

SEPTEMBER 2021

Tracking Progress

Monitoring the build-out of housing planning permissions in five local planning authority areas



LICHFIELDS



Executive summary

The relationship between the scale of planning permissions for housing and the number of homes built is regularly debated, but not always well understood.

This report – commissioned by the Land Promoters and Developers Federation and the Home Builders Federation – is one of three linked research studies exploring the topic and provides a 'deep dive' review of monitoring data to establish what happened to the planning permissions granted in a single base year across five case study local planning authorities (LPAs) over a five year period.

The local authorities selected – Central Bedfordshire, London Borough of Wandsworth, Cheshire East, Colchester, and Stratford-on-Avon – were chosen to provide a geographical spread and mix of types of authority area. However, a further factor was related to the quality of monitoring data available; in simple terms relatively few LPAs assemble or publish the data necessary to scrutinise the implementation of permissions in the way we have done in this study.

Our findings are:

1. Other than in Wandsworth, outline permissions are a significant share of the homes approved in the base year (accounting for over half of homes permitted in three of the five LPAs), and many are on large schemes of 500+ dwellings. The expectation is that some outline permissions – particularly those for larger schemes – would not necessarily be expected to deliver all of their housing completions within five years. This is because whilst outline permissions establish the principle of development, they leave work still to be done, including on detailed design and implementation matters, followed by a phased build-out. In some cases, and more often on larger sites, land assembly is necessary, technical issues need to be resolved on up-front works (for example approvals from statutory undertakers), and legal matters need to be agreed. When local residents and councillors refer to permissions that have not yet delivered, they are, in many cases, simply observing a lag period for delivery on outline schemes that is entirely to be expected. Even with that, most such schemes deliver early, with the majority of outline permissions in the research either completed or delivering – and a third of the homes on those outline planning permissions completed – within five years.
2. Across our five case studies, just over half (53.8%) of all homes granted detailed permission at the base year have completed within five years. A further 20% of homes are still to be completed, but the permission remains live (i.e. on-site development has commenced). Around a quarter of permitted homes are unbuilt but on schemes where there was a need for a re-plan to address required amendments (for practical or market reasons) and the detailed permission is superseded by a fresh approval. This is a particular feature of the Wandsworth case study.
3. Planning permissions on small sites deliver more quickly, but they are also more likely to lapse or be reworked. Across all permissions in our case studies, 3.1% of homes granted permission lapsed, but for small sites (<10 units) the rate of attrition across the case study areas was between 18% and 49% of homes granted planning permission on small sites either lapsing or being superseded by new permissions. This suggests small housebuilders might be more adversely impacted by any 'use it or lose it' measures intended to penalise non-implementation.

4. 11% of all units granted permission in our case studies were superseded by a re-plan. These reworks – undertaken at a point at which the principle of development has already been established – will often help ensure the most efficient use of land is made and the right scheme for the market is progressed, while reducing planning risk for the developer. As discussed above, detailed permissions are more likely to be reworked; likely reflecting their relative inflexibility compared to outline permissions. Overall, the extent of re-plans reflects the limited scope to quickly amend schemes without needing to submit a new (or s.73) application; greater use by LPAs of s.96a ‘non-material amendments’ might assist in this regard.
5. Adopting a very broad-brush approach, and informed by the case studies (as opposed to a profiling of all permissions in the country), we conclude that when looking at the number of units granted any type of permission (both full and outline) in a given year, after five years one might expect roughly:
 - 3% to 5% of homes granted permission will lapse or stall;
 - 10% to 15% of homes granted permission will be superseded at a later date by a fresh permission (and not necessarily harming the pace of delivery);
 - 35% to 50% of homes granted permission will have been delivered; and
 - 35% to 50% of homes granted permission will remain extant but on sites delivering on a phased basis beyond five years.

This analysis does not determine the type of land release strategy appropriate in any one area, but does suggest – generally – a plurality of permissions and broad portfolio of sites will be needed, each working its way through the system at different paces, taking account of individual site circumstances.

None of our analysis suggests (at least outside of London) any systemic failure in converting planning permissions to development by the industry; the planning and development process is complicated and with risk. The mismatch between planning permissions granted and housing output on a yearly basis is readily explained by the simple matter of the time it takes to progress development through the regulatory stages, the risks associated with small site delivery (and by smaller builders), the overall phasing of build-out on larger sites, and the role of the planning system (via new planning permissions) in facilitating changes to planned development schemes to reflect practical requirements.

01 Introduction

Lichfields has been commissioned by the Land Promoters & Developers Federation (“LPDF”) and Home Builders Federation (“HBF”) to undertake research into how the pipeline of sites for housing development compares with what might be needed to meet the government’s ambitions for 300,000 net additional homes per annum across England. There are three parts to the research:

- 1. Analysis of how the number of homes with planning permission relates to housing need and delivery in different parts of the country** through a comparison of housing need (either as per the standard method or recently adopted local plans), planning permissions and completions at a regional and housing market area level. This was reported in Taking Stock: The geography of housing need, permissions and completions which was published in May 2021¹;
- 2. Assessing how the stock of permissions** relates to housebuilder pipelines, rates of build out and the number of extra sites required to meet the government’s ambition; and
- 3. An analysis of what happens to the stock of permissions** for a number of local authority case studies. This is a more in-depth ‘deep dive’ exploration on how the stock of permissions granted is linked to the number of homes completed within a given timescale by monitoring the land supply positions across the authorities over a five year period – this paper.

This report presents the output of the third part. It should be read in conjunction with the other strands of research, the second strand of which is forthcoming.



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¹ Taking Stock available [here](#)

Research Context

The '300,000 homes per year by the mid-2020s' ambition is one which first appeared in the Autumn 2017 Budget, and has been reiterated by the Government numerous times since, such as in the Planning for the Future White Paper² (August 2020) and the May 2021 Queen's Speech.

In order for this ambition to be met there needs to be sufficient land with planning permission for housing which has a realistic prospect of being built within the relevant time period. At its most simple level, if the Government wants 300,000 net additional homes built each year, over a five year period there would need to be sufficient permissions that would enable 1.5m homes to be built, plus whatever is needed to replace the number of existing homes demolished (averaging just over 10,000 per year since 2010/11), taking into account the number of conversions and homes that secure approval via permitted development (PD).

The past ten years has seen periodic commentary about how the number of planning permissions for housing has exceeded the number of homes built. Often drawing upon an annual research piece by the Local Government Association (LGA), the most recent being in May 2021 which purported to show 1.1m homes with unimplemented permission, the commentary has been associated with the allegation that developers 'hoard' land with the intention of benefitting from a rising market, generating a 'backlog' of permissions waiting to be built. This argument leads to the hypothesis that sufficient permissions exist for all the homes that are needed nationally, but that these are simply not being built out and that "planning is not the problem".

We explored the national and sub-national picture in the first phase of this research entitled Taking Stock. This highlighted logical fallacies involved in the LGA's method of comparing national permissions and net additions data over the same period, most notably because it double counts schemes that are subject to multiple planning permissions. These fatally undermine the credibility of the 1.1m figure, the robustness of which is not enhanced by its repetition. Taking Stock also highlighted that planning permissions are not matched to areas of greatest housing need; many parts of the country – where affordability pressures are greatest - have the biggest gap between homes with planning permissions and the number needed.

A challenge in understanding the relationship of permissions to completions is the often abstract nature of the debate, combining blunt interpretation of national-level data with individual anecdote about perceived levels of progress of development on specific sites.

In all of this commentary, there has been little systematic consideration as to what actually happens to planning permissions at a local level once they are granted. For example, how many planning permissions will lead to actual completions and how quickly? How many permissions do not deliver? What is the split of outline and full permissions? How many are replaced by fresh permissions before or during the build out?

At the root of these knowledge gaps are the weaknesses in consistent monitoring data at a national level, with much of the commentary relying on data aggregated by external companies, such as Glenigan, which is valuable but has limitations. The granular interrogation of local-level data is a matter for five-year land supply assessments, but these tend to be forward-looking forecasts of housing supply, not historic reviews of what has happened.

This research seeks to plug that gap.

