

Fareham Borough Council Local Plan
Examination
Focused Consultation
Housing & Affordable Housing Provision and Housing
Trajectory

Prepared on behalf of

Vistry Group PLC

July 2022

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1.0 INTRODUCTION

- 1.1 This representation is prepared by Tetra Tech Planning on behalf of Vistry Group PLC (hereafter 'Vistry Group') in response to the Fareham Local Plan 2037 Focused Consultation.
- 1.2 Vistry Group have an opportunity to bring forward development at Land at Pinks Hill, Wallington, as identified on the plan attached at Appendix 1. We have previously made representations in response to the Regulation 19 Fareham Revised Publication Local Plan 2037 consultation (July 2021) in addition to representations made earlier on in the preparation of the Fareham Local Plan. We have also participated in the Examination in Public and submitted Hearing Statements (March 2022).
- 1.3 This representation sets out our client's position in relation to the three updated topic papers on:
- Revised Affordable Housing Background Paper (July 2022) – FBC089;
 - Revised Housing Supply Topic Paper (July 2022) – FBC090; and
 - Windfall Analysis Update (May 2022) – FBC077
- 1.4 Careful consideration has been given to these topic papers and the Inspector's Post Hearings Letter (6 June 2022), all of which has informed the contents of this representation.
- 1.5 This representation should be read alongside our Regulation 19 representation, as well as our Hearing Statements submitted in relation to Matter 2 (Development Strategy), Matter 3 (Housing Need and Supply) and Matter 7 (Housing Land Supply).

2.0 AFFORDABLE HOUSING

- 2.1 The revised Affordable Housing Background Paper (July 2022) (FBC089) explains that there is a need for 2,783 affordable homes over the plan period. However, the Paper confirms that there is a total of 2,727 affordable homes through affordable housing schemes included in the Local Plan Supply, therefore a shortfall of 56 houses from the identified need.
- 2.2 Moreover, this shortfall has increased from the previous iteration of the Affordable Housing Background Paper (May 2022) (FBC087), which confirmed that the Local Plan allowed for 2,765 houses, meaning a shortfall of 18 houses. This is in part due to the deletion of allocated sites FTC3 – Fareham Station East (120 dwellings) and FTC4 – Fareham Station West (94 dwellings) as well as the amendment to the trajectory for Welborne Garden Village, with first completions being pushed back by 1 year.
- 2.3 The Local Plan highlights that *“there is an acknowledged housing need, and affordability is an issue for first time buyers and households on low incomes who cannot access home ownership”*¹. In addition, FBC’s Affordable Housing Strategy (2019) explains that the waiting list for affordable housing currently stands at around 1,000 households and estimates that at least a further 1,000 households are privately renting or sharing parental homes, because young families are priced out of home ownership.
- 2.4 The Local Plan should therefore ensure the issue and need for affordable housing provision is at the forefront of the Plan by allocating more sites to allow for greater affordable housing provision across the Borough. The Plan should be, as a *minimum*, meeting the identified affordable housing requirement, with any additional affordable housing coming forward over the plan period seen as an additional benefit to the Borough. The majority of affordable housing is delivered via market led schemes and their adherence to affordable housing policies which is confirmed by table 3 of the Affordable Housing Topic Paper.
- 2.5 This is particularly important given the uncertainties of Welborne Garden Village and its associated affordable housing provision. Affordable housing provision is now proposed to be 10% (originally 30%), however this is dependent on the outcome of a viability review which is to be submitted 12 months after the first reserved matters approval and every year thereafter until the final viability review. The Welborne S106 Viability Note (FBC075) explains that if the developer must pay any part or all of the Junction 10 cost overrun, then the proportion of affordable housing will be adjusted downwards depending on overspend. It states that a proportion of 7.3% affordable housing provision represents the worst-case scenario if the developer had to pay all of the overrun costs. The new

¹ Paragraph 1.42

topic paper is not clear what proportion of affordable housing is assumed from Welborne nor has there been any analysis of how delivery at Welborne may affect affordable housing delivery overall **which is important given the high proportion of the Borough's housing need Welborne will deliver.**

- 2.6** This anticipated reduction in affordable housing provision will have a disproportionate effect on the overall affordable housing delivery in the Borough and should therefore be met elsewhere. The Plan should increase the overall housing requirement to assist with affordable housing provision.

