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# Basingstoke & Deane Local Plan Hearing Statement on behalf of Mr & Mrs Bowater

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## **Issue 3: Spatial Strategy & Housing Need**

Sherfield Hill Farm, Basingstoke

Representation Reference 910139

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**Prepared for:**  
Mr & Mrs Bowater

**Prepared by:**  
Savills (UK) Limited  
2 Charlotte Place  
Southampton  
SO14 0TB

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[savills.co.uk](http://savills.co.uk)



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### 1.0 Introduction

- 1.1 This Hearing Statement has been prepared in response to the Inspector's questions concerning Issue 3 and provides evidence in respect of the Soundness of the Plan as submitted for Examination. Only those questions which we consider raise questions of Soundness have been addressed.
- 1.2 The Statement has drawn on the evidence recently published by the Council in its Updated Housing Land Supply Statement (August 2015 – Ref PS/02/43), which now considers the Council's latest position, and the remaining sections of the Housing Topic Paper (May 2015 – Ref PS/02/18).

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### 2.0 Question 4.2

- 2.1 The quantum of housing to be delivered during the Plan Period to meet the Borough's housing need goes to the heart of the soundness of the Plan and whether it is 'positively prepared'. Migration Trends form a key component of this assessment, with the proposed 850 dpa based upon a split strategy of 10 years for domestic migration and 5 years for international migration.
- 2.2 We question the justification for this approach as set out within Para 4.9 of the Housing Topic Paper and Housing Needs Statement (May 2015 REF PS/02/18), in artificially adjusting the period of time within which numerical trends have been established. Economic growth and recession will continue through the Plan Period, which will equally apply to any knock on effect to migration patters, particularly internal or domestic migration patters for Basingstoke, as well as every other Borough and District.
- 2.3 The NPPG states that household projections published by the Department for Communities and Local Government (CLG) should provide the starting point estimate of overall housing need. In publishing these figures, the CLG would have been aware of the economic recession that occurred during 2008/2009, but did not consider that any localised adjustments to household projections were necessary.
- 2.4 While the NPPG sets this as the starting point, no evidence has been presented by the Council as to why the effect of the recession and EU migration should lead to unilaterally amending the migration trends as extensively as it has done and shown diagrammatically in Figure 3.6 of the Housing Needs Statement (August 2015 Ref PS/02/47). We contend the only reason such an approach has been taken is to reduce the OAN.
- 2.5 While the LPA seeks to avoid the period of high levels of net international migration, we know from the ONS figures released in August 2015, that Net Migration to the UK is at an all time high, reaching 330,000 in the year to March 2015, and some 10,000 higher than the previous peak in 2005. To this end, the most recent trend points to an increasing net migration position to the UK, which in-turn will mean greater pressure on housing demand. This is contrary to the approach taken by the Borough in seeking to select a 5 year period of data that suppresses the reality of net immigration.

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- 2.6 To dismiss the methodology the CLG projections have been based on with such little, if any justification is not considered sound practice, and could yield a worrying precedent. For these reasons, the Plan as submitted cannot be considered positively prepared and no evidence has been submitted to justify amended the starting point of the SNPP figures and 936 dwellings per annum.
- 2.7 In respect of economic growth and the testing of the housing requirement for 450 to 700 jobs per annum, it is evident that in the absence of any sensitivity testing, the annual requirement of 850 dwellings per annum would fall at the bottom of the 840 – 1,004 dwelling requirement advised by the Council's advisors would be needed.
- 2.8 The Council itself within Para 4.15 of the updated Housing Topic Paper acknowledge that the inputs into the sensitivity analysis can result in considerable changes to the outputs. In our view, the sensitivity analysis served only one purpose, which was to present lower housing requirement figures, given the inputs chosen did not result any scenario output that signalled higher need for housing beyond 1,004 per annum.
- 2.9 Given the importance the Council places on this sensitivity analysis in moving away from the bottom end of the range (840dpa – 450 jobs) as advocated by its own advisors, we have to question whether the analysis presents a fair and balanced view of housing needed to support economic growth, and moreover, the justification for simply selecting a 'mid-point'.

### 3.0 Question 4.10

- 3.1 As per Table 2 of the submitted Plan, the Regeneration of parts of the Town Centre is projected to deliver some 200 dwellings during the Plan Period. Appendix 3 to version 10 of the SHLAA provides a map showing a broad area (Phase 103), but beyond that, no detail concerning how the 200 dwelling capacity has been calculated, the likelihood of willing landowners coming forward, nor any reasonable prospects of viable schemes. While projected for later in the Plan Period, 200 dwellings presents a sizeable component of the land supply included within Table 2 of the Submitted Plan, and therefore how robust this assumption is will affect the soundness of the Plan.
- 3.2 A similar position was debated at the Eastleigh Local Plan Examination, where the non-implementation of such supply (broad area of search) was raised from an initial 25% put forward by the Council, to 50% by the Inspector, reflecting the uncertain nature of the supply coming forward. Such an approach should also be applied to in this instance for the reasons given, reducing that projected to come forward to 100 dwellings and presenting a more robust position. Matters concerning non-implementation are also covered in response to Question 4.12.