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Research Framework

This research sets out to understand what happens to planning permissions over time in a number of local authority areas to better understand to what extent, if permission is granted for a number of sites in a given year, it translates into housing delivery. This is in the context that some permissions will take time to deliver, some permissions will be superseded by new permissions (e.g. drop-in applications or s73 variations or a new scheme responding to changing circumstances) and some permissions may lapse without being implemented. The scope of the research is focussed on permissions and not necessarily the sites or land that they fall upon; this is important as theoretically (and indeed in practice) a single site might have multiple planning permissions on it at any given time, but the land can only be built upon once and pursuant to only one of those planning permissions (which is another reason why the LGA's 1.1m unimplemented permissions figure is misleading).

To understand and analyse the deliverability of a stock of planning permission, we have looked at five case study local planning authorities (LPAs), using each LPA's own monitoring data to track all permissions granted in a given year to see what has happened with those planning permissions². The five authorities are:

1. Central Bedfordshire;
2. Colchester;
3. Stratford-on-Avon;
4. Cheshire East; and
5. London Borough of Wandsworth

In choosing the areas, we have aimed to achieve a diverse range of geographies and types of places. The factors we considered when alighting upon these local planning authorities were:

1. **Geography** – ensuring a range of types of places were considered that are broadly representative of the different types of markets within which housing is delivered. It includes authorities in different regions.
2. **Characteristics** – ensuring a range of LPA areas which encompass different characteristics such as rural areas, towns and inner-city areas.
3. **Data availability** – the availability of publicly accessible annual monitoring data and online planning application information, in a format that allowed us to track through what was happening with planning permissions and on sites was imperative. This ruled out many authorities considered. In too many areas, monitoring data is of poor or inconsistent quality, limited in the availability and transparency necessary for proper interrogation.

All five authorities are in moderate to strong housing market areas. Had we been able to identify a suitable case study authority with sufficient data in a lower market area one might have expected a slower delivery of permissions.

Having identified the five suitable authorities as case studies, we approached the research in the following way:

1. We set a base year and tracking period. Our principal aim was to be able to track planning permissions for around five years, but the precise base year and tracking period varied based on data availability and the individual authorities publicly available information (as above). This generally meant a tracking period of 4-6 years was achieved for each permission, depending on the base year used and also when within the monitoring year the permission was granted (e.g. at the start or at the end of the monitoring year).

²We have used publicly available monitoring data from each. For clarity none of the LPAs selected have participated or assisted us in the research, which is just based on factual monitoring information published by each that we have sought to independently analyse.

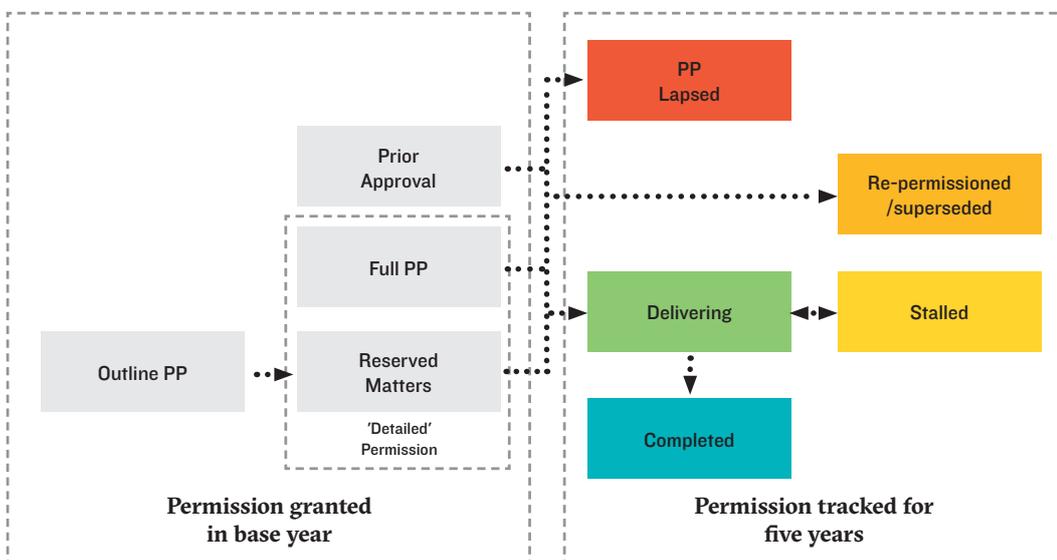


2. We then populated for that base year information on all approved outline and full planning permissions, approved reserved matters and prior approvals, that involved a net increase in housing. This was initially attempted using bespoke Glenigan data requested to provide a snapshot for all permissions granted in that base year. However, upon interrogation of that data we found that in many cases the Glenigan data did not match up with local authorities' own monitoring data. We found discrepancies on things such as the number of 'units' on a planning permission, the dates on which permissions were actually granted and in some cases permissions entirely missing. This resulted in a mixture of over and under-estimating the number of homes with permission. We investigated these anomalies with Glenigan, but were unable to confirm with them precisely why they occurred. Therefore, we combined the Glenigan data with that from the Council's own monitoring, manually verifying information against planning records where it did not match up. We are confident this gave us a comprehensive view of the housing applications permitted within that base year.
3. Finally, we tracked each of those permissions through successive annual monitoring reports to identify a snapshot position for each site at the end of each monitoring year (1st April – 31st March). For example, if a full (detailed) planning permission was granted in October of the base year and then began delivering homes in October of the following year, being completed in October of the year after, it would be classified as full planning permission within the snapshot at the end of year zero, and then delivering at the end of year one, and then completed at the end of year two. As part of this tracking we looked at:
 - a. The planning position, for example whether an outline planning permission had progressed to achieve reserved matters;
 - b. How many homes had been delivered from that permission within the relevant monitoring year (including whether delivery had stopped – or 'stalled' – having started) and whether the permission had been fully built-out and was therefore complete;

- c. Whether the planning permission (either in full or in part) had been superseded in some way. For example, a new planning permission was sought for an amended scheme on the same site, a 'drop-in' application was used to re-plan or replace part of scheme or a Section 73 minor material amendment application had been approved³. In each of these cases it does not necessarily mean that the homes are not delivered, it just means that they are delivered pursuant to a different planning permission. This is important to note as a given single home might have two (or more) separate planning permissions under which it might be built and it would be important not to count both of those permissions in the stock.
- d. Whether the planning permission (either in full or in part⁴) lapses, whereby it is not implemented within the timescales specified in the decision, ceasing to be extant. Importantly, over a four or five year period, one would expect schemes granted permission at the base year to lapse if there is no intention of bringing forward development, because there is a typical three period either to start on site (full permission) or to submit the reserved matters application (which requires investment in detailed work). Any site not lapsed by year four or five has thus either had a commencement on site, is subject to a detailed application, or the LPA specifically placed longer timescales on its implementation.
- e. The homes with permission that, in each given year, remained extant, by virtue of the permission having not lapsed. For detailed permissions, that means a commencement on site within a (typical) three-year period. For outline permissions, there is a typical period of three years for submission of Reserved Matters, and then a further period of two years from their approval to implement; importantly, this means that the default assumption of the planning system is that schemes granted outline planning permission in year one might only expect to have started on site by the end of year five (or even later, depending on the time for determination of reserved matters) and may well not be expected to record many completions within the five year period⁵.

This approach to the research is conceptualised in Figure 1.

Figure 1 Approach to tracking planning permissions



³ As set out in the Planning Practice Guidance "Permission granted under section 73 takes effect as a new, independent permission to carry out the same development as previously permitted subject to new or amended conditions. The new permission sits alongside the original permission, which remains intact and unamended. It is open to the applicant to decide whether to implement the new permission or the one originally granted." Section 73 applications are often used to re-plan parts of existing schemes, making amendments to layouts, specifications and even the scale of development.

⁴ For example, where a phase in a larger development does not gain Reserved Matters in the timescales specified or a permission is only part implemented.

⁵ This explains why the NPPF is clear in its definition of 'deliverable' that sites with outline permission should only be assumed to provide homes for five year land supply purposes if there is "clear evidence" that they will deliver completions within the five year period.

03 Analysis of Case Studies

The following sets out our analysis from our five case study authorities. For each we show the total number of homes granted permission in the base year differentiated by type of permission and then for each following year, what number of homes have delivered, lapsed, or have been re-permissioned/superseded. Given data restrictions, for two authorities we have tracked four years beyond the base year (i.e. years 0 – the base year – and then years 1, 2, 3 and 4) and for three we have tracked five years. This is considered to give a reasonable period to capture broadly what is happening over the – approximate – five years from when a planning permission is granted.