3.0 HOUSING SUPPLY AND TRAJECTORY

- 3.1 The revised Housing Supply Topic Paper (July 2022) (FBC090) explains that there has been a loss of 814 dwellings from the housing supply within the Local Plan which is a result of the removal of the two allocations (FTC3 – Fareham Station East (120 dwellings) and FTC4 – Fareham Station West) and the delivery assumptions for Welborne in terms of start date and peak housing delivery rates.
- 3.2 The Paper also updates the housing supply position given the submission Local Plan has a base date of April 2021 and a number of planning permissions have since been granted, as well as including revised windfall rates. This results in a total of 10,237 dwellings anticipated to be delivered up to 2029. This is a 744 unit reduction from the previous iteration of the Housing Supply Topic Paper (May 2022) (FBC088), which confirmed projected delivery rates to total 10,981 up to 2029, as well as a reduction from the projected delivery rates set out in the submission Local Plan (10,594). This is despite four large sites been added to the supply as a result of recent planning application and appeal decisions.
- 3.3 The reduction in overall housing supply is a step in the wrong direction in ensuring the plan is flexible and robust enough to deliver the required amount of housing, particularly given the proposed contingency and trajectory which is discussed below. This will further exacerbate the acute housing shortage in the region, as acknowledged in the PfSH Statement of Common Ground, causing increased affordability problems.

Contingency

- 3.4 FBC acknowledges that having a contingency buffer within the supply is considered appropriate to ensure that the Plan is sufficiently flexible to accommodate needs not anticipated in the Plan and to provide a contingency should delivery on some sites not match expectations². However, the contingency buffer is now reduced to 7.1% due to the changes to the housing supply position, the removal of the two allocations (FTC3 and FTC4) and the reduction in the contribution from Welborne within the plan period.
- 3.5 The submission Local Plan stated that a minimum of 10% additional supply is suggested by the Planning Inspectorate but given the reliance on large sites within the supply, a 'precautionary' 11% is proposed³. This reduction from 11% in the submission Local Plan to 7.1% means even greater uncertainty that the housing requirement will be met, should site allocations not meet projected delivery expectations. FBC's Housing Supply Topic Paper at paragraph 2.7 does not address the significant reduction in the size of the contingency and the potential implications that may have

² Paragraph 2.7 of the revised Housing Supply Topic Paper (July 2022) (FBC090)

³ Paragraph 4.12 of Revised Publication Local Plan (CD001)

despite their commitment in the submission plan to provide an in excess of 10% buffer (a buffer that should be larger still as argued in our Matter 7 hearing statement paragraph 2.12 – 2.14).

- 3.6 As was argued in our Matter 3 and 7 Statements and at the examination, a much larger buffer between the identified housing need and actual supply is needed to make sure the plan is flexible and robust enough to deliver the required amount of housing. A 7.1% contingency is not considered sufficient to ensure enough flexibility is allowed for in the plan, particularly given reliance on large-scale strategic sites such as Welborne, in which delays are not uncommon – as we have seen by the pushing back in the trajectory of the site.
- 3.7 A greater contingency should be applied, and more sites identified to meet the housing shortfall, to ensure increased robustness and flexibility to the Plan.

