

BDBC Local Plan 2011-2029
Examination Statement
Issue 3: Spatial Strategy &
Housing Need
Middleton & Portway Estates

September 2015

4. Spatial Strategy and housing need

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?

What particular part of the document is unsound?

- 1.1 Our client Middleton & Portway Estate considers the aspects relating to the housing requirement and distribution strategy (particularly within the larger rural settlements¹) to be unsound.

Which soundness criterion does it fail?

- 1.2 The Local Plan (LP) as drafted has not been positively prepared and the proposed housing requirement is not justified, meaning that it will not be effective in meeting housing needs, particularly within the rural area.

Why does it fail?

- 1.3 Our clients' Regulation 19 representations, and submission to the Mid-Examination Proposed Main Modifications (June 2015) contended the Council should be planning for an increased housing requirement in the interests of meeting 'objectively assessed' housing need, particularly within the borough's larger rural settlements.
- 1.4 Spatial objective E) identified by the emerging LP is to "*promote a thriving rural economy with a network of vibrant towns and villages which provide homes, services, jobs and infrastructure to respond to the needs and aspirations of local communities*". As currently prepared, our client therefore remains concerned there is not an overall specified minimum housing target which Neighbourhood Plans (NPs) must achieve (and this is expanded upon at para 1.41 and within our accompanying Issue 4 Statement). As such, the current level of housing growth identified for the larger rural settlements will inhibit the ability of the vitality of these settlements to be sustained. In order for the Plan to be sound, it is imperative that a minimum housing target is introduced.

How the LP can be made sound and precise change and/or wording that you are seeking

- 1.5 The overall borough housing requirement needs to be increased, with an increased proportion of housing distributed amongst the larger rural settlements to ensure the spatial strategy is able to properly support the role of the rural area and the communities within it. Such a strategy would be more aligned with the objectives of the Framework to support rural areas and thriving rural communities within it.

¹ Identified for the delivery of housing through Neighbourhood Planning (Policy SS5), including Bramley, Kingsclere, Oakley, Overton and Whitchurch.

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?

What particular part of the document is unsound?

1.6 See paragraph 1.1.

Which soundness criterion does it fail?

1.7 The positively prepared, justified and consistency with national guidance tests.

Why does it fail?

1.8 The Framework and Planning Practice Guidance (PPG) are clear that in deriving objectively assessed needs, consideration must be given firstly to the latest household projections with adjustments then applied to reflect the latest demographic evidence, having regard to economic and market signals (Reference ID: 2a-015-20140306).

1.9 The identified level of housing growth of 850 dpa proposed by the LP is based on a narrowed range of objectively assessed needs of between 807 to 915 dwellings. However, 2012-based household model (HH-12)² is based on 2012-based DCLG headship rates and therefore many families and individuals do not “show up” as they have been unable to form a separate household, either priced out, or crowded by competition for a scarce supply of affordable homes. As such, it is questionable whether the borough has made a realistic assessment and the economic factors influencing these variables are considered in further detail at Issue 4.6 below.

1.10 The PPG is clear that affordable housing need should be calculated by estimating the number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market (Reference ID: 2a-022-20140306). Affordable housing needs are calculated to be 318 units per annum based on identified housing needs within Bands 1-3, those households being identified as being in greatest housing need and/or being in need for more than one reason. The SHMA (PS/02/17 Section 8D) contains an alternative housing needs assessment which signals that, when taking into account Band 4 band³, overall affordable housing need increases to 917 dwellings per year. Accordingly, there is evidence that a housing requirement of 936 dpa is more closely aligned with meeting

² PS/02/17 Appendix A Basingstoke and Deane Demographic Forecasts (Edge Analytics, April 2015)

³ Those in need with a reasonable housing preference (but do not have an identified priority housing need)

unmet housing needs, than when considering only affordable housing needs within Bands 1-3.

- 1.11 In terms of the sustainability arguments in favour of increasing the higher end of the housing requirements, Appendix 9a of the Sustainability Appraisal emphasises the preferred housing growth option of 850 dpa 'presents an appropriate balance between housing and jobs', whilst the 1,000 dpa housing growth option would be more closely aligned with seeking to meet the objectively assessed needs (936 dpa). Although a higher level of housing growth would be likely to result in increased environmental impacts, the Council has placed undue weight to the effect on the landscape character and the loss of greenfield land which would be largely offset by the social and economic benefits to the rural parts of the borough.
- 1.12 1,000 dpa would support new or extended services and greater support/custom for existing services and investment in new infrastructure within the rural settlements but it has not been conclusively proven that this level of growth is unsustainable. A housing requirement of 936 dpa would be more closely aligned with the Framework's objectives in terms of enhancing and maintaining rural communities, whilst seeking to balance some of the identified environmental impacts which have been identified with the 1,000 dpa option. It is therefore our clients' contention that the Council has underestimated the benefits of an increased housing requirement which would enable the objectively assessed housing needs of the rural areas to be more fully addressed.