Overall Sample

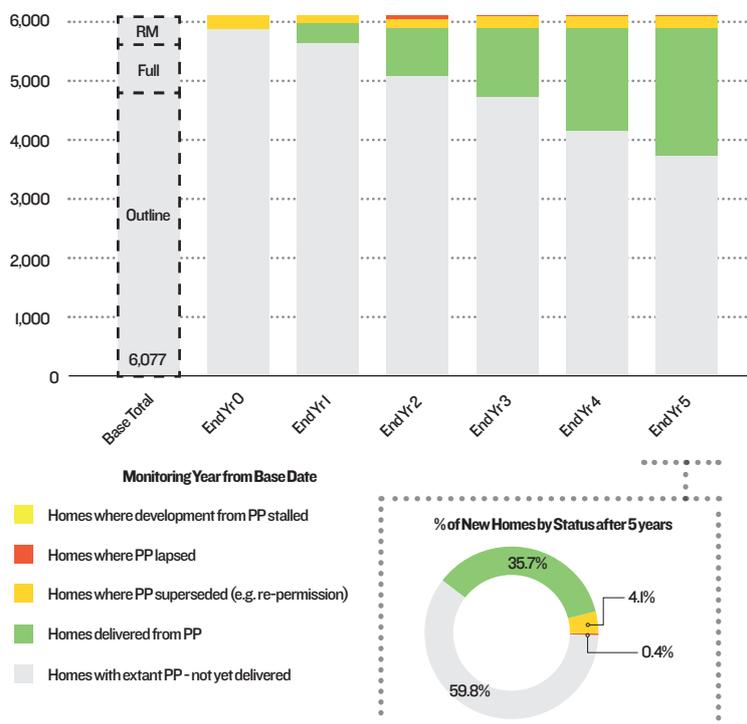
Across all our examples, we have collated and analysed data on 593 permissions for just over 18,000 homes. Of these, the majority were granted outline permission (10,230 units) accounting for 57% of all units granted permission. This is followed by units granted full permission (5,161 units, 29%) and units where reserved matters have been approved (2,373 units, 13%); collectively we have termed these two categories as benefitting from ‘detailed planning permission’, whereby – bar any pre-commencement conditions – they are ready to begin construction from a planning view. There were also just over 300 units consented via prior approvals⁶.

Taking these through to the end of our tracking period, 42.5% remained extant with the same proportion - 42.5% - of units granted having gone on to complete. This illustrates there is a lag time between granting some permission and getting homes built. Across our five authorities, 11.7% of all homes were eventually re-permissioned: either by a fresh application or a S73 application where a new permission was issued. However, as shown below there is significant variation across the different authorities with some showing high levels of completions with other showing high levels of re-permissions.

Central Bedfordshire

In Central Bedfordshire a total of 6,077 homes were granted either outline, full or reserved matters permission on sites of 10 homes or more⁷ within the base year 2015/16. As illustrated in Figure 2, the majority of these (4,852) were granted in outline, with smaller amounts granted full permission (724) and reserved matters pursuant to an earlier outline planning permission (501).

Figure 2 Tracking Permissions - Central Bedfordshire 2015/16 to 2020/21



⁶ For the purposes of our analysis (and as a shorthand for referring to a ‘stock of permissions’) prior approvals are simply captured as another type of ‘permission’.

⁷ Central Bedfordshire’s publicly available annual monitoring data only provides information on sites of 10 homes or more.

Of this stock 6,077 permissions granted in 2015/16, by the 31st March 2021; 35.7% had been delivered, 4.1% had been superseded (including a permission at the former Pig Development Unit, Hitchin Road discussed below as a case study) and 0.4% had lapsed without being implemented. The remainder, almost 60%, continued to benefit from planning permission but had not yet been delivered; the majority of this on two large sites, East of Leighton Linlade and North Houghton Regis benefitting from four outline permissions (4,300 homes collectively) where phased delivery is occurring.

Figure 3 Tracking Permissions - Central Bedfordshire Detailed vs. Outline

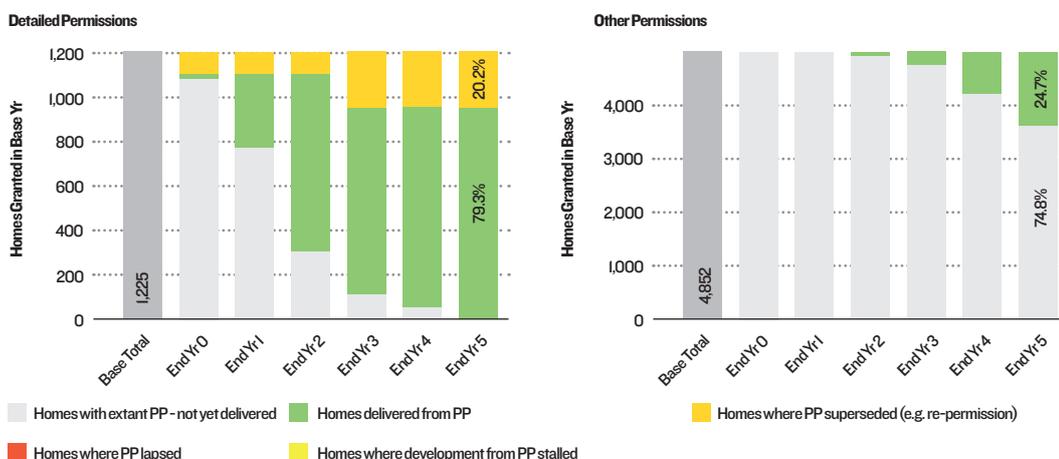


Figure 3 illustrates the difference in delivery between ‘detailed’ permissions (those receiving full permissions or reserved matters in the base year) and outline permissions. By the end of year five, nearly four fifths of homes on detailed permissions had been delivered, with the remaining one fifth having been superseded. None with detailed permission had lapsed. This compared with only a quarter of homes on outline permissions having been delivered by the end of year five, reflecting the time taken to achieve reserved matters as well as the subsequent phasing of delivery for those very large schemes in Central Bedfordshire.

Notably, none of the outline permissions had lapsed after five years, which means – due to the three-year period for submission of Reserved Matters – in all cases they were being brought forward for implementation.

This lag effect – for delivery on large outline permissions – is likely to occur in locations – like Central Bedfordshire – where a relatively high level of housing need and an emerging local plan in a non-urban authority has resulted in a significant number of larger outline permissions being granted in the base year, which now need to build out; and where – in many cases – this can only happen once factors such as technical issues, legal requirements, the transfer of land (often in phases) to a house builder, bringing forward a detailed scheme through Reserved Matters and discharging planning conditions are all addressed.

London Borough of Wandsworth

In Wandsworth, 253 residential permissions/approvals were granted in the base year of 2015/16 of any size. This totalled 3,051 homes, of which almost all (2,927) were on full planning permissions, with 98 homes from prior approvals and one reserved matters approval for a 26 home scheme. Five of the permissions were for 200+ units, the largest being a single scheme, the Battersea Gasholders, for 839 homes, whilst 233 permissions were for schemes of less than 10 units (totalling 533 homes). As illustrated in Figure 4, these permissions were tracked up to the 31st March 2020 (the end of the most recent years monitoring data available) equating to between four and five years for each individual permission (depending on when in the base year it was granted).

Figure 4 Tracking Permissions - LB Wandsworth 2015/16-2019/20



Of the 3,051 homes' stock of permissions granted in the base year, by the end of the tracking period 42% of homes had been delivered, 31% had been re-permissioned – relating to several 573 minor material amendment applications altering schemes and one entirely revised scheme (see case study below) – and 1.3% of homes were on permissions which had lapsed. As no outline planning permissions were recorded in the base year for Wandsworth, this delivery trajectory relates to 'detailed' permissions.

This highlights a tilt towards detailed permissions that is sometimes observed in some denser inner urban authority areas, such as Central London. This trend also explains why London has a relatively high rate of re-plans compared to other areas. Whilst this snapshot for Wandsworth from one specific base year is clearly at one extreme (with no outline permission at all recorded in the base year identified, which may just be happenstance), it is reflective of wider planning factors; in our other case study LPAs, developers often establish the principle of development through an outline application, with matters of detail to be addressed through reserved matters. In dense inner urban areas, schemes are often submitted as full applications in order for detailed design and amenity issues (such as impacts on heritage, issues of daylight/sunlight or the architectural design of buildings) to be addressed as part of the principle of development; however, this leaves little scope for making amendments to respond to detailed implementation issues (as these cannot be addressed by reserved matters), and thus requiring re-plans. This helps explain why the rate at which permissions translate to housing completions is lower in London than elsewhere⁸.

