

**BASINGSTOKE &
DEANE LOCAL PLAN
EXAMINATION IN
PUBLIC**

**Issue 3 – Spatial Strategy &
Housing Need**

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2015

STATEMENT PREPARED BY:



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On behalf of:

Dandara Ltd.

Respondent ID. 846263

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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?

1. Basingstoke is the largest and most sustainable settlement in the Borough and consequently a strong proportion of housing growth should occur at or adjoining the town. However, as drafted over 90% of the housing growth is planned to be provided at Basingstoke.
2. We are of the view that there is a need to ensure the Plan is deliverable having regard to the 'effective' test of soundness.
3. As set out in the Issue 4 Statement this results in over reliance upon a single part of the Borough and there is insufficient evidence that this level of housing can be delivered at the settlement of Basingstoke. Consequently, a more balanced distribution strategy is necessary in order to ensure an effective Plan and to provide greater certainty in relation to housing delivery.

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?

4. In response to point (i), we express concern regarding the Council's reliance upon historical 5 or 10 year old trend scenarios for assessing future household growth. As set out in our response to Q4.5 below, such trends are sensitive to changes in modelling variables such as job growth and existing job targets (such as those stated by the Local Enterprise Partnership (LEP)) are significantly in excess of historic job growth/trends.

5. Paragraph 3.1.3 of the Council's Housing Needs Statement (PS/02/47) refers to a CLG 2012 household projection rate, with the application of an appropriate vacancy rate, of 936dpa. This is significantly above BDBC's assessment of OAHN at 850dpa. The BDBC derived OAHN is also below the 945dpa figure set out in the revoked South East Plan, which position cannot be said to accord with the principles of the NPPF in seeking to "boost significantly" the supply of housing (Para 47 refers).

6. In appraising the position, we refer to section 9 of the PAS Guidance¹ that acknowledges that whilst the official projections roll forward demographic trends from the past, they do not necessarily provide a true picture of future demands, for three main reasons:
 - The projections may be technically flawed, because they are based on out-of-date information;
 - They do not take account of future change in external factors that drive demographic change (e.g. economy or land supply);
 - They effectively assume that in the past planning met the demands for housing land in full (where planning/the economy constrained past demand, they will under estimate future demand).

7. In terms of the first bullet point, the 2012 CLG projections were published in 2015. We acknowledge the second point and discuss such external factors further in our response to Q4.5. Having regard to the third bullet point and as confirmed in Table 1 below, the Council have under delivered over the past 5 monitoring years and therefore if anything the projection figure should be revised upwards to account for past under delivery. It is therefore of significant concern that the assessed OAHN is materially below the CLG household projection figure (936dpa) given the jobs target is above historic growth trends and under delivery has taken place in recent years. For these reasons and those set out below, our answer to questions (i) and (ii) is no.

(iii) What are the sustainability arguments for aiming for either the higher or lower end of the range of housing requirements for the Borough?

¹ Objectively Assessed Need and Housing Targets: Technical Advice Note (Planning Advisory Service) (June 2014)

8. The SA assesses a higher level of growth than that proposed in Policy SS1. Paragraph 8.03 of PS/02/47 states that a higher housing growth number may impact upon the local landscape and biodiversity and have harmful impacts upon transport and sewerage. However, neither this document nor the SA explains what such 'harmful impacts' could be. **There is no evidence to justify why a higher housing requirement cannot be provided if the Inspector agrees OAHN is not correctly defined**, especially if additional growth is dispersed across the Borough as cumulative impacts, including in relation to infrastructure provision and potentially in relation to landscape and biodiversity considerations could be appropriately managed.
9. Unlike many Authorities in the South East, Basingstoke is not a Borough constrained by large areas of land where development should be 'restricted' having regard to footnote 9, paragraph 14 of the NPPF (NB: The Borough's sustainable settlements are not located within the AONB and Green Belt restrictions do not apply). Accordingly, there is no reason why a housing requirement (once correctly identified) cannot meet full OAHN once this has been robustly identified.
10. There is considerable doubt as to whether the Council's assessment of OAHN is correct. However and under any circumstances, there is clear upward pressure on the proposed 850dpa figure. Accordingly, we suggest that the wording '**a minimum**' is added to Policy SS1 in front of the final housing requirement figure. This will ensure the housing requirement is applied as a floor not a ceiling and will enable additional housing development to come forward where it is demonstrated to be sustainable. Such an approach would accord with the need to 'boost the supply of housing' (paragraph 47) and other recently adopted housing requirement policies for example in the Wiltshire and East Hampshire Core Strategies.
11. Finally, we note the Plan presently covers the period from 2011 to 2029. In this regard, even if the Plan is found sound in its current form, adoption is unlikely to occur until April 2016. Under these scenarios, the Plan period from adoption would be 13 years. Paragraph 157 of the NPPF requires Local Plans to be drawn up over a 15 year time horizon (from the anticipated date of adoption). Accordingly, we are of the view that it is preferable for the Plan to cover a

minimum of 2 additional years, particularly in relation to identifying a robust requirement figure, thus covering the period to 2031.

