

Day 2 / Issue 3 - Spatial Strategy & Housing Need (que 4.1 - 4.7)

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 One of the main objectives of the B&DLP as set out at para 2.8 of the LP is to:-
‘Focus the provision for new housing and supporting infrastructure within a number of development sites around Basingstoke town, with local level housing provision in our other main settlements, and homes which respond to local needs in smaller settlements’

4.1.2 Objective F is supported by policies SS1, SS3, SS4, SS5, and SS6 according to table 1 of the LP. However as set out in our reps on issue 2, approximately 90% of the boroughs housing supply is on sites within Basingstoke. In addition, the level of growth promoted in Oakley (one of the larger villages in the district) is just 7% of that which exists at present in the village. Whether this is in essence ‘local level housing provision’ is open to debate as the meaning of this rather vague term is not clarified in the plan. As is however clear from a review of the scale of development proposed in the villages relative to the existing level of housing, the level of provision proposed in Oakley seems disproportionately low compared to that proposed in Bramley, Overton and Whitchurch

| Village | Population | No of Houses | Affordable requirement | Allocation SS3 | Allocation SS5 | Total Housing allocation | Housing allocation as a percentage of no of houses |
|------------|------------|--------------|------------------------|----------------|----------------|--------------------------|--|
| Bramley | 4233 | 1622 | 72 | - | 200 | 200 | 12.3% |
| Kingsclere | 3163 | 1457 | 93 | - | 50 | 50 | 3.4% |
| Oakley | 5086 | 2165 | 425 | - | 150 | 150 | 7% |
| Overton | 4315 | 1885 | 115 | 120 | 150 | 270 | 14.3% |
| Whitchurch | 4676 | 2140 | 137 | 150 | 200 | 350 | 14.5% |

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 We provided detailed comments on the level of housing growth proposed in the borough in our reps of October 2013, June 2014 and June 2015. Nothing has been

produced since, to change our opinion that the level of housing growth proposed within B&DLP should be increased to provide for at least 16,200 dwellings over the plan period i.e. at least 900dpa. The updated Housing Needs Statement (PS/02/47) has not changed our view on this matter. If anything it has just made us question the purpose of said statement, as all it seems to do is look to justify the councils approach to the 850dpa figure, ignoring the evidence of the 2012 based household projections(see 4.3 below) and the findings of the latest Edge Analytics report (as appended to the April 2015 SHMA (HO01)). There is in our opinion no justification for the internal and international migration rates that have been adopted by B&DBC and used to adjust the OAHN. Using a 10 year rather than the 5 year internal migration trend merely helps the BC depress the OAN, and using a 5 year rather than a 10 year international migration trend rate ignores the continued increase in net international migration – which given current events is likely to continue to increase.

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

4.3.1 Whilst a lot of additional housing data has been issued by the BC since the 2012 based household projections were published, we can find nothing that actually confirms the benchmark figure set out in the 2012 household projections, despite acknowledging that it is these that the NPPG indicates are the starting point for assessing the OAHN. If one looks at table 406 of the 2012 household projections¹ they indicate that over the 18 year period 2011 to 2029 some 888 households will form each year. Whilst this is lower than the figure suggested in the previous 2011-interim household projections² it is considerable higher than the figure promoted by B&DBC as their demographic starting point – 813dpa³. The figure of 813dpa has been arrived at as a result of sensitivity testing which has sought to adjust the population figures by using a 10 year trend period for internal migration and a 5 year trend period for international migration. The PAS Objectively Assessed Need and Housing Targets Technical Advise Note makes it clear at para 6.33 that the default position should be to set aside UPC's (unattributable population change) such as migration data. It also highlights the fact that:-

'ONS decided not to adjust its 2012-based subnational population projections (SNPP 2012) to take account of the UPC. It gives two main reasons for this decision: firstly the UPC probably does not introduce a bias that will continue in future projections, and secondly it would be very difficult to adjust for the UPC because its causes are unknown' para 6.32 refers.