⁸ As identified in Table 4 of Taking Stock

Case Study: 39-41 East Hill

In May 2015 full planning permission was granted for redevelopment of the existing office and retail buildings for 63 residential units. In November 2016 a different applicant submitted a full planning application for a 100-unit care home on the same site, which was granted in April 2017 superseding the existing permission for 63 residential units. The new applicant implemented the care home scheme, essentially causing the original

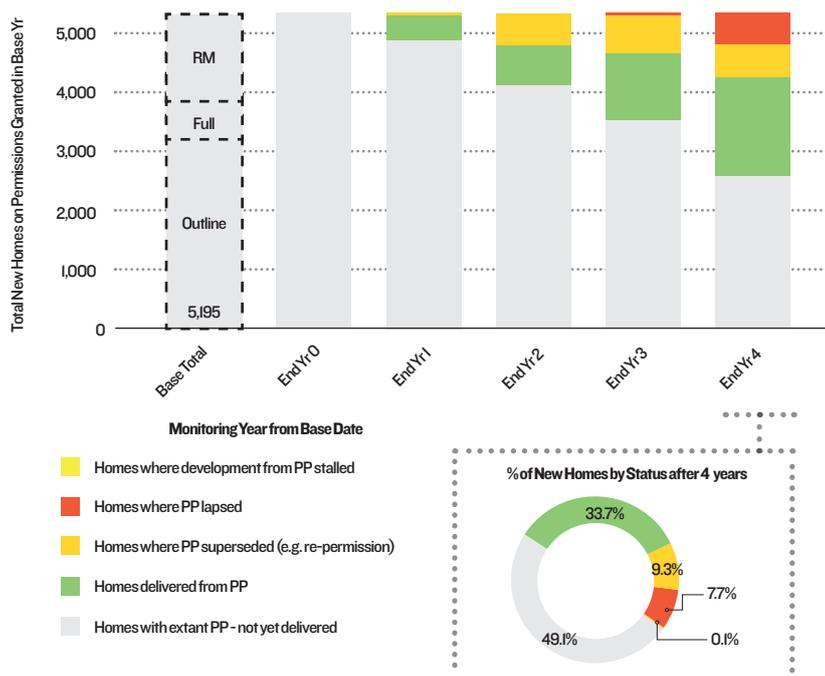
permission for 63 residential units to be lost under the new scheme.

The change of strategy for the site seemingly came about following a change of ownership, but whilst the site still delivered much needed accommodation, meeting a demand for care, it did so with the effect that the original permission for residential was not taken forward.

Cheshire East

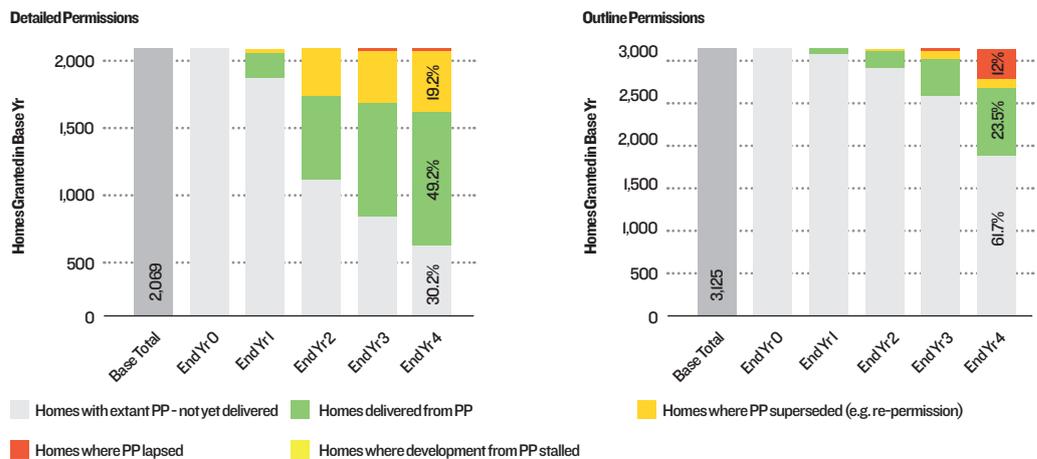
Cheshire East saw 5,195 homes across 65 permissions granted in 2015/16. The majority of these units were granted outline permission (3,125 units), accounting for 60% of all units granted in permission in that year. 2,069 units were granted a detailed permission (761 units with full permission and 1,308 units with reserved matters) in the base year. The largest scheme granted permission was at 'Land at Kingsley Fields' for 1,100 units. As shown in Figure 9, these permissions were tracked up to 31st March 2020 (the end of the most recent years monitoring data available) equating to between four and five years for each individual permission (depending on when in the base year it was granted).

Figure 5 Tracking Permissions – Cheshire East 2015/16-2019/20



At the end of the fourth monitoring year, 33.7% of units had been delivered with 48.5% of units remaining extant. 10% were re-permissioned and a further 7.7% had lapsed. The rate of delivery appears to correlate with the number of units approved outline permission, akin to Central Bedfordshire.

Figure 6 Tracking Permissions - Cheshire East Detailed vs. Outline



Comparing detailed permissions versus outline permissions in Cheshire East, Figure 6 illustrates that almost half of homes on detailed permissions had been delivered within the tracking period, whilst one fifth of homes were on permissions which had be re-worked (many of those also then went on to deliver in the tracking period, but from those new permissions). Only 1.4% of homes on detailed permissions were 'lost' with those homes not being brought forward. On outline permissions, only around quarter of homes had been delivered, reflecting the phasing of some of the larger permissions and the lapse of some homes on other outline permissions, including where reserved matters applications had come in for fewer homes than on the outline after detailed design and one very large outline permission which lapsed (see Case Study).

Case Study: Land at White Moss Quarry, Butterton Lane

In November 2015, outline permission was granted for 350 homes and other uses on an active sand and peat quarry. A reserved matters application from a national housebuilder was submitted in May 2017 for the whole scheme; but refused in July 2018 citing housing mix, density and design. A revised reserved matters application was made in September 2018, just before the three-year period for submission of final reserved matters expired. This kept the permission alive, but Council records indicate that despite further information and revised plans being sought in mid-2019 to enable determination, no further contact from the

applicant was made. As such the application was 'finally disposed of' (removed from the register without being determined) in June 2020, with the effect that the entire permission lapsed. It is not clear why this particular scheme and permission were effectively abandoned (perhaps because the house builder did not have confidence – after the refusal – that it could arrive at a viable detailed scheme on this previously used site that would be approved by the Council), and the site remains allocated in the Local Plan, but this example highlights how even relatively large housing permissions can and do lapse.

Case Study: Land West of Broughton Road

Full planning permission was granted March 2016 for a development comprising 81 units. This itself was a re-permission, superseding a previous outline permission for 53 units on the same site. An application to vary the permission under S73 was soon made in June 2016 including amending the approved plans; resulting in a fresh permission under S73. Those changes related to the development layout, dwelling mix, the number of units in each block, and the design of the apartment

buildings. The main reason for the design changes appeared to relate to making more efficient use of the site; enabling a larger area of open space to be included. This illustrates how sometimes sites will obtain multiple planning permissions in order to achieve design changes to planned development. This is often done after a permission is granted when the principle of development has already been established.