4.3

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

12. The below table provides a comparable in relation to the projections

Source	Annualised Household Increase (2011-2029)
CLG 2012-based Household Projections (2015)	914dpa
Housing Needs Statement (Aug 2015) [Para 3.1.3 refers]	936dpa
CLG Household interim projections (2011 to 2021) in England	989dpa (Derived using the 2014 SHMA) and covers 2011-2021
CLG 2008-based Household Projections	866.6 (2013 to 2028)
BDBD derived OAHN	850dpa

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?

13. Table 1 below provides a summary of historic completions compared to the determining housing requirement at a given time over a 19 year period².
14. The table illustrates that BDBC has failed to deliver at a rate compliant with the relevant housing requirement in 14 of the past 19 years (74%). The deficit over this period comprises 2,144 dwellings. In addition, during the most recent 5 year period, the relevant requirement was not met in any monitoring year and the cumulative shortfall is a minimum 1,779 units.

² In the absence of an alternate definitive figure the proposed Policy SS1 housing requirement is applied from 2013 onward. However for reasons set out in this statement this is considered an under estimate of OAN and therefore under delivery in years 2013/14-2014/15 would be even greater.

Table 1: Comparison between BDBC's past SEP/Structure Plan Policy requirements & actual delivery

Monitoring Year	Requirement ³	Net Completions	Surplus (+) or Shortfall (-)
1996/97	804	520	-284
1997/98	804	516	-288
1998/99	804	570	-234
1999/2000	804	779	-25
2000/01	804	474	-330
2001/02	804	719	-85
2002/03	804	600	-204
2003/04	804	791	-13
2004/05	804	888	84
2005/06	804	924	120
2006/07	945	728	-217
2007/08	945	1,418	473
2008/09	945	1,302	357
2009/10	945	1,226	281
2010/11	945	805	-140
2011/12	945	693	-252
2012/13	945	303	-642
2013/14	850	531	-319
2014/15	850	424	-426
Total	16,165	14,211	-2,144
Average per annum	851	748	-113

15. An appeal decision at Waterbeach, Cambridge (Annex A) considers what comprises 'persistent under delivery' within the context of paragraph 47, concluding that under-delivery in 50% or more of the years in the period considered represented 'persistent under delivery' (see paragraphs 36 & 37)
16. The above analysis sets out clear and unambiguous evidence of under delivery and justifies the application of a 20% buffer to the housing requirement when assessing housing land supply (further detail in Q4.12 below).

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?

³ Hampshire Structure Plan applied 1996/97 to 2005/06, South East Plan applied 2006/07 to 2012/13 and disputed BDBC OAHN applied 2013/14 onwards.

17. Section 5.1 of PS/02/47 provides a number of economic projections for job growth during the plan period. These are summarised below:

Projection	Job Growth over plan period 2011-2029
Cambridge Econometrics Local Economy Forecasting Model	12,700 (705 per annum)
Oxford Economics Model	13,900 (772 per annum)
Experian modelling	24,870 (1,382 per annum)

18. The above confirms that base economic projections suggest job growth between 705 and 1,382 jobs per annum in BDBC over the plan period.
19. Paragraph 5.1.8 refers to the Enterprise M3 Local Economic Partnership (LEP) Strategic Economic Plan (SEP) that aims to increase GVA per capita to 25% above the national average and add 1,400 businesses annually to the area. The Council note that there are no locational specific targets in the SEP but if the same annual job growth target is applied to BDBC this would suggest annual growth of 697 jobs per annum.
20. A letter from the MP for Basingstoke to the Chair of the Enterprise M3 LEP dated March 2014 (Annex E) appended to the LEP's SEP confirms high support for a strategic focus on establishing Basingstoke as one of the key growth locations within the SEP⁴. It follows that not only is Basingstoke part of an ambitious LEP but it is a 'key Growth Town' within the LEP. Consequently, as a key Growth town there is a need to deliver job growth at a rate that exceeds the pro-rata figure (697 per annum) mentioned. Furthermore, if BDBC's self-containment is to be relied upon (see Q4.7) then supporting housing growth must be provided within BDBC itself rather than elsewhere within the LEP. **The above evidence suggests BDBC must plan for minimum job growth of 697 jobs per annum** as there is currently a discord between projected employment growth and housing delivery.
21. In seeking to ensure delivery of the homes needed to underpin the job growth, it would be appropriate, in spatial planning terms, to seek to provider for

⁴ First line of last bullet point on first page

housing in sustainable locations with access to public transport (including rail) services.