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### 4.0 Question 4.11

- 4.1 The provision of reserve sites that could come forward quickly within the previous iteration of the emerging Local Plan was considered a sound approach. The overall supply position over the whole plan period in the submitted Plan is tight with little realistic flexibility in the Plan to respond to changing circumstances. The Plan needs to provide confidence that there will a five year supply at adoption and in future years. For the reasons set out in response to Q 4.12, it is not considered that a 5 year supply can be demonstrated now, and therefore additional sites will be needed in the short term and as part of any contingency policy.

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### 5.0 Question 4.12

- 5.1 The following assessment is based on the updated Land Supply position as of August 2015, inclusive of the 424 dwellings completed in the period April 2014 to March 2015. During the 4 years since the start of the Plan Period, some 1,951 dwellings have been completed within the Borough, at an average rate of 488 (rounded) dpa. This provides a shortfall of some -1,449 dwellings in this 4 year period (850 x 4 (3,400) – 1,951).
- 5.2 The Planning Practice Guidance states that Council's should aim to deal with any undersupply within the first 5 years of the Plan where possible. The Housing Topic Paper rejects this approach (Ref PS/02/18 Para 5.6 / 5.7) due to the fact that it would be '*extremely difficult given low projected completion levels over the next year (2015/2016)*'. This is not considered a sound approach (consistent with National Policy), and a reason which would justify not making up the shortfall in the 5 year period.
- 5.3 This matter was also debated at length at the Eastleigh Borough Local Plan Examination, where the Council's objection to such an approach was that to make up for the shortfall in the 5 year period would be 'unrealistic', citing shortages of materials and time lag to previous residential allocations being completed.
- 5.4 In response, the Inspector concluded that in publishing the Guidance, the Government would have been mindful of national circumstances in the house building industry, and that a delay in having an up to date Local Plan is the Council's responsibility and does not justify the delay in making good the shortfall. He continued by highlighting that no evidence had been presented that shows it is not possible to achieve this favoured approach (Para 72, Inspector's Report APPENDIX 1).
- 5.5 This position is replicated, with no evidence presented by the Borough Council to show that following the Guidance and making up for the shortfall in the next 5 years cannot be achieved. This again goes to the heart of the Plan being consistent with National Policy, as simply because an action would be difficult, does not mean that it should not be adhered to.
- 5.6 Numerically, the Sedgfield approach as supported by the Guidance would provide the following 5 year requirement to 2020.

**Figure 2: 5 year requirement (Sedgefield)**

Requirement (2011 – 2029)	15,300
Completed (2011 – 2015)	1,951
Shortfall (2011 – 2015)	- 1,449 (3,400 – 1,951)
Baseline Requirement (2015 – 2020)	4,250 (850 x 5)
Baseline Requirement plus 5% buffer	4,463 (4,250 + 213)
5 year requirement (plus shortfall)	5,912 (4,463 + 1,449)

5.7 To provide a direct comparison in this Statement, the same methodology as used by the Council has been applied in excluding the shortfall from calculating the 5% buffer.

5.8 Compared to the Liverpool Method cited within Figure xi of the updated land supply position (5,009 dwellings), the favoured Sedgefield approach would require the delivery of 903 additional dwellings by 2020, at an average rate of 1,182 dpa ( $5,912 \div 5$ ). For the Plan to be considered sound, it is against this benchmark that the 5 year land supply of specific and deliverable sites should be made.

5.9 Assuming that all of the 5,275 dwellings cited within the updated Land Supply Paper (Figure x) came forward from 2015 to 2020, this would represent some 4.5 years supply, some 903 dwellings below that required to 2020. However, as per the following commentary, the projected 5,275 supply is not considered robust.

