



The Planning  
Inspectorate

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# Report to Fareham Borough Council

by **Michael J Hetherington BSc(Hons) MA MRTPI**

an Inspector appointed by the Secretary of State for Communities and Local Government

Date: 20<sup>th</sup> July 2011

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PLANNING AND COMPULSORY PURCHASE ACT 2004

SECTION 20

**REPORT ON THE EXAMINATION INTO FAREHAM LOCAL DEVELOPMENT  
FRAMEWORK CORE STRATEGY**

**DEVELOPMENT PLAN DOCUMENT**

Document submitted for examination on 28 February 2011

Examination hearings held between 17 and 26 May 2011

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## Abbreviations Used in this Report

AA	Appropriate Assessment
BRT	Bus Rapid Transit
CIL	Community Infrastructure Levy
CLG	Communities and Local Government
DPD	Development Plan Document
HA	Highways Agency
HRA	Habitats Regulations Assessment
IDP	Infrastructure Delivery Plan
LDD	Local Development Document
LDF	Local Development Framework
LDS	Local Development Scheme
NE	Natural England
ODPM	Office of the Deputy Prime Minister
PPG	Planning Policy Guideline
PPS	Planning Policy Statement
PUSH	Partnership for Urban South Hampshire
RS	Regional Strategy
SADM DPD	Site Allocations and Development Management DPD
SA	Sustainability Appraisal
SCI	Statement of Community Involvement
SCS	Sustainable Community Strategy
SDA	Strategic Development Area
SEP	South East Plan
SHLAA	Strategic Housing Land Availability Assessment
SPD	Supplementary Planning Document
WCC	Winchester City Council

## **Non-Technical Summary**

This report concludes that the Fareham Core Strategy Development Plan Document provides an appropriate basis for the planning of the Borough over the next 15 years. The Council has sufficient evidence to support the strategy and can show that it has a reasonable chance of being delivered.

A limited number of changes are needed to meet legal and statutory requirements. These can be summarised as follows:

- amendments to the North of Fareham Strategic Development Area proposal to delete references to the proposed employment area at M27 junction 11, require further testing of transportation options and reflect up-to-date assumptions about housing delivery rates;
- simplification of the sequential approach to assessing housing proposals, whilst retaining the priority to be given to the re-use of previously developed land in urban areas;
- providing greater clarity about the Council's approach to the protection of employment land;
- clarifying the role of future local plans in making specific site allocations and reviewing policy boundaries;
- including greater detail on methods of avoiding or mitigating likely adverse effects on international nature conservation sites;
- clarifying the policy approach in respect of Gypsies, Travellers and Travelling Showpeople to distinguish development management guidance from site allocation criteria;
- amending references to developer contributions to align more closely with national policy and reflect the Council's intention to prepare a Community Infrastructure Levy charging schedule;
- addition of criteria to guide the future review of strategic gap boundaries;
- amendments to criteria for sustainable construction and renewable energy.

Most of the changes recommended in this report are based on proposals put forward by the Council in response to points raised and suggestions discussed during the public examination. None of the recommended changes alter the thrust of the Council's overall strategy.

## Introduction

1. This report contains my assessment of the Fareham Core Strategy Development Plan Document (DPD), henceforth referred to as the Core Strategy, in terms of Section 20(5) of the Planning and Compulsory Purchase Act 2004. It considers whether the Core Strategy satisfies the relevant legal requirements and whether it is sound. Planning Policy Statement 12: *creating strong safe and prosperous communities through Local Spatial Planning* (PPS 12) makes clear that to be sound, a DPD should be justified, effective and consistent with national policy.
2. In line with national policy, the starting point for the examination is the assumption that the local authority has submitted what it considers to be a sound plan. The basis for the examination is the submitted draft Core Strategy (February 2011) which is the same as the document published for consultation in December 2010.
3. My report deals with the changes that are needed to make the DPD sound. These are identified in bold in the report. Most of the detailed changes have been proposed by the Council and are presented in Appendix A using the reference number from the Council's schedule of changes<sup>1</sup>. The changes that I recommend are set out in Appendix C<sup>2</sup>. None of these changes materially alter the substance of the plan and its policies, or undermine the sustainability appraisal and participatory processes undertaken. In a small number of cases I have not accepted a change that has been suggested by the Council: where this is the case, it is explained in this report.
4. Some of the changes put forward by the Council are factual updates, corrections of minor errors or other minor amendments in the interests of clarity. As these changes do not address key issues of soundness they are generally not referred to in this report – although I endorse the Council's view that they improve the plan. These are shown in Appendix B. I am content for the Council to make any additional minor changes to page, figure, paragraph numbering and to correct any spelling errors prior to adoption.
5. During the examination, I sought the views of all parties on the Ministerial Statement of 23 March 2011 on 'Planning for Growth' and on the changes that are now proposed to national policy in relation to Gypsies, Travellers and Travelling Showpeople. The Council undertook an additional focussed consultation in respect of changes that it has suggested in respect of Core Strategy policy CS6. In writing this report, I have had regard to the responses to all of these consultation exercises.

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<sup>1</sup> These are shown in square brackets and bold text, thus **[1.1]**. Numbering is consistent with that set out in the Council's Consolidated Schedule of Proposed Changes (Core Document reference: CD27D).

<sup>2</sup> Changes recommended by the Inspector are referenced as IC, thus **IC1**.

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## Assessment of Soundness

6. Taking account of all the representations, written evidence and the discussions that took place at the examination hearings, I have identified five main issues upon which the soundness of the plan depends.