4.3.2 Given the above it is in our opinion incumbent upon the BC to demonstrate why the position they have adopted is justified. Whilst the latest official projections – to which the Government attaches weight –show that the rate of household formation has declined compared to what had been projected previously, the level of decline has not been as marked as suggested by the council in its sensitivity modelling. And no

¹ www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections

² The 2011 household projections indicated that some 1,000 households would form per year over the 2011 to 2029 plan period

³ Para 3.4.1 of PS/02/47 refers.

account has been taken of the implications of the councils actions on neighbouring authorities

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 The updated Housing Land Supply Statement (August 2015) suggest in section 5 that the LPA have a good record of cumulative delivery and that it is not considered that a 20% buffer is appropriate as there has not been consistent under delivery. The basis for the BC's conclusions are however wrong in our opinion. Table vii is based upon the 'contemporary requirement at the time'. It uses draft SEP housing no's and locally generated housing targets that have since been disproved. If one assess the situation against the adopted and thus tested housing requirement the situation is as follows:-

| Year | Housing Requirement | Housing Delivered | Difference (+ve/-ve) | Cumulative total |
|---------|---------------------|-------------------|----------------------|------------------|
| 2005/06 | 804 | 924 | +120 | 120 |
| 2006/07 | 945 | 728 | -217 | -97 |
| 2007/08 | 945 | 1418 | +473 | +376 |
| 2008/09 | 945 | 1302 | +357 | +733 |
| 2009/10 | 945 | 1226 | +281 | +1014 |
| 2010/11 | 945 | 805 | -140 | +874 |
| 2011/12 | 945 | 693 | -252 | +622 |
| 2012/13 | 945 | 303 | -642 | -20 |
| 2013/14 | 945 | 531 | -414 | -423 |
| 2014/15 | 945 | 424 | -521 | -955 |

□ 804 – Hampshire County Structure Plan (adopted in January 2000)

□ 945 – Adopted South East Plan (adopted in May 2009)

4.4.2 Whilst having regard to the above we agree that a 5% buffer is appropriate in this instance, we do not agree that the buffer should be factored in over the plan period as a whole, as suggested in the updated Housing Land Supply Statement (August 2015).

4.4.3 Para 47 of the NPPF is clear that
'To boost significantly the supply of housing, local planning authorities should.....
● *identify and update annually a supply of specific deliverable¹¹ sites sufficient to provide five years worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land.'*

4.4.4 Given the above it is in our opinion illogical to suggest that the unmet need is spread across the plan period. The PPGN is clear:-
Local planning authorities should aim to deal with any undersupply within the first 5 years of the plan period where possible. Where this cannot be met in the first 5

years, local planning authorities will need to work with neighbouring authorities under the 'Duty to Cooperate'⁴

4.4.5 The updated Housing Land Supply Statement (August 2015) suggests at paras 5.7 – 5.10 that making up the shortfall over the next 5 years would be extremely difficult given low predicted completion levels over the next 5 years, and the lead in times for the proposed allocations, that additional allocations would be unlikely to lead to early resolution of the under supply, and that further allocations will just delay the adoption of the plan. Whilst we have some sympathy for the councils plight, the fact is further small scale allocations in the larger villages – such as Oakley would in our opinion help to address this situation. Furthermore, as the principle of development appears to be accepted in Oakley on the Park Farm site - through the Neighbourhood Plan process, its suitability is established, its availability is clear from its promotion through the LP and NP process and its deliverability is also clear. As the BC have not sought to address their current shortfall through the DTC, and do not appear to be able to accelerate the delivery of the larger strategic allocations it appears to us that they have no option but to look at the merits of small site allocations, as without these there will be no 5 year housing land supply and the plan will not be sound.

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 One has to question whether the forecast job growth is realistic when it is quite clear from table 3 of the Edge Analytics report appended to the May 2015 SHMA () that in order to deliver 450 jobs per you need to deliver 840dpa. In order to deliver 750 jobs pa (the upper limit promoted in policy EP1), in excess of 100dpa needs to be provided for, a point that has not been lost on the Enterprise M3 LEP, who themselves have looked to promote the delivery of circa 697jobs per annum. To deliver this level of employment growth, Edge Analytics suggest the need to provide for circa 1000 homes⁵.