How the LP can be made sound and precise change and/or wording that you are seeking

- 1.13 To ensure that objectively assessed needs are met having regard to respond to market signals, it is contended that the revised housing requirement should be set towards the upper range of the identified OAHN of 936 dpa.
- 1.14 Such an increase would provide the opportunity to distribute an increased proportion of housing to be accommodated within the rural settlements, thereby contributing towards the sustainability and vitality of these rural communities.

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

What particular part of the document is unsound?

- 1.15 See paragraph 1.1.

Which soundness criterion does it fail?

- 1.16 See paragraph 1.7

Why does it fail?

- 1.17 See paragraphs 1.8-1.9.
- 1.18 The proposed level of growth proposed transposes the Inspector's recommendations for a suggested housing requirement of around 850 dpa (assuming there would be an

acceptable environmental impact) as a housing figure being more closely aligned to the demographic considerations highlighted at the Exploratory meeting⁴. Indeed, the 2012 Sub National Household Projections imply a need for an annual household growth of 852 dwellings, broadly consistent with that of the level of growth identified by the LP.

- 1.19 However, Framework and the PPG are clear that in deriving OAHN, the latest household projections should be adjusted to reflect economic and market signals, and our client is concerned that such adjustments have not been made in reaching the identified housing figure. Similarly, it is unclear whether household formation rates have been constrained by the supply of housing (see Issue 4.2 above) and the related implications for affordability. The 850dpa is simply a 'treading water' position which does not address affordable housing need nor job growth.

How the LP can be made sound and precise change and/or wording that you are seeking

- 1.20 To ensure that full objectively assessed needs are met having regard to respond to market signals, it is contended that the revised housing requirement should be set towards the upper range of the identified OAHN of 936 dpa.

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?

What particular part of the document is unsound?

- 1.21 Although the identification of an annual jobs growth target is welcomed in principle, we are concerned that the lower end of the identified range (450 per annum) is unsound, as it would be likely to lead to economic underperformance of the borough.

Which soundness criterion does it fail?

- 1.22 See paragraph 1.7.

Why does it fail?

- 1.23 The Strategic Housing Market Assessment (SHMA) suggests that a figure of 850 dwellings per annum is in the difference between the mid-points of the demographic modelling (813-936 dwellings per annum), and jobs-led scenarios (1,004-650 dwellings per annum). However, the jobs-led scenario of 600 per year ('Employment600') which would imply a housing growth of 936 dpa and assumes no overall changes to the commuting balance, and maintenance of unemployment rates.
- 1.24 Whilst the scenario assumes a 10% rise in economic activity rates of 50-74 year olds, this is considered to be reasonable having regard to the identification of Basingstoke as a Growth Town in the Enterprise M3 area, alongside Guildford, Farnborough and Woking. These towns are expected to deliver one third of jobs in the Enterprise M3 area between 2014 and 2019, with an estimated total GVA increase of approximately 14% compared with 13% forecasted for the Enterprise as a whole, and 11% for the UK (ETC

⁴ PS/01/06 - PO Note of Exploratory Meeting held on 11 December 2014

09). Whilst the EM3 Strategic Economic Plan implies a jobs target at the upper range which would be to a certain extent dependent on reducing net-out commuting, it is considered that a jobs target below that of 600 pa would lead to economic underperformance of the borough, and therefore fail to address the borough's objectively assessed needs.

How the LP can be made sound and precise change and/or wording that you are seeking

- 1.25 To ensure that objectively assessed needs are met having regard to the role of Basingstoke as a key Growth Town within the Enterprise M3 area, it is contended that the lower end of the jobs target should be set at a minimum of 600 jobs per annum. This would align with the upper range of the borough's identified OAHN of 936 dpa.

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?

What particular part of the document is unsound?

- 1.26 See paragraph 1.1.

Which soundness criterion does it fail?

- 1.27 See paragraph 1.7

Why does it fail?