Colchester

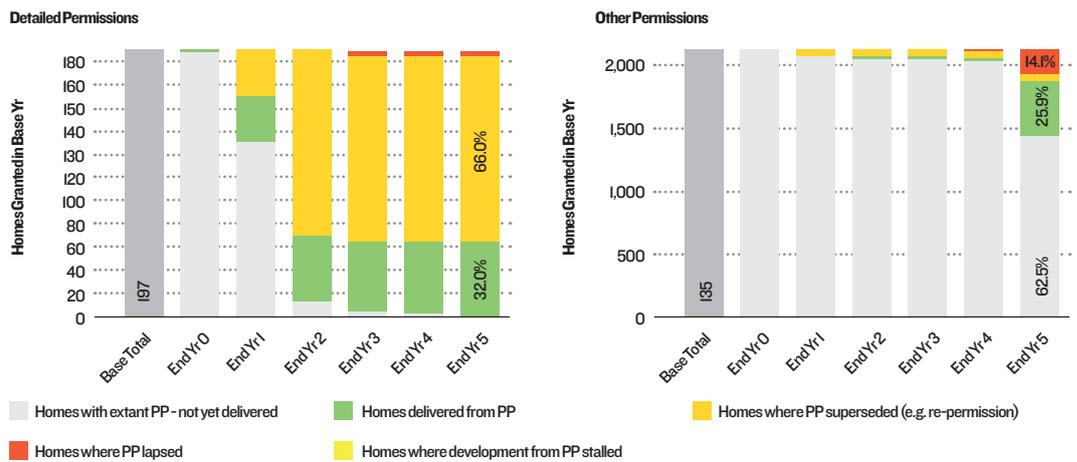
A total of 73 permissions were granted in Colchester in the base year of 2014/15, providing a total of 451 new homes. Of these 135 homes were on outline permissions, 191 on full permissions, 119 homes on prior approval office to residential conversions and the remainder on reserved matters. These permissions were tracked to March 31st 2020, with the monitoring data showing that around two fifths of homes on those permissions were superseded by new planning permissions, with this spread across numerous permissions. As shown in Figure 7, just over 36% of homes were delivered within the tracking period, whilst 17.3% remained on extant planning permissions. Around 5% of homes were on permissions which subsequently lapsed.

Figure 7 Tracking Permissions – Colchester 2014/15-2019/20



The relatively quick delivery of some homes in Colchester is attributable to the prior approvals recorded, with some of these going on to deliver completions before even the end of the base year. However, the prior approvals were also a component of the large number of superseded homes, with several being re-approved for different office-to-residential conversion schemes – typically with more homes – at a later date.

Figure 8 Tracking Permissions - Colchester Detailed vs. Outline



Comparing detailed and outline permissions, the majority of homes on detailed permissions were superseded by re-permissions (including Bourne Court – see Case Study), albeit around one third did deliver. On outline permissions, the progress was markedly different, with very little shown for the first four years; but almost a quarter of homes delivered in year five, and a further proportion of homes on planning permissions which lapsed without being implemented.

Case Study: Bourne Court

In November 2014, outline planning permission was granted to provide 24 homes on this vacant brownfield site which was a former funeral parlour. This application was made by the landowner (the operator of the former use) but following its approval the site was sold to a local SME housebuilder. In 2016, they successfully sought full planning permission for a different scheme of 27 homes and chose instead to build out

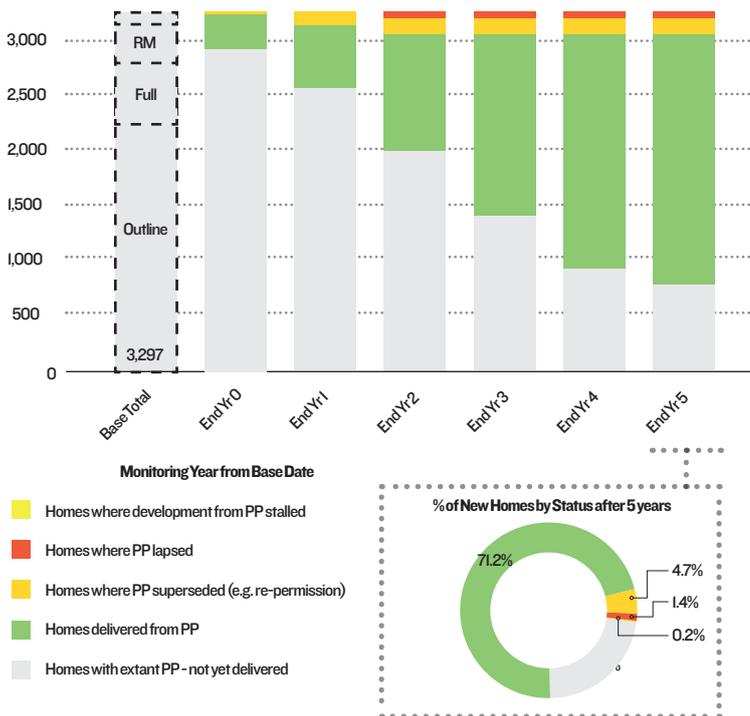
pursuant to that permission. All of those homes were built by the end of the five-year monitoring period. This illustrates a reasonably common and standard practice of using new planning permissions to change the layout and/or size of the scheme; in this case yielding three additional homes and no delay in delivery. However, the consequence was the original planning permission was never actually implemented.

Stratford-on-Avon

In Stratford-on-Avon, 173 residential permissions/approvals were granted in the base year of 2015/16. This totalled 3,297 homes, of which the majority were for outline planning permission (2,117), with a further 558 units for full permission and 532 with reserved matters approval. A further 90 units were via prior approval. Three permissions were for developments of 200+,

the largest single scheme being an outline planning application for 550 units at Meon Vale, compared to 137 permissions for less than 10 units (totalling 273 homes). As shown in Figure 9, these permissions were tracked up to 31st March 2021 (using projected figures for the completions in 2020/21 as a proxy).

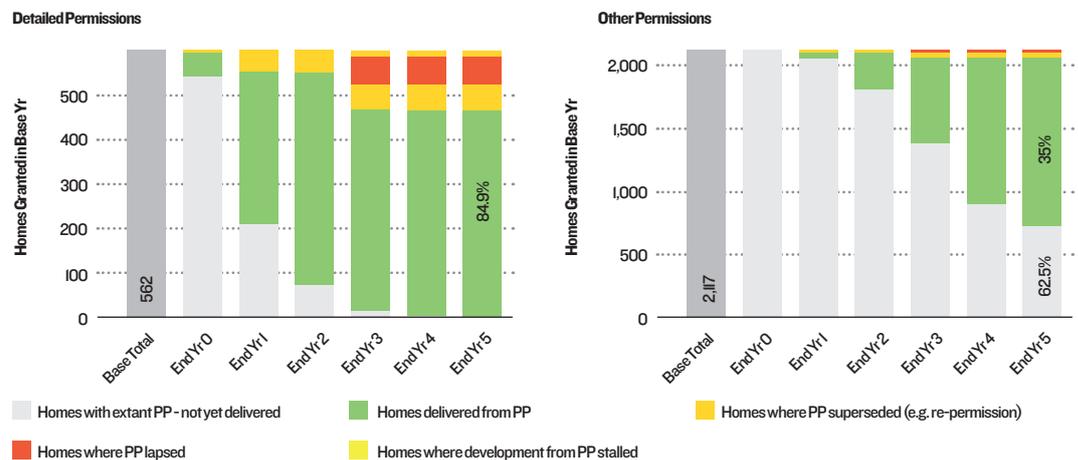
Figure 9 Tracking Permissions – Stratford-on-Avon 2015/16-2020/21



In the case of Stratford-on-Avon, of the 3,297 homes' stock of permissions granted in the base year, by the end of the tracking period 71% of homes had been delivered, 5% had been superseded or re-permissioned and 1.4% had lapsed. Compared to the other case study authorities, there appears to be far fewer 're-permissioned' sites with a greater proportion of delivery within the c.5-year period. This can at least in part be explained by two factors:

1. Firstly, some of the permissions were applications for revised schemes themselves, superseding a previous permission but being the permission that then actually went on to build out.
2. Secondly, from our review, many applications were amended but not re-permissioned. For example, when reviewing planning activity on sites it appeared that most amendments to applications were made via S96a 'non-material amendments', a route for amending granted permissions where a Local Planning Authority can use more discretion as to what is non-material, can choose to be more flexible in how they deal with changes to schemes and where a new formal permission is not issued (albeit we did not specifically collect data on the prevalence of such non-material amendments for this exercise). This might simply reflect a slightly different, and more flexible, way of working by the LPA which has the effect that revised permissions less frequently need to be sought.

Figure 10 Tracking Permission - Stratford-on-Avon Detailed vs. Outline



Case Study: Weston House

In November 2015, outline planning permission was granted on appeal for up to 13 homes. This application followed a previous submission in 2014 for 20 homes, subsequently revised down to 17 homes, that was withdrawn. After the successful appeal and grant of permission, a S73 minor material amendment application was made to amend details relating to the highways access, which was granted in August 2017; this process resulting in the issuing of a fresh, amended, permission. Reserved matters were then approved pursuant to that permission in April 2018 for only 10 units, 3 fewer than the

original outline. A further minor material amendment application to vary some of the detailed building design from the approved reserved matters was granted in December 2018, the scheme being built and completed in 2019.