5.10 The components of 5,275 dwellings cited within Figure x of the Land Supply Paper is shown in Figure 3.

**Figure 3: Components of LPA's Land Supply 2015 to 2020**

All sites with Planning Permission	3,483
Small Site Windfall	100
SHLAA Sites	310
Adopted Local Plan Allocations	222
Draft Allocations	1,160
Total	5,275

- 5.11 As per the Housing Supply Schedule (updated April 2015), no flexibility or non-implementation rate has been applied to these sources of supply in the immediate 5 year period (a discount has been made to some sources post year 5). It is therefore assumed by the Borough Council that each site, with or without Planning Permission, will come forward and deliver as projected up to 2020, which is not considered a robust and thus sound position.
- 5.12 The risk to whether a source of supply will or will not materialise reduces once a consent has been achieved, but it does not become a certainty that it will come forward, or in a manner as projected. As such, it is best practice and a more robust position to provide a non-implementation rate to supply, the percentage of which would be dictated by its status. For those sites with a planning permission, a 10% reduction to allow for delay or non-implementation is considered appropriate given the Planning process has been concluded.
- 5.13 We would advocate that this flexibility rate should increase for those sites that do not benefit from a consent, particularly SHLAA sites, where a 20% non-implementation rate should apply. For the adopted Local Plan allocations, there has to be serious doubt as to whether these sites will deliver in the next 5 years 222 dwellings as projected by the Local Authority, not least given the time that has passed since the adoption of the Local Plan. On this basis, we would advocate a discount of 50% given the uncertainty.

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- 5.14 For Draft Allocations, while still pending a consent, are sites being actively promoted by the development industry with a willing landowner and therefore a 15% reduction over what could materialise by 2020 is considered robust.
- 5.15 No discount is applied to the windfall sites allowance as this is a trend based figure based on what has actually been completed, and therefore will already exclude those small sites with permission that lapsed. The implication for the supply is shown within Figure 4.

**Figure 4: Adjusted 5 year land supply at April 2015**

All sites with Planning Permission (10%)	3,135 (3,483 – 348)
Small Site Windfall	100
SHLAA Sites (20%)	248 (310 – 62)
Adopted Local Plan Allocations (50%)	111 (222 – 111)
Draft Allocations (15%)	986 (1,160 – 174)
Total	4,580

- 5.16 The Borough Council cannot provide any certainty that all 5,275 dwellings will come forward by 2020, and as such, a robust and thus sound approach would be to adopt appropriate non-flexibility rates.
- 5.17 Based on these rates applied in this Statement, this would represent a supply of 4,580 in the period to 2020, or **3.9 years** when judged against the annual requirement of 1,182 dwellings per annum to 2020 when the Sedgfield Method is applied to calculate the housing requirement.
- 5.18 In summary, the reasoning given by the Council to not follow the advice within the NPPG and make up for the shortfall via the Sedgfield approach is not considered robust and cannot be considered consistent with National Policy. A delay in preparing a Local Plan is not a reason why the pent up shortfall should be averaged out over the Plan Period; on the contrary, the need to make up for the shortfall is heightened by the very fact there has been a delay.

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5.19 As currently presented in the Examination documentation, the projected supply specifically to 2020 is considered extremely optimistic, and does not take into account best practice of applying flexibility rates, particularly for those sites that do not benefit from a consent, or particularly where there is no willing landowner at present. To be considered sound, the Plan should increase the supply of specific and deliverable sites in the 5 year period to 2020 to off set future non-implementation.

### 6.0 Summary

- 6.1 When judged against the tests of soundness, it cannot be said that the assessment of housing need of 850 dwellings per annum is justified and supported by robust evidence. It is evident from the supporting documentation that the Council has sought to amend the methodology upon which the CLG projections have been based in an attempt to lower the housing requirement. The Council has sought to support this via the sensitivity testing for economic growth the inputs of which only served to create a lower requirement.
- 6.2 The dismissing of the Sedgfield approach in calculating the 5 year requirement is not limited to the actions of this Borough in forming its Local Plan; indeed, other Authorities have sought to adopt the Liverpool Method and distribute an existing shortfall in housing over the course of the Plan Period. The NPPG sought to provide clarity on this point, and as was witnessed at the recent Eastleigh Local Plan Examination, the expectation is that Local Planning Authorities should adhere to this guidance. To dismiss it simply because it would be difficult to achieve is not considered a robust approach, nor sound practice, with the implications being that housing that should already have been provided, not being delivered for many years to come. In our view, for the Plan to be considered sound and in compliance with the NPPF and NPPG, additional specific and deliverable need to be identified to deliver both open market and affordable housing early in the Plan Period.



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Appendix 1 - Extract from Eastleigh Borough Local Plan,  
Inspector's Report, February 2015

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expectation of 35 units within 2015/16 is rather tight and thus uncertain, but given the three developers involved, the 150 units for each of the following three years is reasonable.