22. Paragraph 5.2.3 of PS/02/47 then refers to the Edge Analytics report that using a PG10yr-5yr (HH-12) scenario results in an annual dwelling growth requirement of 813dpa and 453 jobs per annum. This is of significant concern given the level of housing growth is close to the level proposed (850dpa, 96% of Policy SS1) and yet the predicted job growth is significantly below any of the above targets or projections (65% of the LEP figure or 33% of the Experian figure).
23. PS/02/47 then discusses a series of sensitivity tests that have been undertaken to consider the impact of alternative economic activity rate assumptions. The SENS1 and SENS2 scenarios are predicated upon historic economic activity rates, whilst SENS3 assumes a reduction in inward commuting as a greater proportion of jobs are being taken up by local residents. None of these represent appropriate modelling scenarios when compared to using factual projections or targets supported by the Council themselves (i.e. those in the LEP). Indeed, the LEP projects forward and is aiming to delivery job growth which by definition is not historically retrospective.
24. The above evidence suggests there is a need to deliver a minimum 697 jobs per annum in BDBC. However, the Council's job growth target in the LP is 450-700 per annum. Consequently there is a discrepancy between the jobs and housing target and therefore the LP is not 'justified' or 'effective' having regard to the content of its own evidence base. Without further assessment, the LP is likely to fail to provide for sufficient housing choice to match job growth and could further exacerbate an uplift in house prices and unsustainable commuting patterns.

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?

25. As discussed in Q4.2 the 2012 CLG household projection figure is significantly above the proposed housing requirement and therefore household formation is likely to have been constrained by BDBC's under delivery against set needs

(identified in Table 1). Consequently, it is envisaged that an increase to OAHN is necessary to account for this historic suppression caused by BDBC not updating their Local Plan in a timely manner and therefore not identifying enough land for housing growth purposes. Such an approach would be consistent with the previously mentioned PAS Guidance.

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?

26. Section 2 of PS/02/47 refers to self-containment levels within the HMA in respect of household migration (70% for in-migration & 75% for out-migration) and commuting (70.2%). These figures only marginally exceed self-containment advice included within ONS Guidance and the PPG. Consequently it is important that the Council demonstrate how they have met the Duty to Cooperate; and that the Inspector assesses needs from surrounding LPA's in assessing OAHN and the potential need to meet other LPA's needs, particularly given the unconstrained nature of land in the Borough.

4.10

Is policy SS2, for the regeneration of priority areas within the Borough, justified and realistic in terms of viability and resource constraints?

27. The SHLAA and PS/02/43 do not provide any site specific evidence that these proposals are viable and therefore it is only a policy aspiration and the 200 units included in the supply cannot be relied upon as 'developable'. This reduces the Council's overall supply contingency to 12 dwellings.

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?

28. We consider the housing requirement is unsound and our below assessment confirms that even when this flawed housing requirement is applied, BDBC cannot demonstrate a 5 year HLS.

29. We note that BDBC has historically been found to over project against actual delivery. The following table considers the projected completions over the future 5 year period at the time of respective Annual Monitoring Reports (AMR) were published and assesses them against actual completions (relevant background provided in Annex D):

Table 2: Historic Housing Trajectory Projections in BDBC set against actual delivery

AMR Year	5 Year Period	Total BDBC Projected Net Completions over 5 year period	Actual Completions over 5 year period	Shortfall/ Surplus against projected completions	Actual Completions as a % of Projected Completions
2007	2007/08 – 2011/12	6,795	5,444	-1,351	80
2008	2008/09 – 2012/13	5,499	4,329	-1,170	79
2009	2009/10 – 2013/14	4,395	3,558	-837	81
2010	2010/11 – 2014/15	3,436	2,756	-680	80

30. Apparent from the above and based upon the Council’s published figures, actual delivery in BDBC has generally fallen significantly below their projected completions. Accordingly, it is reasonable to suggest that future delivery could well be below BDBC’s predicted commitments. This furthers the importance of inserting flexibility into the LP so to ensure any housing requirement is met in full.
31. A solution to inserting more flexibility into the LP is to (i) allocate additional baseline sites; and (ii) identify a number of reserve sites to be released if monitoring identifies a shortfall in any given monitoring period. As proposed the overall housing requirement in Policy SS1 during the plan period 2011-2029 is 15,300 dwellings. This is set against an identified supply of 15,512 dwellings. This represents a contingency of only **212 units or 1.34% of the overall requirement** and compares to a contingency of 1,080 units that was proposed by BDBC in the original submission version of the Local Plan.