4.5.2 Given the above if the housing requirement is not increased the BC will not be able to meet its forecast job growth and will in our opinion prejudice the aims and objectives of the Enterprise M3 LEP and the NPPF.

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 National PPG indicates that:-
 The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings. Prices or rents rising faster than the national/local average may well indicate particular market undersupply relative to demand. Relevant signals may include the following:⁶

⁴ ID: 3-035-20140306 refers

⁵ Jobs led 700 scenario - table 6 of the Edge Analytics report of April 2015 refers.

⁶ Reference ID: 2a-019-20140306

Land Prices, House Prices, Rents, Affordability, Rate of Development, Overcrowding

- 4.6.2 The updated Housing Needs Statement (PS/02/47) looks to address these points in section 4. It concludes that
'Past delivery and market signals do not indicate that the housing market has been constrained over the demographic reference period, so it is not necessary to adjust the housing need above 813 dwellings per annum.'
- 4.6.3 Whilst we note that the borough did achieve higher than average completion rates during the recession and that this may well have been a factor, along with reduced house prices, in keeping rents and overcrowding levels low, the fact is the Enterprise M3 Strategy and Action Plan 2013 highlights in section 2.4 that the *'imbances between supply and demand are a potential brake on economic development'*, and that the B&D area is still an area that is very unaffordable (fig 2.9 refers). It also advises:-
'In order to advance a considerable elevation in the levels of affordable housing delivered, consideration will be required of the possibility of releasing a further supply of land within, or in close proximity to, those areas which continue to be identified as suffering from severe affordability issue'
- 4.6.4 Figures 4.2 and 4.3 of the August 2015 Housing Needs Statement (PS/02/37) indicate a worsening trend in affordability for both lower quartile and median price indexes. This suggest that demand continues to outstrip supply, and as per ID2a.020 of the NPPG that an upward adjustment is required.
- 4.6.5 The issues of affordability and implications for economic growth as set out by the Enterprise M3 LEP cannot be ignored. Nor can the fact that completions have for the past few years been less than required, and the BC do not in our opinion have a 5 year HLS at present. These could all result in an imbalance between supply and demand, increased prices and les affordability, such that there should in our opinion be a contingency provided within the supply to address this point. Whether this is through additional allocations or the allocation of reserve sites, is a matter for debate, but such a strategy would ensure there is no unnecessary delay in bringing sites forward and provide more certainty for developers and locals alike. The land at Park Farm would, if not formally allocated to accommodate the shortfall, be a good candidate for reserve site status
- 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 It is debatable whether B&D is a self-contained HMA. Appendices 2 and 3 of the August 2015 Housing Needs Statement (PS/02/37), indicate high levels of in and out migration to London, West Berks, Test Valley, and Hart; high levels of out commuting to London, West Berks, Hart and Reading; and high levels of in commuting from West Berks, Test Valley, Winchester, and East Hampshire, thus

what is happening in the wider area clearly influences the housing requirement in B&D, as exemplified by the issues raised in the Enterprise M3 Strategy for Growth.

- 4.7.2 In the context of the above we note that previous studies undertaken in association with the preparation of the SEP (see fig 2.5 of HO01) and by NHPAU (see fig 2.6 of HO01) both indicate that B&D sits within a larger HMA. Furthermore, whilst the NPPG (ID: 02a-012) suggests that a self-containment would suggest household moves within the borough of 'typically 70%'; the updated Housing Needs Statement (PS/02/457) at appendix 1 implies self-containment is borderline.
- 4.7.3 Having regard to the above, not only do we believe that the comments in the Enterprise M3 Strategy for Growth should be taken into consideration in assessing the housing requirement as the influences are wider than just within B&D, but that the potential extent of said influences are such that they support our proposition that the housing requirement should be set at a minimum of 900dpa rather than the 850-dpa proposed in the proposed mods.