- 1.28 The PPG indicates where household formation rates have been suppressed and there is a worsening trend in affordability, an upward adjustment to planned housing numbers is required (Reference ID: 2a-020-20140306). Notwithstanding the adjustments required as a result of the limitations to the 2012 household projections, our client considers that there are further factors within the SHMA which suggest the overall housing provision should be increased accordingly.
- 1.29 Although the SHMA (**HO01**) indicates that there has not been any worsening of affordability when compared to neighbouring authorities, there is significant evidence to suggest there has been a worsening in affordability within the borough itself. **HO01** demonstrates there is a generally increasing housing price to earnings ratio within the housing market area from lower quartile house prices 4.04 in 1997 to 7.7 times lower quartile individual earnings in 2014 (Figure 7.1). Indeed, the paragraph 5.14 recognises that affordability as an issue locally and acknowledges that it is influenced heavily by prevailing market conditions. Whilst sales have yet to recover, the SHMA suggests that housing demand has already recovered from pre-recession levels. This is likely to be compounded by the fact of the evidence of price rises even in the years of higher housing completions (paragraph 5.14).

How the LP can be made sound and precise change and/or wording that you are seeking

1.30 See paragraph 1.18.

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?

What particular part of the document is unsound?

1.31 See paragraph 1.1.

Which soundness criterion does it fail?

1.32 See paragraph 1.2.

Why does it fail?

1.33 The identified housing figure of 850 dpa will be limited in meeting the borough's objectively assessed housing needs, and has the potential to significantly constrain jobs growth in the borough accordingly.

1.34 Basingstoke has been identified as a key growth town within the M3 Strategic Economic Plan which identifies an annual growth figure for 697 jobs per annum. It will therefore be crucial to ensure that the borough delivers an appropriate level of housing to support the projected levels of economic growth over the plan period. For the reasons outlined above, our client considers that as currently drafted, the housing LP will fall far short of the borough's 'objectively assessed needs' which have a clear economic functional relationship with the sub-region.

1.35 Whilst we are mindful of the Borough's objectives to reduce out-commuting, we have concerns the level of housing growth identified will hamper the ability of the borough to realise its economic potential. For example, the 850 dpa housing figure would only support a jobs growth figure of 460 per annum towards the lower end of the identified range. Though the SHMA suggests that Basingstoke and Deane can be shown to be a self-contained housing market area, there are close migration and travel to work patterns with West Berkshire, Hart and Test Valley respectively. Given the economic role of the borough in the M3 corridor, we have concerns that the housing growth will not secure the increase in the level of jobs expected, which will adversely affect the borough's ability to meet its potential for economic prosperity.

1.36 Furthermore, this position must be viewed carefully in the context of unmet housing needs (see paragraphs 1.9-1.10). Whilst paragraph 4.20 of **PS/02/18** suggests that at the time of submitting the plan that no local planning authority had approached Basingstoke and Deane to help meet their housing needs. It is clear from the assessment of housing needs that the borough has a significant functional economic

relationship with London in terms of net in / out commuting and migration respectively. On this basis, it is unclear how the Borough may have account of the significant backlogs of affordable housing need from the capital.

How the LP can be made sound and precise change and/or wording that you are seeking

1.37 See paragraph 1.13.

4.13 Is the Plan overly reliant on sources of development land for new homes, such as on the one hand, previously developed 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?

What particular part of the document is unsound?

1.38 The aspects of the Plan which relate to housing distribution, and the emphasis on housing delivery on greenfield sites (Policy SS3).

Which soundness criterion does it fail?

1.39 See paragraph 1.7

Why does it fail?

1.40 Our representations to the Proposed Main Modifications highlighted our clients' concerns in relation to the apparent lack of evidence that officers have investigated alternative spatial distribution options other than to identify a further greenfield allocation at Basingstoke Town. The assessment of both Options 1 and 2 which envisaged either Basingstoke as the focus for all development, or Basingstoke and a spread of development to larger settlements in the Borough⁵ performed similarly in terms of their relative accessibility in due to the uncertainties in relation to specific sites, and their size and proximity.

1.41 Whilst we agree the majority of growth should be focused at Basingstoke as the most sustainable settlement in the Borough, we have concerns that the identification of such a large number of greenfield sites at this settlement will lead to a cumulative environmental impacts and unsustainable travel patterns. As such, a wider distribution of development would redress the balance between larger settlements whilst the supporting the vitality of rural areas, with the provision of an increased level of housing within the larger, rural settlements. The Framework is clear that plans should incorporate sufficient flexibility to adapt to rapid change, and it is considered that there will be increased certainty in relation to deliverability with the introduction of 'minimum' housing requirements.

How the LP can be made sound and precise change and/or wording that you are seeking

1.42 See paragraph 1.5.

⁵ SA02 Appendix 13

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