32. We dispute that a 1.34% contingency is sufficient and suggest additional allocations are made to secure flexibility within the Plan (and pass the effective test). Based on the evidence provided in Table 2 above a contingency of approximately 20% would be justified.
33. The allocation of additional reserve sites could be set out in the policy suggested by the Inspector in this question. A reserve site solution must make for better spatial planning than the unplanned hostile applications that come forward if a 5 year housing land supply does not exist.

4.12

In relation to policy SS4, is the Council confident that the Plan makes provision for a 5 year housing land supply on specific and deliverable sites?

34. The Council's Updated Housing Land Supply Statement (PS/02/43) suggests at Figure x (page 17) that BDBC can demonstrate a 5 year housing land supply set against the revised housing requirement. However this is on the basis of a 'Residual' methodology and a 5% buffer being applied.
35. ID: 3-035-20140306 of the PPG is clear in stating that Local Planning Authorities should aim to deal with any undersupply within the first 5 years of the plan period where possible, i.e. apply the Sedgefield methodology.
36. There is no content in Document PS/02/43 justifying BDBC's decision to ignore this clear preference for the Sedgefield methodology and instead apply a Residual one. A similar debate was held at the recent Eastleigh Local Plan examination, where the Inspector determined as follows (Inspector's Report appended as Annex B):

'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)' (Paragraph 72).

37. The use of the Sedgefield methodology is consistent with paragraph 47 and PPG guidance.
38. Irrespective of other considerations (e.g. the deliverability/phasing of supply components/the adequacy of the SS1 requirement etc.) if all the Council's assumptions were applied but with a Sedgefield methodology used and a 20% buffer applied (see Q4.4) the following 5 year housing land supply position would result:

Total Policy SS1 Requirement (2011 to 2029)	15,300
Policy SS1 Requirement 2011 to 2015	3,400
Completions 2011 - 2015	1,951
Shortfall 2011-2015	1,449
5 Year Requirement 2015-2020	4,250
5 Year Requirement 2015-2020 (plus 20% buffer)	5,100
5 Year Requirement (plus 20% buffer) including Shortfall 2011-2015	6,549
BDBC Assessment of Supply 2015-2020	5,275
Year's Supply	4.03 Years

39. The above HLS position would be more severe if a correct assessment of OAHN was planned for in the housing requirement itself.
40. We now refer to a recent letter from an EiP Inspector examining the Canterbury District Local Plan (dated August 2015, appended as Annex C). In this case the Inspector stated:

'The Framework indicates that relevant policies for the supply of housing should not be considered up-to-date if the local planning authority cannot demonstrate a 5-year supply of deliverable sites. As such, I consider that the Plan would be ineffective and not accord with national policy. It would therefore be unsound unless this can be remedied'.

41. The above confirms that the matter of demonstrating a 5 year housing land supply is a matter of soundness and if a 5 year housing land supply cannot be demonstrated a Plan should not be found sound. Consequently ensuring that as much flexibility is built into the plan is essential. This involves the need for

additional baseline and reserve site allocations so to enable a 5 year supply from adoption and to be achievable throughout the plan period.

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?

42. For the reasons set out in responses to Issues 4 and 5 it is considered that more appropriate and deliverable alternatives exist to the present distribution strategy that focuses almost entirely on growth at Basingstoke.

Summary

43. For two main reasons, the Plan fails all of the NPPF tests of soundness:
1. The suggested OAHN is not robustly defined and does not have sufficient regard to CLG household projections, economic forecasts or job growth targets.
 2. Irrespective of the overall housing requirement an insufficient contingency is built into the proposed supply. Further as required by national policy a 20% buffer and Sedgfield methodology should be applied when assessing BDBC's housing land supply position. Consequently a material 5 year land supply deficit exists in BDBC.
44. For the above reasons there is a need for detailed further work to assess the OAHN and the level of supply/allocations necessary to enable a 5 year housing land supply to be achieved throughout the plan period. This will require additional housing allocations alongside potential reserve site allocations. Once robustly defined, the housing requirement itself should form 'a minimum' and cover a 15 year period from adoption, thus covering the period to 2031.