Trajectory

- 3.8 As a result of the updated supply position, FBC have revisited the trajectory and the stepping of the housing requirement. We are pleased to see the first step is proposed to be shorter, only applying to the first two years of the plan period (between 2021/22 and 2022/23), whereas in the submission Local Plan the first step included the years 2021/22 to 2023/24. However, a lower step of 210 dwellings per annum is proposed as a result of lower than anticipated delivery rates, compared with 300 dwellings per annum in the submission Local Plan.
- 3.9 In addition, the remainder of the housing requirement is annualised over the rest of the plan period, giving an average of 653 dwellings per annum, a reduction from that set out in the submission Local Plan (720).
- 3.10 We understand FBC's rationale for a stepped requirement to ensure that the policies within the Plan, once adopted, can carry full weight as soon as possible given the implications of the Housing Delivery Test. However, this should not be a reason to suppress housing delivery, particularly when there are suitable and available, smaller, less complex sites that can come forward earlier on in the plan period, including the site at Pinks Hill.
- 3.11 The PPG states *“strategic policy-makers will need to identify the stepped requirement in strategic housing policy, and to set out evidence to support this approach, and **not seek to unnecessarily delay meeting identified development needs**. Stepped requirements will need to ensure that planned housing requirements are met fully within the plan period⁴. [my emphasis]”*
- 3.12 The justification for a stepped trajectory is further weakened by the poor delivery rates over recent years and FBC's current HDT measurement. The likelihood of FBC meeting the housing requirements in full within the plan period is therefore highly uncertain unless more sites are

⁴ Paragraph 021, Reference ID: 68-021-20190722

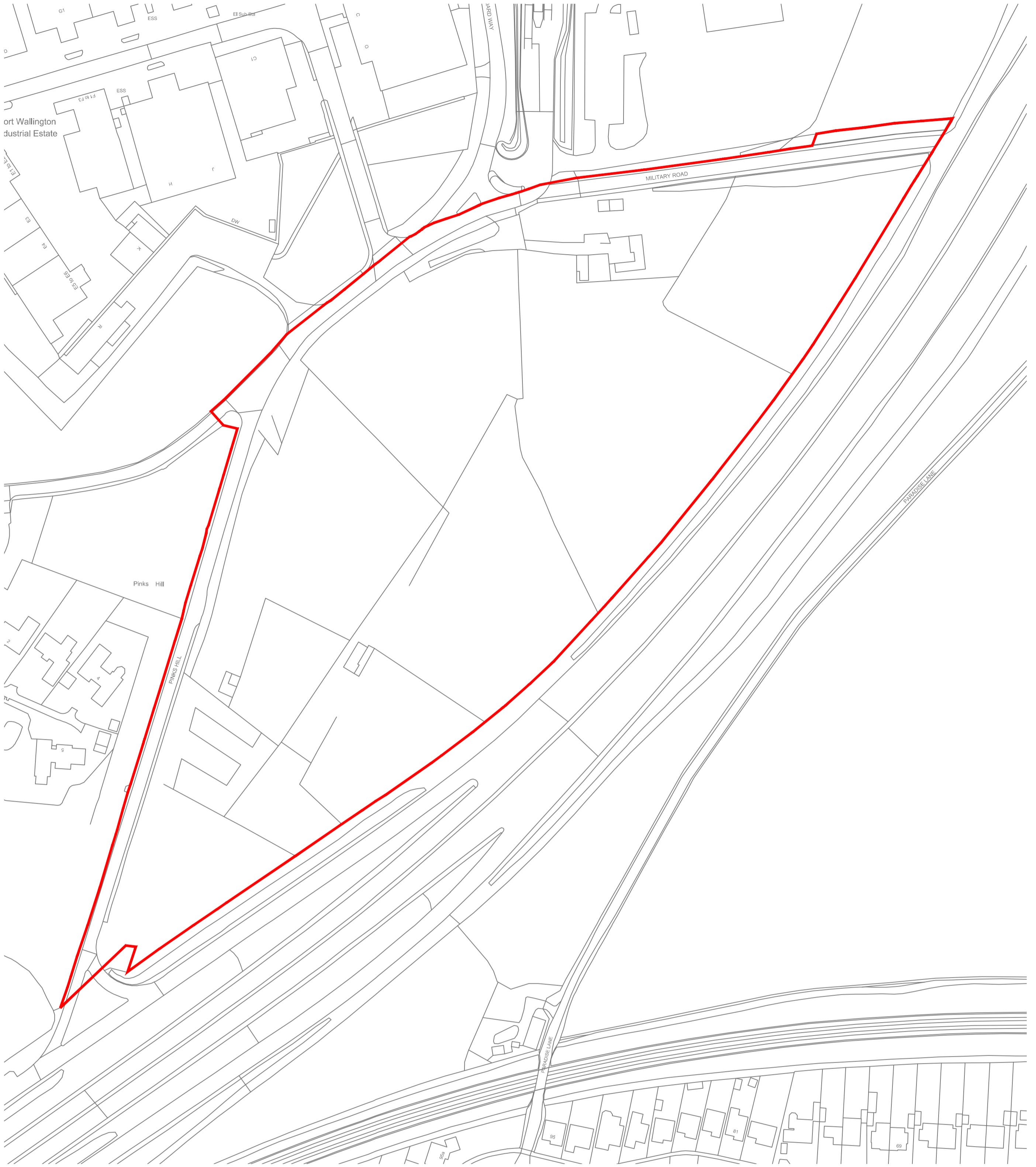
allocated, particularly in the early part of the plan period so that the identified needs for the district, including affordable needs, can be met as soon as possible.

