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29th October 2015

Dear Sir/Madam,

**BASINGSTOKE AND DEANE LOCAL PLAN EXAMINATION IN PUBLIC
RESPONSE TO MF08 (OBJECTIVELY ASSESSED HOUSING NEED) ON BEHALF OF MR DOMINIC
GUINNESS, MR CHRISTOPHER GUINNESS AND MRS ANNABEL ROLLO**

Following the Local Plan examination hearing for Issue 3 (Spatial Strategy and Housing Need), the Inspector issued a note (MF07) requesting clarification on several points relating objectively assessed housing need. The Council responded to these questions in note MF08 (Objectively Assessed Housing Need).

We are pleased to submit representations on behalf of Mr Dominic Guinness, Mr Christopher Guinness and Mrs Annabel Rollo, to the Council's response having regard to the Borough's Objectively Assessed Housing Need (Paper MF8).

The Council has published an updated Strategic Housing Market Assessment (SHMA, 2015) based on new population and household projections. The 2015 Edge update report takes into account the Government's most recent 2012 – based sub-national population projections (SNPP) and 2012-based household projections and tests a number of scenarios to identify the likely outcomes in terms of population, households, dwellings and jobs growth. This is a "policy-off" assessment of future housing requirements, to assess future housing requirements if it was not constrained by any policy restrictions.

The 2015 Edge update report identifies a housing requirement based on demographic modelling in a range between 813 – 936 dwellings per annum. The council's review of the available evidence, particularly focusing upon the assumptions made, concluded that a figure of 850 dwellings per annum is a more suitable housing figure for the borough, lying in the middle of the range of requirement identified by the available demographic analysis. The Council maintain in response to the Inspector's questions that 850 homes is sufficient to support economic growth.

However, it is considered that the level of housing provision proposed is still significantly less than the level of housing provision which should be provided in the Borough, as required by the NPPF, particularly to take account of the Borough's economic growth potential and to meet full affordable housing need.



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In their response, the Council, claim that affordability has been relatively stable over the last 10 years, suggesting it is therefore not considered necessary to adjust the housing number in relation to this market signal.

Mr Dominic Guinness, Mr Christopher Guinness and Mrs Annabel Rollo consider that the Council's position is flawed, and fails to take account of the true affordability crises which is more pressing in the South East of England than anywhere else in the country.

We would acknowledge, as does the SHMA (May 2015) that house prices in Basingstoke and Deane are lower than many neighbouring areas, but contend that there are still significant issues of affordability, which need to be addressed fully through the Local Plan housing requirement.

A ratio of lower quartile house prices to lower quartile earnings of 7.7 is clearly a substantial burden on many people, particularly first time buyers. As indicated in the SHMA (May 2015) the minimum household income required to access lower quartile prices owner occupied property would be £32,000 pa which is not accessible to 41.4% of the population.

The Council also alleges that, in view of the housing register at October 2015, following implementation of the new housing allocations policy, the annual affordable housing requirement, irrespective of the conclusion of the SHMA (May 2015) indicating a requirement of 318 dpa, falls to 296 dpa. This is based on a comparison of those on the housing register in August 2015 (7,010) compared to those on the housing register in October 2015 (1,733). This reduction is however due to more restrictive eligibility criteria and this does not mean that these people, who are no longer 'eligible' to be on the housing register, do not need a home: those 5,277 who were on the waiting list are still in need of a home. Footnote 18 of the SHMA confirms that the main changes to the new housing allocations policy is a local connection requirement of two year residence or two years employment, and an income ceiling of £50,000. The use of the housing register as a benchmark for assessing affordability in the District is therefore of concern because it only takes account of those people whose circumstances ensure their eligibility for the housing allocations policy rather than reflect those who have a genuine need, albeit one which does not meet the Council's eligibility criteria.

According to the SHMA (May 2015), longer term trends would indicate that between 1997 and 2013 affordability has generally been worsening, and in our view the Council has to date been unable to present any robust evidence to suggest that this long term trend is being addressed. This is illustrated on Figure 8.10 of the SHMA showing the consistent rise in those on the housing register.

The Council rely heavily on the reductions in number on the housing register between August 2015 and October 2015 to suggest that affordability is, at best, not worsening but despite the gradual improving position in available mortgage credit, growth in real term wages and a continuing trend of low interest rates, affordability is not improving.

Indeed, according to the SHMA (May 2015) over the last 4 years, a higher percentage of households have fallen into the lower income brackets below £20,000, and there is a lower proportion of households in the £20,000 - £40,000 bands. This means that even if housing costs did not change, a higher proportion of households may struggle to afford rent or home ownership.

In addition the SHMA (May 2015) highlights the considerable gap between the ability of an individual on median earnings (£32,609), or a household with a median income (£38,406), to afford a median priced property and assuming the deposit and mortgage are available, there is also a considerable gap between the ability of an individual on lower quartile earnings or a household with a lower quartile income to afford a lower quartile property.

The Council's response to the Inspector's questions fail to account of the affordability issues associated with the 41.4% of the population identified in the SHMA (May 2015) whose household income required to access lower quartile prices owner occupied property would be £32,000 pa.

In relation to private rents, the SHMA (May 2015) indicates that 27% of the borough would not be able to afford to rent privately in Basingstoke and Deane. If the mid-point of a 1-2 property is taken then the percentage is around 30%. These rental prices, even the lowest, exclude over 85% of single person households on the Council's Housing Register. However, 48% of couples, based on their income, may be able to afford to rent in the private sector based on the lower quartile 1-2 bed entry price of £156 a week (52% of couples excluded). Paragraph 7.50 of the SHMA confirms a "worsening of affordability for private rent since 2011."

As highlighted by the Council, Paragraph 19 of the NPPG (ID: 02a-019-20140306) identifies that the housing need number suggested by the household projections should be adjusted to reflect market signals. One of the 'relevant signals' is affordability which is defined as 'the ratio between lower quartile house prices and the lower quartile income or earnings'. Paragraph 20 (ID: 02a-020-20140306) goes on to indicate that a 'reasonable' upward adjustment to the planned housing number will be appropriate where there is a worsening trend. Given the evidence presented in the SHMA (May 2015) it is clear that there are worsening affordability issues and as such an upward adjustment to housing need should be made in accordance with Planning Practice Guidance.

We would be grateful for confirmation that these representations have been received and that they have been registered as having been 'duly made'.

Yours faithfully,



NICK PATERSON-NEILD
Director