

**FAREHAM BOROUGH COUNCIL LOCAL PLAN 2037**  
INDEPENDENT EXAMINATION  
WRITTEN STATEMENT RELATING TO MATTER 3  
MILLER HOMES LTD  
FEBRUARY 2022



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This document is issued for <input type="checkbox"/> Information <input type="checkbox"/> Approval <input type="checkbox"/> Comment <input checked="" type="checkbox"/> Submission	Date	February 2022
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## **Contents**

- 1.0 Introduction
- 2.0 Matter 3: Housing Need and Supply (strategic policy H1)
- 3.0 Conclusions

## 1.0 Introduction

- 1.1 This examination statement is submitted on behalf of Miller Homes Ltd (MH) in respect to Matter 3 of the Fareham Local Plan 2037 examination process. The comments provided respond directly to the Planning Inspector's questions set out in the *Inspector's Matters, Issues and Questions for Examination*. The responses should be read in conjunction with the submitted examination statements regarding Matters 2, 4 and 6 and Miller Homes Regulation 19 representations (ref: CD009 Part 1 – Page 837-870), copies of which can be re-provided on request.
- 1.2 In responding to the Inspectors' matters and questions, due regard is had to the NPPF paragraph 35 in assessing the Plan's soundness.
- 1.3 MH responded to the previous Reg 19 Submission Draft Local Plan consultation in Summer 2021, including submissions in relation to draft strategic policy H1 (Housing Provision). The previous representations remain valid, unless specifically updated with this submission and/or the agreed Statement of Common Ground (SoCG) between FBC and MH.
- 1.4 MH is promoting land to the west and east of Downend Road, Portchester, for residential development through the plan-making process, (HA56 as well as HA4 – including an extension to HA4 (SHELAA site refs: 3009, 3030, 3130)) on the basis that all three sites are sustainable, suitable and available. This is based on the evidence presented by both the Local Planning Authority (LPA) (with respect to the allocated areas) and MH (with respect to all areas), including the SoCG.
- 1.5 We are fully supportive of the HA4 and HA56 allocations. Additionally, MH is seeking an extension to the HA4 allocation, extending the allocation further northwards, to accommodate an additional 100 homes (SHELAA site 3130). This land was previously promoted by the Council as a sustainable alternative and included in the potential strategic growth area. The site's suitability for development is set out in the MH Regulation 19 consultation response (CD009 Part 1 – Page 840-847) which we would refer the Inspector so as not to repeat here.
- 1.6 An Outline Planning Application for 350 homes (ref. P/20/0912/OA) on HA4, with detailed access arrangements and provision of safe and suitable pedestrian links across Downend Road and its Rail Bridge, was allowed on appeal on 18 October 2021. A subsequent Reserved Matters application for a first phase of 180 dwellings was validated on 2 February 2022, with a target decision date of 4 May 2022. The site, including the extension land, is demonstrably in a sustainable location. An associated Outline Planning Application for improvements to Cams Bridge (ref. P/18/0001/OA), to enable direct pedestrian and cycle access to Portchester south of HA4 was approved on 3 May 2019. A subsequent Reserved Matters application was validated 28 April 2021, decision pending.
- 1.7 This examination statement responds to the Inspectors MIQs.

## 2.0 Matter 3: Housing Need and Supply (Strategic Policy H1)

- 2.1 The Inspector provided questions on Matter 3 in relation to policy H1. MH have previously submitted representations in relation to draft policies H1 and continue to raise issues in regard to the soundness of the Local Plan regarding this strategic policy.

### Housing requirement

*Question 6 – Given the current suggested unmet need for the sub region of around 10,750 dwellings, should the plan make a greater contribution to meeting these needs?*