Small schemes such as this, often brought forward initially by landowners or small builders, form a large component of housing supply, but even at such a scale will often see many changes to designs and iterations of planning permission before actually delivering homes.

04 Conclusions

This research analyses what has happened to the stock of planning permissions from a single base year across five case study LPA areas to help understand and quantify what is actually happening on the ground with planning permissions and how a stock of permissions leads through to delivery in practice. An appreciation of this is important if trying to relate the activity that occurs at the planning stage for new homes, with the output that actually occurs at construction stage, particularly given the lag between the two. To do this, we have used detailed monitoring data to track permissions in the five LPA areas over the past circa five years.

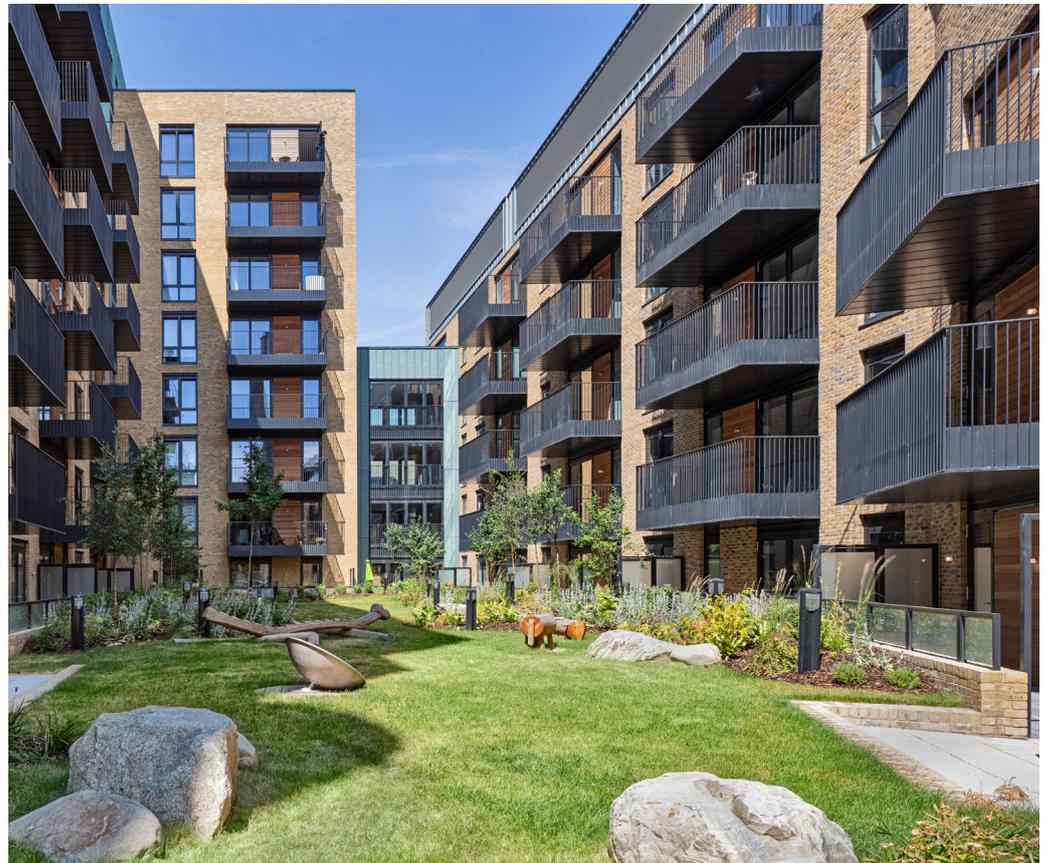
Our research indicates that there are reasons – often obvious and to be expected by those involved in practical reality of delivering development – why the stock of permissions and housing output may not correlate neatly at a local level. We have looked at the data collated on an individual LPA basis, but we have also aggregated together the data (if one made the assumption that the spread of authorities chosen was broadly indicative of the picture nationwide when considered together, given their spread of characteristics) to draw some high level conclusions. The analysis and key findings identify several important points:

1. **Monitoring data on permissions, development output and the relationship between the two is patchy and inconsistent:** Our research was limited in its scope due to the restricted availability of good quality, publicly available and interrogatable data. The LPAs chosen as case studies were selected because their published monitoring systems generally provided the richness of information needed, but they appeared to be in the minority, and even across the five, systems captured different information with limited standardisation. The limited availability of good data inevitably constrains the quality of debate and understanding on an issue of public interest. A priority of Government – as part of its digitisation of the planning system – should be to seek systems for more consistent, comparable, and data rich monitoring of planning permissions, their relationship to land and their implementation.
2. **Detailed permissions usually deliver more quickly, but outline permissions still typically deliver homes within five years even if they often will not deliver all of their homes within that period:** Planning permissions can be granted in outline or as detailed approvals. Both the NPPF definition of 'deliverable' and the standard legal time limits for implementation on approvals recognise that outline permissions may not necessarily deliver completions within five years, albeit the majority in our research do. There are varying reasons for the different planning to delivery timeframes for outline permissions; for example time taken to prepare detailed designs, discharge often numerous conditions and address legal or ownership matters. However, our research found this particularly occurred in larger schemes, which are more complex and often use outline planning permissions to set the framework for future phased or staged delivery. In other words, whilst some sites build out quickly, many outline planning permissions will not deliver all their homes within five years and this is entirely normal. In many areas, the majority of homes built are on sites that initially secure outline permission, so when local residents and councillors refer to permissions that have not yet delivered homes they are, in many cases, simply observing a lag period for delivery – or phased/staged build-out – that is entirely as expected for an outline scheme. We found very few outline planning permissions which remained extant and where there was not clear movement towards delivery by the end of the tracking period.
3. **Across our case studies, around two-thirds of all permissions (full and outline) go on to complete or begin delivering homes within five years:** Amalgamating data for the five areas indicated 66.6% of permissions⁹ granted in the base year either went on to complete (63%) or were in the process of delivering homes at the end of the given monitoring period (3.5%); with just under a third of permissions either superseded by a fresh permission (19%) or lapsed/stalled (12%). Under 3% of all permissions remained in place but had not actually begun delivering homes by the end of our tracking.

⁹ i.e. the permission itself and not the number of homes on it

4. There is a planning attrition rate of c.30% on permissions and c.15% on homes permitted, but most of this is accounted for by re-plans to accommodate changes to scheme design: The attrition rate encompasses permissions that go on to have no homes delivered from them, either because they are superseded by a new permission (a re-plan) which goes on to deliver instead or because they lapse (expire) without any delivery having occurred. There are a very small number of permissions (0.7% but accounting for an even smaller proportion of homes) where planning permission is implemented, with construction technically starting in order to keep the permission alive, but where the schemes were reported as stalled (i.e. delivery was not continuing).

5. **Whilst planning permissions on small sites deliver more quickly, they are also more likely to lapse or be reworked:** Whilst 11.3% of permissions lapsed (without a superseding permission being granted) only 3.1% of homes granted permission lapsed. This is explained by smaller sites (that account for fewer homes but proportionally more permissions) lapsing. This is generally well known and appreciated given that in many Council's five-year land supply assessments a lapse rate is often applied to smaller sites. Looking at planning attrition on small sites (<10 units); across the case study areas between 18% and 49% of homes granted planning permission on small sites either lapsed or were superseded by new permissions, with an overall total of 31%. These smaller sites are ones less likely to be owned by large developers and national housebuilders, but more likely to be owned by private individuals or smaller SME and local builders who may proportionately face greater delivery challenges such as finance, supply chains and labour availability. This part of the sector might be more adversely impacted by any 'use it or lose it' measures intended to penalise non-implementation.

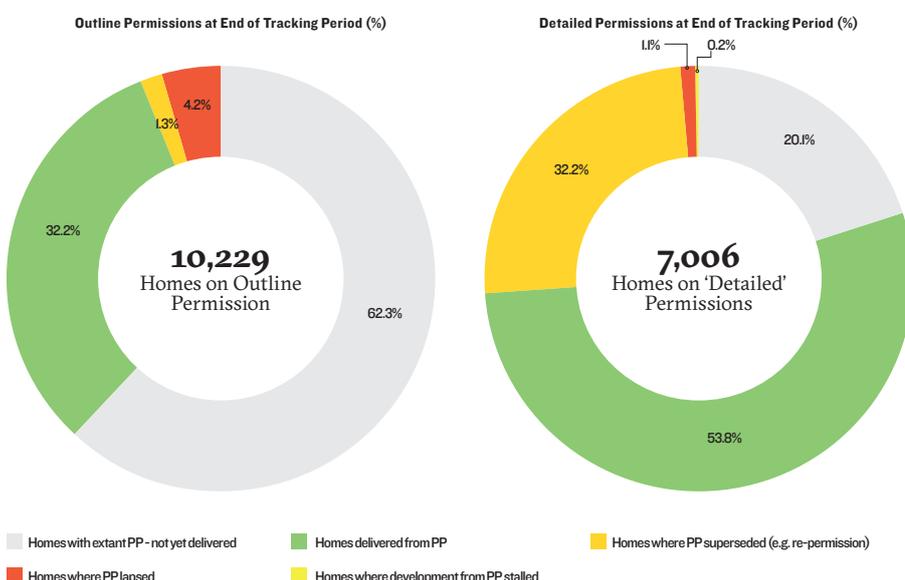


- 6. **Around 11% of all units granted permission are superseded by a re-plan:** 11.2% of all units granted permission – or 18.7% of the permissions granted – were superseded by the end of the tracking period. We observed instances where schemes required substantive design amendments via new permissions, fresh permissions sought for materially different schemes (including for entirely different uses following changes in ownership) and new applications which actually sought more homes on the site. Often these reworks – undertaken at a point at which the principle of development has already been established – will help ensure the most efficient use of land is made and the right scheme for the market is progressed, while reducing planning risk for the developer. Detailed permissions are more likely to be reworked; likely reflecting their relative inflexibility compared to outline permissions. Overall, the extent of re-plans reflects the limited scope to quickly amend schemes with permission without needing to submit a new application; greater use by LPAs of s.96a ‘non-material amendments’ might assist in this regard.

- 7. **The Wandsworth case study suggests inner London has a different market and planning dynamic with higher rates of permissions being superseded: Just under a third of all units granted permission in the base year were eventually superseded.** The vast majority of the permissions superseded were small sites under 10 units. However, this finding appears to reflect the often-identified position that converting permissions to homes in London is more difficult; as found in the Molior 2014 report for the GL¹⁰.

- 8. **Outline and detailed permissions are used differently for alternative types and sizes of scheme, affecting the timing of build-out from each:** Amalgamating the data together for all the case study authorities shows that outline permissions – as would be expected – take longer to deliver in full. This reflects the requirement for reserved matters to be submitted, but also that these are often larger sized permissions where factors such as increased complexity, need for up-front works and development phasing, all impact upon timescales. Full permissions are more likely to deliver quickly but are also far more likely to be superseded; likely reflecting the comparative inflexibility of a detailed permission. Few detailed permissions ever actually lapse without being delivered; the vast majority of planning permissions are either progressed to delivery or re-engineered in some way to allow delivery from a new permission, to reflect attempts to improve design, increase density or overcome deliverability problems.

Figure II Status of Permissions at end of the tracking period

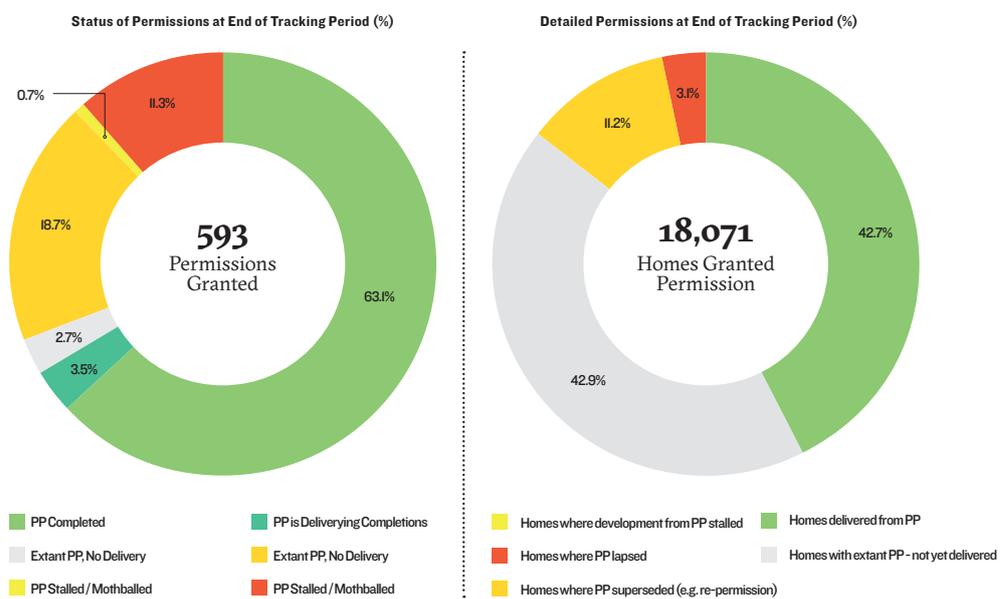


¹⁰ https://www.london.gov.uk/sites/default/files/gla_migrate_files_destination/Barriers%20to%20Housing%20Delivery%20Update%20Report%20-%20July%202014_0.pdf

9. **In three out of the five LPAs, outline permissions accounted for the majority of homes granted permission in the base year**, so the default position in those locations is that one would not expect as many homes to be built within the five year period from that stock of permissions. In two of the three LPAs with a significant number of outline permissions, only a quarter of units had completed by the fifth year; Stratford-on-Avon was the exception with almost two thirds having delivered, but this reflects the majority were on modest sized sites (of 100 homes or fewer) and smaller sites typically deliver more quickly. By contrast Cheshire East and Central Bedfordshire had several outline permissions of 950+ dwellings where build out is subject to up-front infrastructure provision and a phased build out for different parts of the site¹¹. This shows how build out is influenced by the spatial and land supply strategy adopted by LPAs.

10. **In combination, three-fifths of homes with a permission will be built beyond the five year period:** There is a function relating to a) the size of permissions, with the combined 6.2% of currently delivering and unbuilt permissions accounting for a total unbuilt stock of 42.9% of the homes granted permission and b) the large outline permissions of 500+ units, which account for much of the unbuilt portion.

Figure I2 Status of Permissions and Homes at the End of the Tracking Period



The case study approach leads us to conclude that there needs to be a much more nuanced discourse around the how the number of units granted permission in a given year translates to the number of units built. Taking a very broad-brush approach, and informed by the case studies (as opposed to a profiling of all permissions in the country), we conclude that when looking at the number of units granted any type of permission (both full and outline) in a given year, after five years one might expect roughly:

¹¹ This is consistent with Lichfields' research - Start to Finish (Second Edition) - which examined the delivery and build out of around 100 large-scale housing sites.

- 3% to 5% of homes granted permission will lapse or stall;
- 10% to 15% of homes granted permission will be superseded at a later date by a fresh permission (and not necessarily harming the pace of delivery);
- 35% to 50% of homes granted permission will have been delivered; and
- 35% to 50% of homes granted permission will remain extant but on sites delivering on a phased basis beyond five years.

Even so, the above would only hold true on a snapshot basis applied to a single stock of permissions at a given point in time. Because of the way an individual site or scheme may receive either staged permission (e.g. an outline permission followed by a reserved matters permission) or indeed multiple permissions (e.g. a re-permission for a different scheme on the same site) care would need to be taken were one to extrapolate these findings across a multi-year period and/or adding permissions granted in subsequent years together. However, albeit with those caveats, we think this snapshot presents a useful rule of thumb when considering how and over what period a stock of permissions will – in the real world – translate into actual delivery.

Whilst it may be easy to conclude from this that smaller, detailed, permissions are 'better' for delivery, that would only necessarily hold true for the short term. Once delivering, large outline permissions have a valuable role in providing year-on-year housing build out that would otherwise not be achieved.

This analysis does not determine the type of land release strategy appropriate in any one area, but does suggest – generally – a plurality of permissions will be needed, each working its way through the system taking account of individual site circumstances. We also need to recognise that planning permissions are used to achieve various objectives within the delivery process (including establishing the principle of development, helping to define a valuation or fall-back, setting out the detail of a scheme to be built), so counting them - in and of itself - will only paint a partial picture of what is going on. Greater data collection and transparency (at a local level and aggregated up to a national level) would greatly aid proper consideration and analysis.