- 3.13 FBC's proposed approach is contrary to the national objective to significantly boost the supply of housing and the plan in its current form omits and suppresses sustainable housing development sites from coming forward earlier on in the plan period.

4.0 SUMMARY

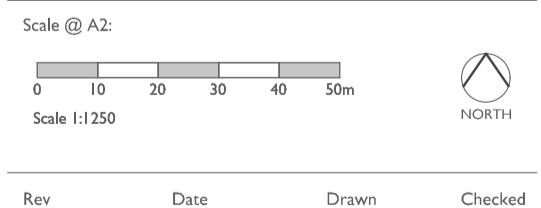
- 4.1 To conclude, we maintain our view that the plan, including the updated topic papers subject of this consultation, is not justified or sound for the reasons set out in this representation, as well as previously submitted representations and hearing statements.
- 4.2 The increased shortfall of affordable provision from that of the previous iteration of the Affordable Housing Background Paper (May 2022) does not represent a plan that is positively prepared and fails to meet the housing needs of the Borough. The Plan should be, *as a minimum*, meeting the identified affordable housing need. The issue of affordable housing provision should be at the forefront of the Plan by increasing the overall housing requirement and allocating more sites to allow for greater affordable housing provision.
- 4.3 The reduction in overall housing supply from both the previous iteration of the Housing Supply Topic Paper (May 2022) (FBC088) and the submission Local Plan is a step in the wrong direction in ensuring the plan is flexible and robust enough to deliver the required amount of housing.
- 4.4 A much greater contingency should be applied to ensure increased robustness and flexibility to the Plan in ensuring the required amount of housing is delivered. FBC had previously suggested a buffer of at least 10% was appropriate given the reliance on large sites – FBC now do not even meet their own contingency target.
- 4.5 Although we are pleased to see the first step in the trajectory has been shortened, we do not agree with the lower step in the first two years of the plan, nor the reduction in the average dwellings per annum proposed for the remainder of the plan period. The desire to pass the HDT as soon as possible should not be a reason to suppress housing delivery when there are suitable, available and less complex sites that can come forward earlier on in the plan period.
- 4.6 The stepped trajectory is not justified particularly given FBC's poor delivery rates over recent years. The PPG makes clear that stepped requirements will need to ensure that planned housing requirements are met fully within the plan period, however the likelihood of this being achieved is highly uncertain for the reasons set out in this representation.
- 4.7 The above amendments should be taken into consideration through modifications to the Plan to ensure the Plan is sound, sufficiently justified and positively prepared. This can be best achieved through the allocation of additional, achievable, and suitable sites, such as at Pinks Hill, which are deliverable in the first 5 years of the plan.

APPENDIX 1 – PINKS HILL SITE LOCATION PLAN



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Application Boundary
15.438ac / 6.247ha



Project: LAND AT PINKS HILL.
FAREHAM

APPLICATION
BOUNDARY

Client: **Vistry Group**

Date: FEBRUARY 2022
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Drg No: CB_78_214_PARAM_001 Rev:

