



*Basingstoke
and Deane*



Examination of the Basingstoke and Deane Local Plan (2011 to 2029)

Basingstoke and Deane Borough Council
Response to Inspectors Key Issues and
Discussion Note

Issue 3: Spatial Strategy and Housing Need

September 2015

4.1 *Are the overall vision, objectives and **spatial strategy** of the Plan, as set out in policy SS1 and the supporting text, based on a sound assessment of Basingstoke and Deane's demographic and socio-economic needs, environmental characteristics, existing and proposed infrastructure and relationships with neighbouring areas, in accordance with national planning policy?*

4.1.1 The council considers that the plan meets the four tests of soundness: it has been positively prepared, is justified by the evidence base, will be effective and is consistent with national policy.

4.1.2 The sound assessment of the borough's demographic, socio-economic needs and environmental characteristics is provided by the evidence base and is summarised in the "Basingstoke and Deane context" section 1.21. – 1.35 of the Strategy which provides a spatial portrait setting out the characteristics of the borough, while para 2.8 provides a summary of the key issues to address. Arising from these needs, the vision and objectives have been developed in conjunction with the Basingstoke Area Strategic Partnership and refined during the plan preparation process. Chapters 3 and 4 set out the spatial strategy which is implemented through the local plan policies, including SS1.

4.1.3 The most significant needs which the plan seeks to address, are:

- Growing and aging population
- Housing affordability issues
- The need to regenerate parts of older housing areas
- Supporting the diverse local economy
- Regeneration of existing employment areas
- Traffic and congestion issues
- Access to public transport
- Improvements to sewerage infrastructure
- Protect, manage and improve water quality
- Uneven distribution of Green Infrastructure

4.1.4 The plan addresses these issues through the delivery of a step change in housing provision, and maintaining the need for 40% affordable housing where viable. The plan will direct new development to previously developed sites and encourage regeneration in priority areas for regeneration within Basingstoke. The strategy includes allocation of greenfield sites adjacent to the built up area of Basingstoke and in Overton and Whitchurch. Additional housing in the villages will come forward through neighbourhood planning.

4.1.5 The plan sets a supporting framework for economic growth through the use of strategic employment sites, retail policies and measures to support the rural economy. Policies in the plan and the Infrastructure Delivery Plan seek to address infrastructure improvements, (including transport, sewerage and green

infrastructure) required to support the proposed development, while policies which require the close monitoring of water quality will assure that if water quality band status deteriorates, the council will resist granting further applications where the Environment Agency indicates that this is likely to contribute to the situation.

4.2 *Is the Plan's assessment of the household needs for Basingstoke over the plan period (to 2029), as equating to 850 dwellings per annum (dpa), (i.e. an increase from the submitted Plan figure of 748 dpa) expressed in the amended policy SS1 and in the Strategic Housing Market Assessment (SHMA) (PS/02/17) and Housing Topic Paper (PS/02/18), based on **the most up-to-date and robust objective assessment of housing need (OAHN)** for the Borough? In particular: (i) Are the Plan's migration, demographic change and household representative rates (HRR) assumptions realistic? (ii) Has an allowance for existing unmet housing need been factored in? (iii) What are the sustainability arguments for aiming for either the higher or lower end of the range of housing requirements for the Borough?*

4.2.1 The Council's OAHN and delivery housing target is based upon an up-to-date and robust assessment of objectively assessed need, as detailed in the Council's Housing Needs Statement (HNS), August 2015 (PS/02/47).