69. Three different owners control the land making up site E1 land south of Chestnut Avenue, Eastleigh. A planning application was expected to be submitted in January 2015. The Council anticipates 50 units in 2016/17 then 100 units each year. The representative of one of the landowners considers that delivery will start a year later than the Council expects, but agrees with the same stepped increase in delivery thereafter. Adopting this later start would be more robust given the complexities of the site, the requirements of the allocation policy and the three landowners. Somewhat confusingly, for sites without planning permission such as E1, the Council discounts its figures in the trajectory by 25% before inclusion in the calculation of the housing supply (H15 paragraph 5.22, table after 5.28 and 7.1). Pushing back delivery by a year would give a robust figure (which does not need any discount) and thus results in only a small reduction in the contribution of this site to Council's five year supply figure (of about 40 dwellings.)
70. The promoter of site WE1, land west and south of Horton Heath, indicated that a planning application would be submitted by December 2014. This would be progressed in accordance with a performance agreement with the Council. The masterplan envisages two distinct residential areas and thus it is logical to assume two different developers. A new secondary school forms part of this allocation and the County Council requires this to be available by September 2018. This is clearly providing an impetus to progress the development quickly. A start on site mid-2016 seems realistic and the developer envisages 30 units per outlet in the first year to March 2017 (the Council assumes none). Subsequently, the developer estimates 60 units per outlet per year, not as much as the 155/160 units per year in the Council's trajectory. But as this site is without planning permission, the Council's housing supply calculation discounts the figures in the trajectory by 25%. Thus the Council's discounted delivery rate is cautious compared with the developer's and is robust.
71. On some other allocated sites, I consider that delivery might be delayed by a year compared with Council's assumptions, but still take place within five years, thus not reducing overall supply in this period.
72. In the three years since the base date of the Plan (2011), less than the Plan's average of 564 dpa has been delivered. The shortfall to 30 September 2014 is 790 homes (H15, 4.14). The Guidance states that Councils should aim to deal with any undersupply within the first five years of the plan where possible. Where this cannot be met they will need to work with neighbouring authorities under the Duty to Co-operate. The Council considers that the undersupply should be made-up over more than five years and to do otherwise is unrealistic. It cites the on-going effects of the recent recession; shortages of materials and skills; and the cycle of local plan production, resulting in previously allocated sites having been built out. However, in publishing the Guidance last year the Government would have been mindful of national circumstances in the house-building industry. The delay in having an up-to-date local plan is the Council's responsibility and does not justify delay in making good the shortfall. I have seen no evidence that it is not possible to achieve the preferred approach of the Guidance. Accordingly, on the basis of

the submitted Plan and current evidence, the shortfall should be made up in the first five years (the "Sedgefield" method).

73. I recognise that if the housing requirement were to be increased to help deliver more affordable housing, the shortfall would be greater and there would be a need to deliver even more in the first five years. Whether in that scenario such increased delivery would be possible would need to be considered in the light of the evidence at the time. The Council should have regard to the totality of the Guidance on this matter.
74. The Framework (paragraph 47) requires a buffer to be added to the five year supply of 5% or 20% where there has been persistent under delivery of the housing requirement. The assessment of past delivery needs to be considered over at least a 10 year period so as to cover a full economic cycle. In addition, as none of the plans required a specific target to be met each year, it is appropriate to consider delivery not just on an annual basis but over a whole plan period or phase if this is possible, so as to better iron-out ups and downs in delivery. In this case the adopted Local Plan Review covers the period 2001-2011 and so total delivery during this period can be compared with the overall requirement.
75. The Council has set out the past requirements and delivery from 2001-2 based on the Hampshire Structure Plan (421pa), the adopted Local Plan (561pa, excluding the reserve sites), and the South East Plan (SEP) (354 dpa). For the period 2001-2006 I consider that the requirement is that set out in the adopted Local Plan as this was adopted after the Structure Plan and reinterpreted that Plan's requirements, whilst remaining in conformity with it (see the complex explanation of the housing figures in the adopted Plan at 5.2-5.4, 5.10-5.18).
76. I requested a post-hearing note from the Council on the interpretation of the requirements of the SEP. Participants were given the opportunity to comment on the Council's interpretation and I have taken into account all relevant comments. The Council considers that the requirement during the period 2006-2013 (when the SEP was finally revoked) should be 354 pa, as a result of excluding any requirement arising from the Strategic Development Area (SDA) for 6,000 dwellings proposed for north/north east of Hedge End. Policy SH5 of the SEP sets out the annual average for the districts of South Hampshire and the SDAs over the period 2006-2026. For the Hedge End SDA the figure is 300 dpa implying an expected even supply from 2006. For this reason, developer interests consider that this figure should be added to the figure for Eastleigh Borough to create an overall requirement of 654 pa from 2006. The Council highlight that SEP Policy SH1 and supporting text 16.5 makes clear that delivery from the SDA was not expected to occur until 2016 (because of the required long lead-in to get development underway). There is clearly a tension in these different policies which makes their proper interpretation difficult for the exercise here.
77. It is important to bear in mind that the Framework's requirement for a 20% buffer is intended to assist delivery where Councils have experienced difficulty in the past delivering what they planned to deliver. Given the context in which the SEP was approved (recognising, as it did, that it was not meeting all housing needs in the South East), it would be perverse if the requirements of