There are also tools within the existing planning system which could be better deployed to reduce the attrition of planning permissions and ensure delivery is not delayed where changes need to be made to existing permissions. The greater use of s.96a non-material amendments by LPAs could assist ensure planning permissions and their schemes brought forward smoothly by the planning system.

Finally, none of our analysis suggests (at least outside of London) any systemic failure in converting planning permissions to development by the industry; the planning and development process is complicated and with risk, the mismatch between planning permissions granted and housing output on a yearly basis is readily explained by the simple matter of the time it takes to progress development through the regulatory stages, the risks associated with small site delivery (and by smaller builders), the overall phasing of build-out on larger sites, and the role of the planning system (via new planning permissions) in facilitating changes to planned development schemes to reflect practical requirements.

05 Appendix

Central Bedfordshire

All Sites Planning Permissions (10+ Units):

Status	Base Total	End Yr 0	End Yr 1	End Yr 2	End Yr 3	End Yr 4	End Yr 5
Outline PP - No Delivery	7	7	5	4	1	1	1
Reserved Matters - No Delivery	6	6	4	0	2	0	0
Full PP - No Delivery	11	8	2	1	1	1	0
PP is Delivering Completions	0	2	8	7	4	6	5
PP Wholly or Partly Superseded	0	1	1	1	3	3	3
PP Lapsed	0	0	0	1	1	1	1
PP Completed	0	0	4	9	12	12	14
PP Stalled/Mothballed	0	0	0	1	0	0	0
Total	24	24	24	24	24	24	24

All Homes from Planning Permissions:

Status	Base Total	End Yr 0	End Yr 1	End Yr 2	End Yr 3	End Yr 4	End Yr 5
Homes with extant PP - not yet delivered	6,077	5,933	5,624	5,090	4,674	4,284	3,635
of which on sites just at outline stage:	4,852	4,852	4,305	4,280	270	270	270
of which on sites with detailed PP:	724	284	157	26	26	26	0
of which on sites where at least some RMs:	501	501	767	0	2,800	0	0
of which on sites delivering:	0	296	395	784	1,578	3,988	3,365
Homes delivered from PP	0	28	337	841	1,131	1,521	2,170
Homes where PP superseded (e.g. re-permission)	0	116	116	116	247	247	247
Homes where PP lapsed	0	0	0	25	25	25	25
Homes where development from PP stalled	0	0	0	5	0	0	0
Total	6,077						

Wandsworth

All Sites Planning Permissions:

Status	Base Total	End Yr 0	End Yr 1	End Yr 2	End Yr 3	End Yr 4
Outline PP - No Delivery	0	0	0	0	0	0
Reserved Matters - No Delivery	1	1	0	0	0	0
Full PP - No Delivery	252	224	134	90	19	1
PP is Delivering Completions	0	0	0	1	2	2
PP Wholly or Partly Superseded	0	1	27	37	56	56
PP Lapsed	0	0	2	2	25	25
PP Completed	0	27	90	123	151	169
PP Stalled/Mothballed	0	0	0	0	0	0
Total	253	253	253	253	253	253

All Homes from Planning Permissions:

Status	Base Total	End Yr 0	End Yr 1	End Yr 2	End Yr 3	End Yr 4
Homes with extant PP - not yet delivered	3,051	3,014	2,354	1,938	1,209	780
of which on sites just at outline stage:	0	0	0	0	0	0
of which on sites with detailed PP:	3,025	2,988	2,354	1,904	412	201
of which on sites where at least some RMs:	26	26	0	0	0	0
of which on sites delivering:	0	0	0	34	797	579
Homes delivered from PP	0	35	185	316	851	1,280
Homes where PP superseded (e.g. re-permission)	0	2	509	794	950	950
Homes where PP lapsed	0	0	3	3	41	41
Homes where development from PP stalled	0	0	0	0	0	0
Total	3,051	3,051	3,051	3,051	3,051	3,051

Cheshire East

All Sites Planning Permissions:

Status	Base Total	End Yr 0	End Yr 1	End Yr 2	End Yr 3	End Yr 4
Outline PP - No Delivery	21	20	12	8	5	2
Reserved Matters - No Delivery	11	11	10	7	1	3
Full PP - No Delivery	33	34	27	16	7	3
PP is Delivering Completions	0	0	13	14	14	10
PP Wholly or Partly Superseded	0	0	3	10	16	17
PP Lapsed	0	0	0	0	5	8
PP Completed	0	0	0	10	16	21
PP Stalled/Mothballed	0	0	0	0	1	1
Total	65	65	65	65	65	65

All Homes from Planning Permissions:

Status	Base Total	End Yr 0	End Yr 1	End Yr 2	End Yr 3	End Yr 4
Homes with extant PP - not yet delivered	5,195	5,195	4,936	4,091	3,438	2,552
of which on sites just at outline stage:	3,125	3,050	1,614	1,331	1,294	690
of which on sites with detailed PP:	762	771	395	166	94	45
of which on sites where at least some RMs:	1,308	1,374	1,687	1,426	50	304
of which on sites delivering:	0	0	1,240	1,168	2,000	1,480
Homes delivered from PP	0	0	208	679	1,223	1,752
Homes where PP superseded (e.g. re-permission)	0	0	42	416	482	484
Homes where PP lapsed	0	0	9	9	45	400
Homes where development from PP stalled	0	0	0	0	7	7
Total	5,195	5,195	5,195	5,195	5,195	5,195

Colchester

All Sites Planning Permissions:

Status	Base Total	End Yr 0	End Yr 1	End Yr 2	End Yr 3	End Yr 4	End Yr 5
Outline PP - No Delivery	6	6	3	2	2	1	0
Reserved Matters - No Delivery	1	1	2	2	2	2	2
Full PP - No Delivery	58	63	33	13	5	1	0
PP is Delivering Completions	8	0	1	0	0	0	0
PP Wholly or Partly Superseded	0	1	21	27	28	28	28
PP Lapsed	0	0	0	0	4	5	6
PP Completed	0	2	13	29	32	36	37
PP Stalled/Mothballed	0	0	0	0	0	0	0
Total	73	73	73	73	73	73	73

All Homes from Planning Permissions:

Status	Base Total	End Yr 0	End Yr 1	End Yr 2	End Yr 3	End Yr 4	End Yr 5
Homes with extant PP - not yet delivered	451	417	263	148	138	132	78
of which on sites just at outline stage:	135	135	28	19	19	18	0
of which on sites with detailed PP:	310	276	126	17	7	2	0
of which on sites where at least some RMs:	6	6	104	112	112	112	78
of which on sites delivering:	0	0	5	0	0	0	0
Homes delivered from PP	0	22	85	118	122	127	163
Homes where PP superseded (e.g. re-permission)	0	12	103	185	186	186	186
Homes where PP lapsed	0	0	0	0	5	6	24
Homes where development from PP stalled	0	0	0	0	0	0	0
Total	451						

Stratford-on-Avon

All Sites Planning Permissions:

Status	Base Total	End Yr 0	End Yr 1	End Yr 2	End Yr 3	End Yr 4	End Yr 5
Outline PP - No Delivery	24	23	12	7	3	1	0
Reserved Matters - No Delivery	14	10	11	6	6	2	3
Full PP - No Delivery	140	105	61	43	7	5	1
PP is Delivering Completions	0	5	14	13	8	8	4
PP Wholly or Partly Superseded	0	1	5	6	7	7	7
PP Lapsed	0	0	0	0	27	27	27
PP Completed	0	34	75	103	117	125	133
PP Stalled/Mothballed	0	0	0	0	3	3	3
Total	178						

All Homes from Planning Permissions:

Status	Base Total	End Yr 0	End Yr 1	End Yr 2	End Yr 3	End Yr 4	End Yr 5
Homes with extant PP - not yet delivered	3,297	3,217	2,558	1,981	1,355	898	741
of which on sites just at outline stage:	2,117	2,099	1,208	557	301	13	0
of which on sites with detailed PP:	622	578	141	74	6	4	0
of which on sites where at least some RMs:	558	383	588	135	301	36	49
of which on sites delivering:	0	157	621	1,215	747	845	692
Homes delivered from PP	0	75	622	1,186	1,734	2,191	2,348
Homes where PP superseded (e.g. re-permission)	0	5	117	130	155	155	155
Homes where PP lapsed	0	0	0	0	46	46	46
Homes where development from PP stalled	0	0	0	0	7	7	7
Total	3,297						

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