- Chapter 3 of the HNS demonstrates that the Council's housing target is based upon up-to-date and robust assumptions about demographic change, including realistic assumptions about migration and household formation rates. The HNS demonstrates that 850dpa would meet the Borough's future demographic needs, provide sufficient labour to support the local economy, and meet the Council's full OAHN for affordable homes. The target has also been arrived at following consideration of cross-boundary unmet need, and the Local Authority's wider objectives and priorities.
- The OAHN of 850 accounts for existing unmet housing needs. The calculation of the OAHN has taken into account past and present household formation rates and levels of unmet affordable housing need. The housing requirement has been set at a level which will enable the full OAN to be met over the plan period.
- On balance, the proposed housing number is the most sustainable solution as demonstrated by Appendix 9 of the Sustainability Appraisal (Submission version with Proposed Main Modifications (PS/02/16)). The HNS demonstrates that a lower figure would not meet the OAHN. A higher housing number is not required to meet the OAHN and would require the release of further greenfield land, which may impact upon the local landscape and biodiversity, and have potentially harmful impacts individually and cumulatively upon already identified constraints regarding water quality, sewerage and transport. Provision of housing levels beyond that required to support the local economy could potentially result in higher levels of unsustainable out-commuting.

4.3 *Have the 2012 based household projections brought about any amendments to the OAHN?*

4.3.1 In response to the publication of new household projections, the council commissioned Edge Analytics to run the growth scenarios using the 2012 household projections. Table 5 of the April 2015 Edge Analytics Report (Appendix A, SHMA 2015, PS/02/17) compares the housing requirement arising from the 2012 household formation rate (HH-12) with that arising from the earlier 2008 and 2011 household formation rates (HH-08 and HH-11) using the 2012-based population projections.

4.3.2 This is summarised below showing that the HH12 projections identify a lower dwelling requirement than indicated by HH-08, or from an average of HH-08 and HH-11.

Scenario	HH-08	HH-11	Average HH-08 and HH-11	HH12
PG 10yr-5yr	896	812	854	813

Extract from Table 5, BDBC SHMA, (April 2015)

4.3.2 Applying the 2012 household formation rate to our preferred demographic scenario results in a housing requirement for 813 dwellings per annum. As explained in the Housing Needs Statement, the Council’s housing target in submission Policy SS1 exceeds this, and is set at a level of 850 dwellings per annum.

4.4 *In terms of the previous rates of housing delivery and the delivery target(s) that have been in place in recent years, should the appropriate ‘buffer’ to ensure choice and competition (as set out in the Framework para 47 [2]) be 5% or 20%? Should this buffer be factored in over the first 5 year period or for the plan period as a whole?*

4.4.1 In terms of previous delivery rates, the council demonstrates in paragraphs 5.1 to 5.4 of the Updated Housing Land Supply Statement (PS/02/43) that there has not been persistent under delivery of housing, and, therefore, the appropriate buffer is 5%. Whilst the level of completions has fallen below the housing requirement over the last four years (2011-2015), primarily as a result of the economic climate, prior to this the borough experienced high levels of growth, averaging 1,067 homes per annum over the preceding six years of the ten year period. The notes of the Exploratory Meeting into the Submission Local Plan (December 2014), state that ‘*The Borough’s under-delivery record in the recent past is not particularly serious, especially in relation to many other authorities. Therefore, the Inspector felt that the 5% buffer was appropriate*’ (para. 9.8 of the Note of the Exploratory Meeting, Examination Library Ref: PS/01/06).

