the supply from the windfall allowance from 1,430 to 1,276 (or 1,278.5 once correctly calculated).

Woodlands Park, Great Dunmow

3.14 This site gained planning permission in 1992. Over the period 2006–23 for which completions are known, this site delivered an average of 39dpa, following which no completions have been achieved from 2023–25.

3.15 The site remains in the control of the same single development outlet, and there is no evidence to suggest that the delivery rates will increase. Assuming that development recommences and the historic delivery rates are maintained, this site would contribute 195 homes to the deliverable supply.

3.16 However, the LPA assume that this site will contribute 492 homes (or 98dpa), which assumes that delivery rates will increase by 152%. This does not appear realistic, and in the absence of any evidence to support this, historic rates should be assumed to persist which reduces the deliverable supply by 297 homes.

3.17 It is however reasonable to assume that this site will be delivered in its entirety within the plan period, albeit there is an application to reduce the capacity of the site by 13 homes and so the developable supply should be reduced accordingly.

Communal establishments

3.18 The PPG (63–016a) identifies that the amount of housing released in the housing market from communal establishments for older people should be calculated using the average number of adults per household using published Census data and provides a link to this data. The

dataset identifies that there are 59,905 adults in 31,315 households in Uttlesford which provides for an average of 1.91².

3.19 The LPA however apply an average of 1.8 contrary to the PPG without any justification.

3.20 The effect of this is that the deliverable and plan-period supply should be reduced by 5 homes.

North East Takeley

3.21 As addressed in the previous Matters Statement, the trajectory of this site was considered unrealistic. The trajectory has been amended but this remains unrealistic.

3.22 The LPA assume that the first completions on this site will be achieved at the start of 2030/31 in just under five-years' time.

3.23 This compares with the average lead-in times from the submission of a planning application until the first completion for similarly sized sites of 7 years according to Figure 3 of HOU6, 6.7 years according to Figure 5 of HOU6, or 6.6 years according to the latest edition of the Start to Finish report.

3.24 Given that no planning application has been submitted on this site, this is simply unrealistic.

3.25 Accordingly, the trajectory for this site should be delayed by at least a year which would still provide for a lead-in time of just under 6 years which is still highly optimistic. This reduces the deliverable supply and plan period supply by another 136 homes.

Non-strategic allocations

3.26 As set out in the previous Matters Statement, the specific sites or broad locations for non-strategic sites have not been identified contrary to the requirements of paragraph 69b of the NPPF such that the potential supply from this source cannot be relied upon. This now reduces the plan period supply by 847 homes.

The deliverable and plan period supply

3.27 The effects of the above are summarised in the following table.

² Nationally, the HDT Measurement Rule Book identifies an average of 1.9.

| Source | LPA | | Pegasus | |
|-----------------------------|--------------|---------------|--------------|---------------|
| | 5YLS | Plan period | 5YLS | Plan period |
| Completions 2021-25 | 0 | 2,452 | 0 | 2,452 |
| Small sites | 357 | 535 | 357 | 535 |
| Lapse rate | -34 | -51 | -36 | -54 |
| Windfall | 330 | 1,430 | 179 | 1,279 |
| Great Dunmow | 492 | 707 | 195 | 694 |
| Other large commitments | 2,798 | 5,428 | 2,798 | 5,428 |
| Communal establishments | 125 | 125 | 120 | 120 |
| NE Takeley | 136 | 1,496 | 0 | 1,360 |
| Other strategic allocations | 394 | 2,234 | 394 | 2,234 |
| Non-strategic allocations | 0 | 847 | 0 | 0 |
| Total | 4,598 | 15,203 | 4,007 | 14,048 |

4. Five-year land supply position

4.1 Based on the preceding analysis, the respective 5YLS positions for 2026–31 are calculated below.

| | 20% buffer | | 5% buffer | |
|--------------------------------|---------------|-------------------------|---------------|-------------------------|
| | Supply of LPA | Supply of Pegasus Group | Supply of LPA | Supply of Pegasus Group |
| Requirement (including buffer) | 4,597 | 4,597 | 4,023 | 4,023 |
| Supply | 4,598 | 4,007 | 4,598 | 4,007 |
| 5YLS | 5.00 | 4.36 | 5.72 | 4.98 |
| Surplus/shortall | +1 | -590 | +575 | -16 |

4.2 The preceding table illustrates that whilst a 20% buffer is applicable as is the case at present, and I would suggest is likely to remain the case, a 5YLS is unable to be demonstrated.

5. Plan period supply

- 5.1 As set out in the preceding table, based on the high-level analysis undertaken, it would now appear that there is a supply of 14,048 homes over the plan period which is sufficient to meet the proposed housing requirement for 13,500 homes. However, this provides for only a 4.1% buffer, when as set out in the previous Matters Statement a minimum 10% buffer is commonly found to be necessary to account for the inevitable non-delivery of a proportion of the supply.

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Town & Country Planning Act 1990 (as amended)
Planning and Compulsory Purchase Act 2004

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