### **Main Issue 1: Are the Core Strategy's proposals for the North of Fareham Strategic Development Area (SDA) realistic, deliverable, adequately justified, consistent with sub-regional policy and in general conformity with the Regional Strategy?**

7. The North of Fareham SDA represents the most significant and controversial element of the Core Strategy. The evolution of the proposal is rehearsed in detail in the submitted evidence base, and summarised in the Core Strategy (notably at paragraphs 5.65 to 5.95). While the principle of the SDA's development is contained in the regional strategy – policy SH2 of the South East Plan (SEP) – the justification for the proposal derives from evidence prepared by South Hampshire local authorities (the Partnership for Urban South Hampshire [PUSH]) during the SEP's preparation. As explained in the relevant background paper<sup>3</sup>, the SDA concept is supported in preference to cumulative 'bolt-on' additions to existing settlements. The advantages of SDAs are seen as threefold: safeguarding existing towns and villages by reducing coalescence; providing more opportunities for planning gain; and achieving a critical mass to deliver sustainability benefits. The development now proposed is one of two SDAs proposed by PUSH and brought forward into the SEP. Both are aimed at meeting sub-regional housing needs and, as such, their housing totals are separated from the housing requirement for the remainder of the Boroughs concerned in the sub-regional strategy and SEP.
8. In bringing the SDA proposal into the Core Strategy, the Council has therefore relied in part on the evidence base submitted in respect of the SEP and the sub-regional strategy – including the Sustainability Appraisal (SA) that was undertaken for the SEP. Further options in relation to the SDA have not been explored. Bearing in mind that the principle of the SDA has already been accepted in the SEP, this approach appears justified. Subsequent to the SEP's approval, additional work has been undertaken in order to examine specific constraints applying to the SDA 'area of search'. In summary, the effect of these studies has been to reduce the proposed scale of the SDA. I return to this matter in more detail below.
9. It has been put to me that, given the Government's intention to abolish regional strategies, less (or no) weight should be attached to the SEP and that, as a result, the principle of the SDA should be reconsidered in line with the localism agenda. While I understand these concerns, such a fundamental review is outside the scope of this examination. The SEP remains part of the development plan, and the requirement of general conformity set out in

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<sup>3</sup> PUSH - Rationale for the Housing Distribution: Background to the South Hampshire Sub-Regional Strategy (Core Document reference CE80).

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section 24(1) of the 2004 Act (as amended) remains applicable. This view has recently been reinforced by the Court of Appeal's decision in *Cala Homes (South) Ltd, R (on the application of) v Secretary of State for Communities and Local Government & Anor [2011] EWCA Civ 639*, which states, among other matters, that: 'It would be unlawful for a local planning authority preparing, or a Planning Inspector examining, development plan documents to have regard to the proposal to abolish regional strategies. For so long as regional strategies continue to exist, any development plan documents must be in general conformity with the relevant regional strategy.'<sup>4</sup> As such, the Government's intention to abolish the SEP does not mean that the SDA proposal should be withdrawn or reconsidered.

10. Before turning to the detail of the SDA proposal it is also necessary to address concerns that have been raised about a lack of clarity and consistency in respect of its underlying rationale. Various Council publications, most notably a special edition of 'Fareham Today' that was published shortly before the examination hearings, give the impression that the SDA is intended to meet Borough, rather than sub-regional, housing needs. This clearly conflicts with the evidence base, as described above. While the sub-regional housing requirement would necessarily include a local element, the scale of such local provision has not been quantified.
11. Furthermore, while additional demographic evidence has been prepared by the Council, this does not justify a development of the scale proposed at the SDA solely to satisfy housing needs generated within Fareham Borough. This point was accepted by the Council in its response to my preliminary questions, and re-emphasised in its oral comments at the relevant hearing session.
12. The Core Strategy does not propose a specific allocation in respect of the SDA. Instead, policy CS13 sets the context for the preparation of a future Area Action Plan (AAP) which will set out detailed guidance for the development. In general terms, this approach is understandable – and is consistent with the present state of the evidence base. Although a substantial amount of work has been carried out, a number of detailed matters remain to be resolved. Most importantly, the likely scale of housing development within the SDA remains to some extent uncertain. Various factors are likely to bear upon this figure and, as such, the adoption of a range of total dwelling numbers in policy CS13 is appropriate. I am able to afford only limited weight to the Council's viability assessment<sup>5</sup>, key assumptions of which (for example the threshold figure above Existing Use Value at which viability is assumed) have not been made public. However, and on balance, the deliverability evidence before me (including comments made by representors at the relevant hearing session) strongly suggests that it is unlikely that the lower figure proposed in policy CS13 (of 6,500 dwellings) will be achieved within the Core Strategy period. This is recognised by the Council, and I endorse its suggested clarification regarding the likely delivery timescale **[5.24]** for reasons of effectiveness.

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<sup>4</sup> Paragraph 24 of the Court of Appeal decision.

<sup>5</sup> Prepared by BPS (Core Document reference CE43).