- 4.4.2 With regard to the period of application of the buffer, the council considers that it is appropriate to add the buffer to the 5 year requirement including the shortfall. With regard to the appropriate period to factor in the buffer, the Council considers that in settling the content of the Local Plan this should be limited to the first 5 year period, in accordance with the advice in paragraph 47 of the NPPF. There is nothing in paragraph 47 to suggest that a buffer should be added to the housing provision for years after the first 5 year period. Indeed, since the expected source for the buffer is the sites in the supply which are planned to be delivered later in the plan period, it would not be possible to add a buffer (derived from such a source) to the provision for those later periods since the sites would be already part of the supply for those later periods.
- 4.4.3 The buffer will be updated on a rolling basis when the 5 year supply is updated annually for the purpose of informing development management decisions.
- 4.5 *Are the forecast **job growth** figures for the Borough realistic? In particular do they predict reasonably strong growth in the last decade of the plan period?*
- 4.5.1 It is recognised that there is a significant degree of uncertainty associated with job forecasting. Chapter 5 of the HNS provides a detailed review of past trends and presents three different forecasting models which show jobs growth between 2011-2029 either 13% (Cambridge LEFM), 15% (Oxford Economics) and 25% (Experian)..
- 4.5.2 In relation to growth during the last decade of the plan, Table 1 of the Appendix of Employment Land Review (p54) (**PS/02/23**), LEFM model predicts a slightly lower rate of growth between 2021-2029 with an annual growth of 650 jobs compared with 800 between 2016-2021. Appendices 6 and 7 of the HNS demonstrate that the Oxford Economics also shows slightly slower growth in the last decade of the plan period, compared with Experian which predicts consistent growth throughout the plan period.
- 4.5.3 This evidence suggests that jobs target of 450-700 jobs per annum as set out in Submission Policy EP1 is a realistic range within which economic growth is likely to take place and supports economic growth as set out in the LEP's Strategic Economic Plan.
- 4.6 *What **other factors** should be taken into account in determining the overall housing provision for Basingstoke over the plan period? For example, what weight should be given to the national Planning Practice Guidance (PPG), covering aspects such as market signals, and historic suppression of household formation rates?*
- 4.6.1 The council's HNS provides a step-by-step assessment of the factors that have informed the council's OAN and Housing Delivery Target, to demonstrate that it has taken account of the full requirements of the NPPF and the NPPG.

4.6.2 In accordance with NPPG para ID: 02a-19-20, past delivery, market signals and other local circumstances have been reviewed in Chapter 4 of the HNS. These identify that demand for housing had been met over the trend period that informed the council's demographic projections. There was therefore no evidence of demand being suppressed that would justify an upward adjustment of the planned housing number.

4.7 *In relation to the Framework para 47 [1], is the Basingstoke and Deane **Housing Market Area** (HMA), as defined by the Borough boundary, the most appropriate 'building block' for assessing the area's housing requirements? Is there a case for Basingstoke's housing need (and therefore housing provision) to be assessed over a wider area than the Borough boundary, and if so which area?*

4.7.1 As set out in Chapter 2 of the Council's HNS, it is considered that Basingstoke and Deane borough is a robust approximation of an appropriate housing market area. This reflects the following:

- The borough has a household migration self-containment level of 70% for in-migration and 75% for out-migration (with long distance moves removed), which meets the typical threshold identified by the NPPG;
- The borough has a commuting self-containment level for its resident population of 68.9% (when adjusted to include borough residents employed at the Atomic Weapons Establishment) and a commuting self-containment level for its working population of 70.2%, which exceeds ONS's Travel to Work Area threshold of 66.7%;
- Property market signals show differences between the borough's housing market and our neighbours; and
- Duty to Cooperate discussions with neighbouring local authorities where each of the authorities have agreed that the borough is an appropriate housing market.

4.8 *Does the household needs assessment for Basingstoke and Deane fully take into account the Borough's **affordable housing** needs? Will the Local Plan maximise the amount of affordable housing delivered? Should the Local Plan include additional requirements, such as percentage dwelling size, which could set a clear strategic marker for the Council in its negotiations to maximise affordable housing delivery which meets needs? Are the affordable housing targets viable or will they compromise the delivery of both market and affordable housing?*

4.8.1 The affordable housing needs assessment published as Appendix 9 of the HNS (**PS/02/47**) identifies the borough's objectively assessed affordable housing need of 310 affordable homes per year (Appendix 9, Table 3.13). It has been prepared in August 2015 in strict accordance with the approach set out in the PPG. The OAN for affordable housing fully takes account of both current levels of need and

likely future need, and the known supply of affordable housing (from relets and consented development etc.).

- 4.8.2 The overall delivery of 850 dwellings per annum can fully meet the Council's future affordable housing needs. Policy CN1 seeks 40% affordable housing on all market housing sites, while policy CN2 covers affordable housing rural exception schemes. The plan therefore maximises the amount of affordable housing which can be delivered in relation to viability
- 4.8.3 The Local Plan does not include additional requirements such as percentage dwelling size as it is a strategic document covering the whole borough for a long period of time and there are likely to be different needs in different locations at different times. The council's approach in policy CN3 for market housing is to encourage planning applications to have regard to the most recent evidence (including the SHMA and housing register) at the time of the application, thus creating flexibility for the council in its negotiations.
- 4.8.4 The affordable housing target of 40% provision is supported by the viability studies and is viable in the majority of cases, (more information is provided in viability studies **HO10**, **HO11** and **PS/02/21**, and Statement in response to question 6.1). The council's viability evidence identifies a limited number of occasions where the target is not viable. However, the policy is sufficiently flexible to address changing circumstances as it refers to having regard to current viability of developments including land values and other development costs. In such cases applicants will be required to submit an open book viability assessment.
- 4.9 *Is the provision of **specialist housing** (e.g. housing for the elderly, disabled and students) a strategic matter for Basingstoke?*
- 4.9.1 The provision of specialist housing is considered a strategic matter, particularly in relation to housing for older people. It is forecast that the number of residents aged over 65 will increase by approximately 60% over the plan period. The Plan responds to this key demographic trend through the provision of specialist accommodation (such as the provision of retirement housing and Extra Care housing) and an adaptable housing stock that can allow older people to live in their own homes longer.
- 4.9.2 The first part of Policy CN4 sets out a positively worded framework that supports the delivery of specialist accommodation to meet the needs of older residents and those with a disability. The second part of the policy identifies that specialist accommodation should be provided on larger-scale residential sites (indicatively 200+ dwellings) where there is an identified need in that area and the site is considered suitable. This approach provides flexibility to respond to the needs in different locations at different times over the plan period.

- 4.9.3 Policy CN3 also supports the council's objective of ensuring the delivery of a range of housing types to address local requirements, including adaptable housing for older and disabled people. The policy will ensure that planning applications have regard to the most recent evidence including the latest version of the SHMA at the time of the application, setting a clear strategic marker for these requirements. The costs of such provision were factored into the viability work undertaken by 3 Dragons in 2013 (**HO/10**).
- 4.9.4 Student housing is not a strategic matter for Basingstoke. There are no higher education institutions within the borough at present and there are no known plans for higher education institutions in the future. In addition, the borough does not accommodate significant numbers of students attending such establishments in neighbouring areas such as Reading or Winchester.
- 4.10 *Is policy SS2, for the **regeneration** of priority areas within the Borough, justified and realistic in terms of viability and resource constraints?*
- 4.10.1 In the context of the considerable amount of regeneration which has been achieved in Basingstoke over the last 14 years, it is considered realistic to expect the goals set out in policy SS2 to be achieved over the course of the Plan period. The Strategic Housing Land Availability Assessment (SHLAA) (Version 10 - August 2015) (PS/02/44,p24), explains that 460 net dwellings have been provided in the past 14 years (including one scheme which is still under construction), equating to an average of approximately 33 dwellings a year from large scale regeneration projects. Furthermore, policy SS2 supports the council's goal of maximizing new development on previously developed land, as set out in detail in the SHLAA, and is justified accordingly.
- 4.10.2 In addition, Sentinel Housing Association, which has been responsible for a considerable amount of the regeneration delivered in recent years, has asserted its support for policy SS2 in the public consultation on the Pre-Submission Local Plan. This is considered to be indicative of the realistic nature of the potential to deliver further regeneration projects over the course of the Plan period. In addition, both Sentinel and Sovereign housing associations (the two main providers in the borough) have stated their support for the council's Strategic Approach to Regeneration. Therefore, in light of the above it is considered that there is a reasonable prospect that the sites could be viably developed over the course of the Plan period.
- 4.11 *Should the Local Plan include a policy which states that, should the Plan's monitoring indicates that an ongoing 5 year deliverable and a subsequent 5 year supply of developable housing land can no longer be sustained within the Borough, the Council will **review its housing land provision** and bring on-stream additional housing areas as required? Should such a policy encourage the reuse of previously developed land?*

- 4.11.1 The Council does not consider that there is a need to include an additional policy to address any shortfalls in the supply of deliverable (Years 1-5) or developable (Years 6-10) sites. To be effective, such a policy would require the identification of a 'pool' of potential reserve sites that could be drawn on as necessary but which would not otherwise be expected to come forward. The Local Plan does not, at present, include such sites and to identify and assess any such sites would require further sustainability appraisal/SEA work, further consultation, and the establishment of a phasing policy mechanism to hold back such sites unless and until they were needed. The Council does not consider that such a major alteration to the Local Plan is justified having regard to the existing arrangements set out in the Local Plan for monitoring and reviewing housing delivery (as discussed further below).
- 4.11.2A key aspect of national guidance (Para 47 of the NPPF) is for Local Plans to ensure a rolling five year supply of housing over the whole plan period. Policy SS4 reflects the council's commitment to ensuring such a supply of housing and provides the trigger for review if housing supply is not sustained.
- 4.11.3 The application of Policy SS4 and the council's annual housing monitoring process (see Implementation and Monitoring Section) will make sure that the borough's housing supply is appropriately 'managed to ensure a five year supply of sites can be maintained over the plan period'. It is considered that the inclusion of this policy is justified to ensure that an on-going supply of sites is maintained and a suitable framework is in place for achieving this. The 'management' of the land supply position outlined in the policy will enable the council to review its housing land provision and trigger the need for a review of the plan if necessary. The policy is considered to be in line with the plan-led approach which will ensure that development is located in the most sustainable locations to meet the needs of the community, and will operate in tandem with the sustainable development policy which is to be included in the plan as a proposed modification.
- 4.11.4 Policy SS4 encourages the use of previously developed land. A core principle of the NPPF/NPPG is to encourage the effective use of land by reusing sites that have been previously developed, provided that they are not of high environmental value (NPPF paragraphs 17 and 111). The government's on-going commitment to delivering more development on previously developed land has been re-emphasised in their recently published 'productivity plan'. Encouraging development on previously developed land is also a key element of the Local Plan's spatial strategy, as reflected through objectives F and I, relevant paragraphs such as 4.13, and draft Policies SS1, SS2 and SS6 which encourage development on appropriate previously developed land and promote urban regeneration. It is considered appropriate for Policy SS4 to provide further support for this objective. The policy sets a suitably flexible framework to ensure a continuous 5 year supply of housing over the plan period whilst maximising development on available and suitable previously developed land. It does not

restrict the delivery of other sites if they are required, and includes a suitable mechanism for additional greenfield sites to be identified as necessary.

4.12 *Is the Council confident that the Plan makes provision for a **5 year housing land supply** on specific and deliverable sites?*

4.12.1 The council is confident that the plan makes such provision, as outlined in section 5 of the Updated Housing Land Supply Statement (PS/02/43). The council has completed a detailed annual housing monitoring process in partnership with Hampshire County Council where all sources of land supply, including sites with planning permission, SHLAA sites, sites allocated in the Adopted Local Plan and also sites allocated in the Submission Local Plan have been rigorously tested against the relevant tests set out in national guidance (Footnote 11 and 12 of the NPPF). The Updated Housing Land Supply Statement contains a schedule (appendix 1) listing each site which contributes to the supply with annual predicted completion rates and a commentary outlining how each site fares against the relevant tests. This process has included a robust consultation exercise with the developers, agents or landowners of each of the large sites (sites of 10 or more dwellings) contributing to the borough's land supply and a number of sites have been moved either out of the 5 year supply or have been reclassified as unlikely to be developed where there is no certainty of delivery. Realistic annual delivery rates have been adopted, in agreement with Hampshire County Council who regulate housing monitoring across the county, with more conservative rates being used than those predicted by the relevant developers in a number of cases.

4.12.2 The 5 year supply does include a small site (sites of less than 10 dwellings) windfall total of 100 units over the 5 year period. As discussed in paragraphs 3.9 - 3.14 of the Updated Housing Land Supply Statement and section 4.3 of Version 10 of the borough's SHLAA (August 2015), this approach is considered to reflect the compelling evidence that such sites have consistently become available in the local area, in line with national guidance. Other sources of supply where individual sites have not yet been identified, such as regeneration and neighbourhood planning, have been placed outside the 5 year period.

4.12.3 Further justification for the approach used to assess the borough's 5 year land supply is outlined in section 5 of the Updated Housing Land Supply Statement. This explains how the council is proposing to make up the shortfall built up over the four years of the plans to date. A 5% buffer has been added to the 5 year requirement including the shortfall.

4.13 *Is the Plan overly reliant on **sources of development land** for new homes, such as on the one hand, previously development land and on the other hand, large, peripheral greenfield sites some of which are considered to be remote from the town centre and urban facilities?*

- 4.13.1 The Plan sets out a balanced spatial strategy which has been positively prepared to meet the future needs of the borough. The strategy is justified, being based on a robust evidence base including, most notably, the borough's SHLAA, sustainability appraisal (incorporating SEA), and site assessments.
- 4.13.2 The plan seeks to maximise development on suitable previously developed land (PDL) in line with the core land-use planning principles set out in national guidance (NPPF paragraphs 17 and 111). This is reflected in policies SS1, SS2, SS4 and SS6 of the Local Plan which provide a framework for site delivery over the plan period. The council has completed a robust assessment of the potential to accommodate development on PDL through the SHLAA (August 2015) (PS/02/44) which provides a comprehensive assessment of the suitability, availability and likely economic viability of identified PDL. For the remainder of the plan period (2015-2029) PDL and urban opportunity sites will make up approximately 26% of the borough's land supply. The total figure is likely to be higher in reality as a proportion of other site sources, such as neighbourhood planning and small sites will also be developed on PDL.
- 4.13.3 Whilst the Local Plan seeks to maximise development on PDL, this principle must be seen in the wider context of local and national planning policy which aims to ensure that factors such as sustainability, environmental impact and viability are fully considered. Only those sites which meet the tests set out Footnote 11 and 12 of the NPPF have been included in the supply. Similarly, development must be seen in the context of the Plan's wider objectives which include maintaining and enhancing the borough's position as a prosperous economic centre through the availability of employment land and premises of the right quality, type, location and size.
- 4.13.4 Taking account of the above, there is not a sufficient stock of PDL to meet the borough's future housing needs. As outlined in section 5 of the SHLAA, with all of the available sources of supply taken into account there remains a need for strategic allocations on greenfield sites. Therefore, in order for the plan to be effective and consistent with national policy, greenfield allocations are required.
- 4.13.5 The evidence base for the Local Plan supports the current spatial strategy and site allocations, most notable the SA (PS/02/16) and site assessments (H005). The SA considered suitable alternative spatial strategies for accommodating development (Appendix 13) concluding that a focus on Basingstoke with some development in the borough's larger settlements was the most sustainable option. The SA also considered the suitability of different locations around the periphery of Basingstoke itself to accommodate development, concluding that a spread of development around the town was considered the most favourable option when considered against the sustainability objectives, with little difference between locations to the east and west of the town in terms of sustainability outcomes.

- 4.13.6 Both individual sites and site combinations were assessed through the SA and site assessment process, the latter of which assessed sites against a common set of broad ranging and detailed criteria to identify the suitability of different development locations. The Local Plan allocates sites which the evidence base identified as the most suitable, on balance, when all factors are considered. Whilst it is acknowledged that some sites are further from the town centre than others, when all factors and available sources of evidence are taken into account, including environmental impact, infrastructure capacity, site deliverability and the potential to mitigate constraints effectively, the council considers that the allocations listed in SS3 are justified.
- 4.13.7 In addition to the sites considered above, Policy SS5 enables local communities in the identified settlements to bring forward a range of sites to meet local needs. As outlined in para 3.22-3.25 of the Updated Housing Land Supply Statement (PS/02/43), a large number of plans are now reaching an advanced stage of the neighbourhood planning process and indications are that local communities are choosing to identify small scale sites in and on the edges of their settlements to meet the identified needs.
- 4.13.8 In conclusion and as the above illustrates, the Plan supports the development of a mix of housing sites which is sufficiently robust to ensure delivery. No additional site allocations are required.