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13. Nevertheless, I consider that the assessment of relevant constraints and land availability is, in broad terms, sufficiently robust to justify the Core Strategy's departure from the scale of development set out in the SEP. In particular, I attach significant weight to the capacity analysis studies prepared for the Council in 2009<sup>6</sup>, which itemise the key constraints that limit the potential for new development in this locality – most notably the landscape sensitivity of the eastern part of the SDA search area in the vicinity of Portsdown Hill (a concern recognised in the SEP) and the need to establish buffer zones between the SDA and existing settlements (such as Funtley). Land ownership presents a further constraint, particularly to the east of the A32: a study prepared for the Council<sup>7</sup> queries the costs and likely success of a large scale land acquisition exercise using compulsory purchase powers.
  14. Furthermore, while the relevant caveat was not included in the approved SEP, the 10,000 dwelling figure identified for the SDA in the sub-regional strategy was originally put forward as a maximum figure rather than a specific requirement. This reflected the need for further work to be undertaken to develop the proposal in more detail. I have seen no evidence that, as a matter of principle (and subject to my detailed comments below about the proposed employment area at M27 junction 11), the scale of development now proposed would be at odds with the underlying rationale of the SDA in terms of self-containment and critical mass. SEP policy SH2 envisages that the other SDA proposed for South Hampshire (to the north and north-east of Hedge End) will comprise 6,000 new dwellings, while the relevant sub-regional evidence suggests that a development in the range of 5,000 to 10,000 dwellings would be sufficient to ensure a high degree of self-containment. This is consistent with the scale of the SDA as now proposed.
  15. It should also be noted that even the headline figures set out in the Core Strategy may be subject to further reduction. Consistent with SEP policy NRM5, Core Strategy policy CS13 provides for the potential to reduce the housing total in order to ensure that there are no adverse effects on the integrity of international nature conservation sites. As discussed further below, the Council has accepted (in consultation with the Highways Agency) that the achievement of the SDA's employment floorspace total (of up to 90,750m<sup>2</sup>) should be conditional on a detailed transport assessment being undertaken at the AAP stage.
  16. In addition, PUSH does not raise objections to the intended reduction of the SDA's size in respect of the possible implications for housing provision in the wider sub-region, and indeed has recently reduced its own expectations of the overall sub-regional housing requirement. Its refreshed Economic Development Strategy envisages a need for some 74,000 new homes in the period 2006-2026, compared to the 80,000 set out in the SEP. While the reduced figure has not been translated into Borough/District apportionments,

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<sup>6</sup> Prepared by David Lock Associates (Core Document references CE23 & CE56).

<sup>7</sup> Prepared by DTZ (Core Document reference: CE42)

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PUSH confirmed at the examination hearings that the revised scale of the North of Fareham SDA would not be likely to prejudice such an exercise.

17. Prior to its abolition, the South East England Partnership Board (the then regional planning body) expressed an informal view that "if the evidence demonstrates that 10,000 homes at the SDA cannot be delivered then there is unlikely to be an issue of general conformity in our opinion"<sup>8</sup>. Taking all of the above factors into account, I do not depart from that assessment.
18. While a significant amount of work has been undertaken to explore the SDA's transport implications, including capacity analysis of M27 junctions and a review of access options<sup>9</sup>, the Council accepts that modelling of likely traffic impacts has yet to be completed. Specifically, the Sub Regional Transport Model has yet to be calibrated and run. In order to reflect this uncertainty, it has suggested changes to policies CS5 and CS13, along with supporting text, in consultation with the Highways Agency (HA). These include the introduction of qualifications in respect of the overall scale of employment floorspace in the SDA (as mentioned above) and the need for a link road between the A32 and junction 11 of the M27. Subject to a further change that I recommend in respect of the proposed employment land at junction 11 (see below), I endorse these changes [**4.14, 4.18, 4.19, 5.27, 5.28, 5.31, 5.32, 5.36**] for soundness reasons. A further consequent change is required to delete the 'Proposed M27 Access' notation from the Key Diagram (which indicates a link between the A32 and junction 11): this is included in **IC3** (see below). Clearly, these are matters that will need to be resolved before the AAP can be finalised. However, the HA has confirmed that it does not see the above-noted modelling work as a pre-requisite affecting the overall soundness of the Core Strategy. Although I note the concerns raised by many parties about the SDA's potential traffic effects, I have seen no substantive evidence to cause me to disagree with the HA's assessment.
19. Policy CS13 proposes the location of employment uses near to junction 11 of the M27. This element of the SDA has emerged from the above-noted assessment of relevant constraints and opportunities. Its likely scale remains to be finalised. Nevertheless, it represents a level of detail that is at odds with the Core Strategy's treatment of the remainder of the SDA: matters such as the position of the SDA boundary, the nature and siting of transport infrastructure and the location of uses other than the junction 11 proposal remain to be considered at the AAP stage.
20. Furthermore, junction 11 is distinctly separate from the indicative location of the remaining body of SDA development – which broadly lies to the west of the A32. Existing road linkages (predominantly small rural lanes) are poor. Policy CS13's requirement to create a link road between this junction and the A32 is objected to by the HA on the grounds that the potential effects on the wider road network have been insufficiently modelled: as noted above, the

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<sup>8</sup> Email dated 28 August 2009 (Core Document reference: CE87).

<sup>9</sup> Summarised in Core Strategy paragraphs 5.115 to 5.128.

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Council proposes to reword the relevant reference. The Council emphasises that the junction 11 site would be linked to the remainder of the SDA by a proposed Bus Rapid Transit (BRT) system (although the full extent of this link is not shown on the Core Strategy's Transport Diagram) with additional cycling and walking routes. It proposes a change to the Core Strategy to emphasise this point. However, the proposed amendment is itself subject to a caveat regarding further detailed transport assessment as part of the AAP process. Bearing in mind that the details of the BRT system within the SDA (including its location and delivery mechanism) remain to be finalised at the AAP stage, it has not been demonstrated that the junction 11 site would be satisfactorily linked to the remainder of the SDA. This conflicts with the self-containment objective that underpins the SDA concept.

21. A number of other South Hampshire authorities have raised concerns about the possible implications of the junction 11 employment proposal on the development of town or city centre sites elsewhere in the sub-region. Policy CS13 requires the type of floorspace to be provided at this location to 'not directly compete for occupiers with floorspace developed in the city and town centres' and seeks to delay the implementation of this element of the SDA until 2021. However, this phasing requirement is subject to a caveat allowing development to go ahead if there is 'compelling justification for bringing it forward earlier'. The Council suggests additional text that gives an example of such a justification – namely where a major employer for which a suitable alternative site does not exist is wishing to locate in the sub-region. However, while such a change would provide some clarification, the suggested wording remains open to interpretation. Bearing in mind my comments above regarding self-containment, I am not satisfied that the Core Strategy (either as submitted or as proposed for amendment) would provide sufficient certainty that development of the junction 11 employment site would not harmfully affect the development of sequentially preferable sites in other local authority areas. This would conflict with national policy in Planning Policy Statement 4: Planning for Sustainable Economic Growth (PPS 4).
22. A further concern relates to the landscape sensitivity of the area around junction 11, which is located on the lower slopes of Portsdown Hill. An appraisal carried out for the Council<sup>10</sup> identifies this land as being an area of high visibility and sensitivity: while two pockets of land are less prominent from some viewpoints, it is very likely that any employment development in this location would be highly visible. As such, the appraisal states that significant class B1 development (as is proposed in the Core Strategy) could only be accommodated if it is of the highest design quality. The landscape importance of Portsdown Hill is recognised in the SEP, which identifies the sensitive treatment of the SDA's relationship with Portsdown Hill as one of the critical success factors which are fundamental to the delivery of the SDA.

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<sup>10</sup> Prepared by David Lock Associates for Fareham Borough Council (Core Document reference: CE22).

23. The above-noted appraisal does not rule out employment development in this location on landscape and visual terms. Nevertheless, bearing in mind that areas of land of a lower landscape and visual sensitivity have been identified within the broad SDA area of search, the evidence base does not support the identification of junction 11 as a development location in advance of the more detailed consideration of other development sites – and, indeed, the finalisation of the overall SDA boundary – in the forthcoming AAP.
24. Taking these matters together, I conclude that the Core Strategy's proposal to site employment land around junction 11 is unsound as a result of not being justified and being inconsistent with national policy. These concerns would not be resolved by the changes that the Council has suggested in respect of this matter: these are not recommended and do not appear in the Appendix A schedule. To ensure soundness I recommend that the references to the M27 junction 11 employment proposal are removed from the Core Strategy (in **IC1-IC2**). A consequent change is needed to the Key Diagram and, bearing in mind that the boundaries of the SDA have yet to be finalised, it is also necessary to amend the legends of both the Key Diagram and Transport Diagram to clarify that the relevant notation is indicative only (in **IC3-IC4**).
25. I turn to address the remaining matters relating to the SDA. Although not a specific requirement of policy CS13, it is implicit from the capacity analysis exercises that the achievement of the stated level of housing delivery depends upon the location of some of the SDA's green infrastructure on land outside Fareham Borough Council's administrative area. The neighbouring local planning authority, Winchester City Council (WCC), confirmed at the relevant hearing session that while the location of built development or formal open spaces within this area would be resisted, the provision of green infrastructure along the lines presently suggested would be acceptable in principle. WCC is represented on the SDA Project Board and would be closely involved in the SDA's delivery. Therefore, while the proposed AAP is not proposed to extend into WCC's administrative area, there appear to be no significant barriers to the effective delivery of this part of the required green infrastructure.
26. Many of the other concerns raised by respondents in respect of the SDA relate to detailed matters that are more appropriately considered in the context of the AAP. Subject to a number of changes suggested by the Council to clarify the protection of international nature conservation sites and the provision of environmental and sewage infrastructure (included in **[5.36]**), which I endorse for soundness reasons, other relevant authorities identify no 'show-stoppers' sufficient to undermine the principle of the SDA proposal.
27. Accordingly, and subject to the changes set out above in respect of this main issue (notably the deletion of the unsound proposal to site employment uses around M27 junction 11), I conclude that the Core Strategy's proposals for the North of Fareham SDA are realistic, deliverable, adequately justified, consistent with sub-regional policy and in general conformity with the Regional Strategy.

**Main Issue 2: Are the Core Strategy's approaches to the provision of new housing (excluding the North of Fareham SDA) and to meeting local housing needs deliverable, clear, sufficiently justified and consistent with**

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**the local evidence base, regional and sub-regional policy, and national policy in PPS 3?**

28. Core Strategy policy CS2 carries forward the rest-of-Borough housing total (outside the SDA) that is set out in the SEP and sub-regional strategy. As discussed above, the justification for the SDA derives from a sub-regional, rather than a Borough-based, housing need. I therefore reject the view that the proposed reduction in the SDA's likely housing yield from the 10,000 dwelling figure contained in the SEP should simply be added to the Core Strategy's rest-of-Borough requirement. Any reassignment of sub-regional housing requirements within the South Hampshire area is more appropriately considered at the sub-regional level.
29. Nevertheless, as already noted, the sub-regional housing requirement applying to the SDA will necessarily have a Borough-based component. It is therefore possible that, subject to further sub-regional analysis of housing provision and future refinement of the likely levels of housing delivery in the SDA through work on the AAP, the reduced scale of the SDA may imply an increased need for new housing in the remainder of the Borough. At present this cannot be quantified, and I agree with the Council that it would be both premature and lacking in justification to make such provision in the Core Strategy.
30. Bearing in mind that there is some flexibility in the Borough's housing supply position (outside the SDA) during the Core Strategy period – both in terms of a forecast over-provision in the housing trajectory and the lack of reliance on windfall sites – and noting the intention to review policy boundaries in the forthcoming Site Allocations and Development Management (SADM) DPD, it is possible that some or all of any increased housing requirement could be accommodated without altering the overall thrust of the Core Strategy.
31. However, the scale of any such change is by no means certain: a significant increase in housing numbers could imply the need for a more fundamental review of the Core Strategy's approach to housing provision outside the SDA. The Council's view (proposed as a suggested addition to policy CS6) that the provisions of policies CS1, CS2 and CS6 will enable future development needs to be met within the Borough, including those arising from a review of the South Hampshire Strategy, therefore lacks detailed justification and appears premature. I do not therefore recommend that this further change is made.
32. Nevertheless, based upon present figures, the evidence base indicates that the Borough has a robust five year housing land supply – a view endorsed by a recent appeal decision. While some parties have raised concern that the Council's Strategic Housing Land Availability Assessment (SHLAA) does not contain detailed assessments of sites lying outside the existing urban area, the document is sufficient to show in principle that the level of housing supply that is required by the Core Strategy (outside the SDA) can be achieved through the plan period. The Council suggests changes in order to bring SHLAA figures up to date [**4.4, 4.5, 4.9, 5.3, 5.7, 5.14, 5.15, A3.1**], and proposes further changes in order to present the plan's housing totals in a more consistent and accurate way: the introduction of the qualifier "around" (where not already in place) reflecting the Council's position, stated at the relevant hearing session, that such housing totals are not intended as ceilings

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**[4.9, 5.6, 5.10, 5.12, 5.13, 5.17, 5.19]**. Changes are also suggested to clarify the linkage between the Core Strategy and future development plan documents **[1.2, 5.8, 5.9, 5.16, 5.18]** – including references to the above-noted review of policy boundaries in the SADM DPD. I endorse all of these for soundness reasons.

33. Although some of the sites identified in the SHLAA have been assessed as having a higher potential risk of non-delivery, such a finding is to be expected given the need to plan for a 15 year period. As already noted, some flexibility exists within the housing supply figures. On the basis of the present sub-regional assessment of Borough-based housing requirements, the approach of the Core Strategy to seek to provide for new housing development (other than in the SDA) within existing urban areas is therefore justified. However, a more wide-ranging consideration of development options (including sites outside urban areas) may be required in future versions of the SHLAA – particularly if a review of the Core Strategy (as referred to above) is to take place.
34. In view of these factors the Council accepts that greater flexibility is required in the wording of policy CS6 and its supporting text. The sequential approach to housing development that is set out in this policy and its supporting text lacks clarity, while the evidence base does not support the hierarchy contained in the policy's penultimate paragraph. References to national policy in Planning Policy Statement 3: Housing (PPS 3) could also be clearer. I agree with the Council that a criteria-based approach, referring to established planning concerns such as dwelling mix, privacy and daylight, is a more appropriate alternative, and I endorse the changes that the Council has suggested **[4.6, 5.1, 5.2, 5.8, 6.1, A5.3]** for soundness reasons. However, detailed policy requirements in respect of these matters are more appropriately considered in the context of the SADM DPD.
35. Policy CS18 sets out the Core Strategy's approach to the provision of affordable housing. The proposed thresholds and targets have been the subject of viability studies, including a study specifically considering affordable housing delivery on small sites (five to ten units) – the methodology and findings of which have not been substantively challenged. The studies conclude that the policy would be achievable in many cases on the types of sites that are likely to come forward for development over the plan period. Policy CS18 provides for additional flexibility – both in respect of development viability and the need to take account of the potential effects of other planning objectives that may be sought from specific sites. While some respondents have questioned the scale of affordable housing needs in the Borough, the Council's Housing Needs Review 2004 (with subsequent updates) shows that this remains substantial (over 400 dwellings a year) despite recent falls in house prices. The plan's annual target of 100 dwellings, which the Council has clarified does not represent a ceiling, is both pragmatic and consistent

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with the Council's Housing Strategy. On the basis of recent completion levels, it appears to be achievable in practice.

36. Concerns were raised by some respondents that insufficient provision is made in the Core Strategy for the housing needs of older people. This matter has been considered at a county-wide level<sup>11</sup>, and the demographic pressures arising from an increasingly elderly population are recognised in the Core Strategy itself (for example at paragraph 2.22). Specific provision is identified at the strategic development allocation of Coldeast Hospital (policy CS10). However, detailed guidance in respect of non-allocated sites is more appropriately a matter for subsequent local development documents.
37. In relation to Gypsies, Travellers and Travelling Showpeople, policy CS19 seeks to provide guidance on both the allocation of sites in future DPDs and the consideration of planning applications for such proposals. However, the wording of the policy does not distinguish adequately between these two objectives. As a result, it sets out more stringent tests for planning applications in relation to Gypsies, Travellers and Travelling Showpeople than for other residential developments – for example including criteria in respect of land value and deliverability. This is contrary to existing national policy and to the emerging draft PPS on Planning for Traveller Sites. The Council accepts that a clearer approach is needed and has suggested revisions accordingly **[6.2]** – which I endorse for soundness reasons.
38. Subject to the changes set out above in respect of this main issue, I conclude that the Core Strategy's approaches to the provision of new housing (excluding the North of Fareham SDA) and to meeting local housing needs are deliverable, clear, sufficiently justified and consistent with the local evidence base, regional and sub-regional policy, and national policy in PPS 3.

**Main Issue 3: Are the Core Strategy's approaches to employment and town centre uses (excluding the North of Fareham SDA) deliverable, clear, sufficiently justified and consistent with the local evidence base, regional/sub-regional policy, and national policy in PPS 4?**

39. The Core Strategy's approach to employment provision outside the SDA is consistent with the floorspace targets set out in the SEP and sub-regional strategy. An error in the evidence base was identified during the examination and the Council proposes changes to the table in paragraph 4.9 accordingly **[4.1]**, which I endorse for soundness reasons. The amended data show that the potential surplus of class B1 floorspace is greater than previously envisaged, while that of class B2/B8 floorspace is less. However, in both cases, a significant potential surplus remains – mainly arising from completions since the start of the plan period, along with a number of existing commitments, notably at the Solent Business Park, Whiteley. As such, it is clear that the plan's employment targets (outside the SDA) are achievable, sufficiently justified and in line with regional and sub-regional policy.
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<sup>11</sup> Hampshire Supporting People: Older Person's Services Strategic Review (Core Document reference: CE30).

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40. Bearing the above-noted surplus in mind, it is important that the Core Strategy provides clear guidance on the potential for the re-use of suitable sites – consistent with national policy in PPS 4. It was explained at the examination hearings that, notwithstanding policy CS1's statement that existing employment areas will be safeguarded, the Council intends to review the need for certain employment designations through the forthcoming SADM DPD. This is not as clear as it could be within the Core Strategy, and I endorse the Council's suggestion that the intended review should be explicitly referenced in policy CS1 **[4.3]** for reasons of effectiveness. While a distinction can usefully be made between wider employment areas (which may contain a number of specific sites) and specific employment sites, the text of the Core Strategy (notably at paragraph 4.11) is confusing and potentially contradictory in respect of this matter. The Council proposes to reword this section and associated glossary references **[4.2, A5.1, A5.2]**, and I endorse these revisions as being necessary for soundness reasons. However, I agree with a number of representors that added clarity would be provided if a reference to the above-noted review is added to the reworded paragraph 4.11: for reasons of effectiveness, I recommend accordingly in **IC5**. The Council has advised that the inclusion of Local Plan policy E3 in the schedule of policies to be replaced by the Core Strategy is in error: this policy is intended for replacement by the SADM DPD. I recommend its deletion from Appendix 1 (in **IC9**), for reasons of effectiveness.
41. A number of representors consider that policy CS1 should allow for greater flexibility in respect of retained employment sites. However, the intended review of employment sites and designations is likely to allow for the re-use of those sites that are not retained in employment use. The Council's stance that alternative uses in areas that are retained for such use should be restricted to those activities that contribute to economic development is in line with the purpose of the relevant designation. The level of policy detail in respect of this matter is consistent with the role and purpose of a Core Strategy: further guidance or specific criteria, if needed, can be set out in the forthcoming SADM DPD. While economic development is not defined in the Core Strategy, there is little merit in repeating existing national policy.
42. Outside the SDA, the Core Strategy proposes employment development at the former HMS Daedalus airfield and in Fareham Town Centre. I have seen no substantive reasons to challenge the soundness of either proposal in principle, although the details of the latter remain to be tested in a forthcoming AAP. As such, I accept the Council's view that the additional comparison floorspace figure set out in policy CS8 and the table in paragraph 5.33 for Fareham Town Centre (of 20,000 sq m) is unduly prescriptive given (as is recognised in paragraph 5.33) that the exact figure will depend on other factors – notably its proposed location and the progress of planned large scale retail developments outside the Borough. Greater certainty in respect of these matters should be available at the AAP stage. Accordingly, I endorse the Council's suggested changes **[5.11, 5.12, 5.13]** for reasons of justification and effectiveness.
43. In respect of the Daedalus site, the Council proposes a number of changes to policy CS12, its supporting text and the Proposals Map in order to provide greater clarity **[5.20, 5.21, 5.22, PM1, PM3]**, which I endorse for soundness reasons. These include a clearer way of notating which designations are being

proposed for deletion and which are being added to the Proposals Map. This is necessary for reasons of effectiveness: a similar change is also suggested in respect of the mixed use development allocation at Coldeast Hospital (policy CS10) **[PM2]**, which I endorse for the same reasons.

44. No substantive concerns have been raised about the hierarchy of centres set out in policy CS3, which is consistent with regional and sub-regional policy. However, the policy's statement that development will be permitted provided that it enhances (as well as maintains) the current hierarchy is unclear: potentially, this introduces an unduly onerous policy requirement. The Council accepts this and proposes to delete the relevant reference **[4.11]**; I endorse this for soundness reasons. For the same reasons, I endorse the Council's intended deletion **[4.10]** of the table in paragraph 4.33 (and footnote) that contains floorspace figures derived from its retail and centres study<sup>12</sup>: this forms part of the evidence base and, as has been clarified by the Council, is not intended to form part of the policy itself.
45. Subject to the changes set out above in respect of this main issue, I conclude that the Core Strategy's approaches to employment and town centre uses (excluding the North of Fareham SDA) are deliverable, clear, sufficiently justified and consistent with the local evidence base, regional, sub-regional and national policy.

**Main Issue 4: Does the Core Strategy take adequate account of the effects of development on the built and natural environment? Are its proposed measures to tackle climate change effective, justified and in line with national policy?**

46. The Core Strategy has been subject to Habitats Regulations Assessment (HRA). An Appropriate Assessment has been undertaken in respect of likely significant effects that have been identified in respect of several international nature conservation sites: in summary, the HRA concludes that adverse effects (relating to atmospheric pollution, recreational disturbance and displacement effects of potential wind turbine development) can be overcome provided that recommended avoidance and mitigation measures are successfully adopted and implemented. Natural England (NE) and other representors have raised concerns that, in some cases, the Core Strategy does not contain the required safeguards – most notably in respect of references to mitigation for impacts on air quality due to road traffic and the degree of flexibility in the delivery of housing development outside the SDA. The Council accepts the majority of these concerns and, in consultation with NE and other representors, suggests revisions accordingly **[4.12, 4.13, 5.5, 5.8, 5.17, 5.36]**. I endorse these as being necessary for soundness reasons. NE suggests that additional clarity should be provided on the method and timing of a strategic approach on air pollution. However, given that such actions would need to be confirmed in co-operation with other local planning

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<sup>12</sup> DTZ Fareham Retail and Centres Planning Study Update 2009 (Core Document reference: CE17).

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authorities, the inclusion of further details at the present stage would appear to be premature.

47. Concern has been raised by a number of representors that policy CS22's protection of strategic gaps lacks adequate justification – particularly in view of the restrictive approach to development outside settlements set out in policy CS14. Nevertheless, given the built-up nature of much of Fareham Borough and noting that some of the Borough's constituent settlements are separated by relatively narrow open gaps, I accept the Council's argument that the broad identification of strategic gaps in the Core Strategy can play a useful role in guiding its intended review of settlement boundaries. Furthermore, and with reference to the Government's localism agenda, it is clear that there is strong local support for preventing coalescence between identified settlements. In principle therefore, the policy is adequately justified – although the detailed boundaries of the gaps themselves remain to be reviewed in the SADM DPD. The Council accepts that policy CS22 could provide clearer guidance for that review, and suggests that criteria be added in line with the PUSH Policy Framework for Gaps<sup>13</sup> **[6.8]**. I endorse this change for soundness reasons.
48. Policies CS15, CS16 and CS17 contain targets and timescales in respect of sustainable construction, renewable energy production and Lifetime Homes that, in some cases, are in advance of those set by national policy. Both policies CS15 and CS16 are consistent with the sub-regional sustainability policy framework<sup>14</sup>, and it appears that, to date, relevant standards have been achieved in some developments within the Borough. Both policies are subject to a viability test. However, while the above-noted affordable housing viability study has taken account of the incorporation of improved standards over time, its assumptions in respect of the Code for Sustainable Homes relate to the national timetable rather than that set out in policy CS15<sup>15</sup>. In addition, it assumes that 10% of all new homes will meet the Lifetime Home standard, rather than the general requirement (from 2013) contained in policy CS17.
49. Furthermore, while some work has been undertaken on a sub-regional level, detailed evidence relating to the technical feasibility of implementing the sustainable construction and renewable energy provisions of policies CS15, CS16 and CS17 has not been submitted. For example, while an area of land to the north of M27 junction 11 has been identified as having on-shore wind potential, such potential has yet to be fully explored: indeed, as discussed above, the land use proposals for this area have yet to be finalised. Taking these matters together, the evidence base does not fully justify the detailed requirements of the relevant provisions of these policies. To my mind, these criteria are more appropriately framed as policy objectives rather than specific requirements. In order to comply with national policy in *Planning Policy Statement: Planning and Climate Change* (supplement to PPS1), I recommend

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<sup>13</sup> Core Document reference: CE54.

<sup>14</sup> PUSH Sustainability Policy Framework (Core Document reference: HE035).

<sup>15</sup> Housing Needs and Affordable Housing Viability Study (Paper 5; pp17-18) (Core Document reference: CE32).

that policies CS15, CS16 and CS17 are changed accordingly **[IC6-IC8]**. Change **IC8** partly supersedes a proposed Council change to policy CS17.

50. Subject to the changes set out above in respect of this main issue, I conclude that the Core Strategy takes adequate account of the effects of development on the built and natural environment and that its proposed measures to tackle climate change are effective, justified and in line with national policy.

**Main Issue 5: Does the Core Strategy provide satisfactorily for the delivery of development, with particular reference to transportation infrastructure, and enable adequate monitoring of its effectiveness?**

51. The transport issues arising from the North of Fareham SDA are discussed above under the first main issue. In respect of the remainder of the Borough, particular concern has been raised about access to and from the Gosport peninsula. This has been the subject of a specific study<sup>16</sup>: assessment has also been undertaken of the transport impacts of local development framework proposals in Fareham and three other local authority areas<sup>17</sup>. The Council accepts that the Core Strategy should provide more detail about works that are proposed to Newgate Lane, for which funding has apparently been secured. It proposes a factual clarification about the evidence base relating to the Stubbington bypass – a scheme that is not a Core Strategy proposal. I endorse its suggested changes **[4.15, 4.16, 4.18]** for soundness reasons.
52. While the transport effects of specific development proposals (or potential site allocations) would require to be assessed at the relevant stage along with other relevant criteria, I have seen no substantive evidence to support the views of a number of representors who suggest that the Core Strategy should support additional development in order to enable transport improvements to take place. Indeed, such an approach could potentially conflict with national policy in ODPM Circular 05/2005 Planning Obligations, paragraph B9 of which states (among other matters) that 'planning obligations should not be used solely to resolve existing deficiencies in infrastructure provision or to secure contributions to the achievement of wider planning objectives that are not necessary to allow consent to be given for a particular development.'
53. In respect of infrastructure provision generally, the Council suggests further changes to policy CS20 and its supporting text in order to accord more closely with the requirements of Circular 05/2005 – for example to include the possibility of the direct provision of infrastructure through the service provider (such as waste water providers). Updated references are also needed in respect of the Community Infrastructure Levy (CIL): a programme for the introduction of a CIL Charging Schedule is currently being developed by the Council. I endorse these changes **[6.3, 6.5]** as being necessary for soundness reasons. The Council accepts that there may be a need for

<sup>16</sup> Strategic Access to Gosport (2010-2026) (Core Document reference: CE64).

<sup>17</sup> Assessing the Impact of Harbour Authorities' LDF Proposals on the Strategic Highway Network (Core Document reference: CE69).

required infrastructure to be provided on land outside settlements, and proposes to amend policy CS14 accordingly **[5.37]**. Such added flexibility appears prudent, and I endorse this change for reasons of effectiveness.

54. In addition to the detailed provisions set out in specific policies and their supporting text, Appendix 4 of the Core Strategy contains a schedule of infrastructure requirements and delivery as at October 2010: this is referred to in the text of the Core Strategy as the Infrastructure Delivery Plan (IDP). During the examination, it became clear that the Council intends this to be a 'live' document that can be updated as circumstances change. However, while such flexibility is both useful and appropriate, it is inconsistent with the inclusion of such text within a DPD – given the formal procedures required for revision. The Council accepts this point and proposes that the schedule be removed from the Core Strategy to form a separately published IDP – with consequent changes to other parts of the Core Strategy's text **[1.1, 4.17, 5.33, 6.4, A4.1]**. I endorse these for soundness reasons.
55. Subject to the changes set out above in respect of this main issue, I conclude that the Core Strategy provides satisfactorily for the delivery of development, with particular reference to transportation infrastructure. While minor corrections are proposed to the monitoring framework set out in chapter 7 (see Appendix B of this report), I conclude that this is sufficient to enable adequate monitoring of the plan's effectiveness.

## Legal Requirements

56. My examination of the compliance of the Core Strategy with the legal requirements is summarised in the table below. I conclude that the Core Strategy meets them all.

<b>LEGAL REQUIREMENTS</b>	
Local Development Scheme (LDS)	At submission, the Council's Local Development Scheme (LDS), dated March 2009, envisaged the Core Strategy's adoption date to be October 2010. Significant slippage has occurred. However, the LDS was revised in May 2011 to take account of the actual dates for the Core Strategy's submission and hearings. The Core Strategy's content and timing are therefore compliant with the LDS.
Statement of Community Involvement (SCI) and relevant regulations	The SCI was adopted in 2006 and consultation has been compliant with the requirements therein. While concerns have been raised about arrangements to publicise elements of the Core Strategy, notably the North of Fareham SDA, it is evident from the documents submitted by the Council, including the Regulation 30(1)(d) and 30(1)(e) Statements, that relevant statutory requirements have been met. The dates and venues of the hearings were published in the local press and posted on the examination website.
Sustainability Appraisal (SA)	SA has been carried out and is adequate.
Appropriate Assessment (AA)	An AA has been undertaken in accordance with the Habitats Directive. Subject to the changes set out above in respect of the 4th main issue set out in this report, I am satisfied that there would be no adverse effects on the integrity of any international sites of nature conservation interest as a result of the policies and proposals within the Core Strategy.
National Policy	The Core Strategy complies with national policy except where indicated and changes are recommended.
Regional Strategy (RS)	The scale of development proposed for the North of Fareham SDA represents a reduction from the figure set out in the South East Plan. Nevertheless, for the reasons set out in this report, the Core Strategy is in general conformity with the RS.
Sustainable Community Strategy (SCS)	Satisfactory regard has been paid to the SCS.
2004 Act and Regulations (as amended)	The Core Strategy complies with the Act and the Regulations.

## **Overall Conclusion and Recommendation**

**57. I conclude that with the changes proposed by the Council, set out in Appendix A of this report, and the changes that I recommend, set out in Appendix C, the Fareham Core Strategy DPD satisfies the requirements of s20(5) of the 2004 Act (as amended) and meets the criteria for soundness in PPS 12. Therefore I recommend that the plan be changed accordingly. And for the avoidance of doubt, I endorse the Council's proposed minor changes, set out in Appendix B.**

*M J Hetherington*

INSPECTOR

This report is accompanied by:

Appendix A (separate document) Council Changes that go to soundness

Appendix B (separate document) Council's Minor Changes

Appendix C (attached) Changes that the Inspector considers are needed to make the plan sound

## Appendix C – Changes that the Inspector considers are needed to make the plan sound

*These changes are required in order to make the Core Strategy sound.*

Inspector Change No.	Policy/Paragraph/Page	Change
IC1	Policy CS13; 3 <sup>rd</sup> bullet point	the development will provide up to 90,750 sq m of employment floorspace, in a range of employment opportunities which contribute to sub-regional economic development objectives <del>including employment uses located near to Junction 11 of the motorway;</del> and contribute towards creating a high level of self containment and accessibility to reduce the need for commuting; <del>the employment land at Junction 11 will be phased to bring forward its delivery after 2021 (unless there is a compelling justification for bringing it forward earlier) to ensure that it is complementary to the PUSH Cities First Strategy, and is designed to ensure that the type of floorspace provided does not directly compete for occupiers with floorspace developed in the city and town centres;</del>
IC2	Paragraph 5.89 (4 <sup>th</sup> bullet point); paragraph 5.101; paragraph 5.102 (1 <sup>st</sup> and 2 <sup>nd</sup> sentences); the phrase 'the main body of' in paragraph 5.103; paragraphs 5.104 to 5.106 inclusive; paragraph 5.107 (2 <sup>nd</sup> sentence); paragraphs 5.108 to 5.110 inclusive; paragraph 5.114; paragraph 5.136 (last sentence)	Delete
IC3	Key Diagram	Delete the following notations for the North of Fareham SDA: employment location near to junction 11; Proposed M27 Access. Delete legend stating <del>Strategic Development Locations</del> and replace with <b>North of Fareham Strategic Development Area (indicative boundary)</b> .
IC4	Transport Diagram (legend)	Add <b>(indicative boundary)</b> after 'North of Fareham Strategic Development Area (Local Development Framework)'

IC5	Paragraph 4.11	Add the following before the final sentence: <b>Employment sites and areas will be reviewed through the Site Allocations and Development Management Development Plan Document, informed by the Employment Land Review.</b>
IC6	Policy CS15: 2 <sup>nd</sup> bullet point	Meeting <b>Seeking to achieve</b> the following timescale and levels for the Code for Sustainable Homes and the equivalent for non-residential development unless it can be demonstrated to be unviable:
IC7	Policy CS16: last paragraph	Development (1 dwelling or more and 500m <sup>2</sup> or more of non-residential floorspace) will <b>be encouraged to</b> contribute to the Fareham target of 12MW of renewable energy by 2020. Major developments (250 dwellings or more or 5,000sq.m or more of non-residential floorspace) <del>must</del> <b>should aim to</b> maximise on-site renewable energy production and resource efficiency. <b>In such cases, t</b> <del>The</del> extent of contribution <b>should</b> <del>must</del> be demonstrated, taking account of viability. The generation of energy from renewable or low carbon sources will be permitted unless there are judged to be unacceptable social, environmental or economic impacts.
IC8	Policy CS17: last bullet point	New housing should <b>seek to achieve</b> <del>will be required to meet</del> the Lifetime Home standard from 2013. Prior to 2013, the Council will encourage developers to meet the lifetime home standard having regard to the viability of the proposal.
IC9	Appendix 1	Delete policy E3 from list of saved Local Plan policies replaced by the Core Strategy.