- 2.2 The NPPF (paragraph 35), states that councils should provide a strategy “*which, as a minimum, seeks to meet the area’s objectively assessed needs and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated, where it is practical to do so and is consistent with achieving sustainable development*”.
- 2.3 MH raised concern in their Regulation 19 consultation response (CD009 Part 1 – Page 840-847) in regard to Fareham not doing enough to help meet unmet need. The plan acknowledges that there is unmet need in Portsmouth (1,000 homes) and Gosport (2,500 homes), however, the Portsmouth SoCG (ref. SCG003) has since outlined that under the current methodology (updated by affordability ratio data in April 2021), Portsmouth City Council now has a projected shortfall in housing delivery of around 800 dwellings. Gosport’s SoCG (ref. FBC015) identifies an unmet requirement of approximately 2,000 dwellings, using the Government’s Standard Method based on the 2014 projections rather than the more recent 2018 projections.
- 2.4 The level of housing provision the Revised Publication Local Plan includes a contingency of 11% to address any potential slippages in delivery, and a contribution of 900 homes (plus 11%) towards unmet need from neighbouring authorities. Whilst, the Plan proposes to provide 900 homes to meet Portsmouth’s need, there is no proposal to meet any of Gosport’s unmet needs.
- 2.5 Whilst the SoCG signed with Gosport, may address the legal ‘Duty to Cooperate Test’, the need to work further together is highlighted. For example, it is noted within Gosport’s SoCG (ref. FBC015) that both Fareham and Gosport councils have agreed to work collaboratively to address strategic planning matters, both through PfSH and, as necessary, on a bilateral basis. Further, as a member of PfSH, Gosport accepts that FBC’s contribution to unmet need is ‘currently considered appropriate’. However, Gosport is bordered by Portsmouth Harbour, the Solent and Fareham Borough, so there really isn’t any other immediate neighbours that would be able to help by taking up any unmet need.
- 2.6 Further, following the submission of the Local Plan and the agreed SoCG documents between the PfSH LPAs, both the PfSH Joint Committee Report SoCG 2021 (ref. FBC002) and updated SoCG between FBC and PfSH (Ref. FBC003) were published (October 2021) and state that the current level of unmet need is some 13,000 dwellings up to 2036. This is significantly higher than the unmet need level of 10,750 dwellings identified in the 2020 SoCG.

- 2.7 FBC has not demonstrated that it would be impractical, or that it would be inconsistent with achieving sustainable development, to meet some or all of Gosport's need through sites previously included in the emerging plan (at various stages) but subsequently omitted. In this context, and whilst now at a relatively late stage, known and tested sustainable additions should be made to the land supply in Fareham to ensure the Plan is positively prepared and effective.

***Question 8 – Is the proposal in Policy H1 to step the housing requirement justified. Does this suppress housing delivery and impact on the plans ability to meet housing needs in the early years of the plan?***

- 2.8 MH considers that the stepped approach to housing land supply is not sufficiently justified and is entirely inconsistent with the NPPF. The plan seeks to justify a stepped approach on the basis of when sites are likely to deliver. This is the wrong way round. The NPPF requires a clear and staged approach:

1. Identify the overall need (para 60)
2. Identify sufficient deliverable sites to meet the five-year need (para 68)
3. Identify sufficient developable sites to meet the need post year 6 (para 68).

- 2.9 The PPG stipulates:

*“A stepped housing requirement may be appropriate where there is to be a significant change in the level of housing requirement between emerging and previous policies and / or where strategic sites will have a phased delivery or are likely to be delivered later in the plan period. 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 period.”* (Paragraph 21, ref. ID 68-021-20190722).

- 2.10 It is understood that there is a high reliance on delivery at the Welborne Garden Village, however this development is now progressing (despite years of stalling) and has recently received outline planning permission, in September 2021. It forms part of the five-year supply and no longer provides justification for a stepped trajectory.
- 2.11 In any event, although Welborne is important for housing supply over the plan period, it shouldn't be used as a reason to preclude an appropriate level of housing coming forward in the meantime and throughout the plan period on an annual basis. Other sites are said, at paragraph 4.16 of the Local Plan (ref. CD001), to be expected to start delivering at the end of the five-year period. If this is the case, more land should be identified to contribute to the deliverable five-year supply. The allocation of additional deliverable sustainable sites would likely alleviate the under delivery within the first few years of the plan period.
- 2.12 MH consider the reasons provided by FBC in its response to the Inspector (ref. FBC001) supporting the stepped approach are insufficient and lacking. It is unacceptable for FBC to plan negatively and for delay.

- 2.13 Limiting provision to later in the plan period, and suppressing housing delivery in the early years, will leave a whole generation without sufficient housing. Specifically, FBC will produce a housing deficit of over 700 dwellings for a period of five years, between 2023 and 2028.
- 2.14 By illustration, and as highlighted in the MH Regulation 19 response, if the stepped trajectory is maintained, supply of housing will not catch up with housing need until year 2031/2032, as follows:

Year	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37
Need	541	541	541	541	541	541	541	541	541	541	541	541	541	541	541	541
Accumulating	541	1082	1623	2164	2705	3246	3787	4328	4869	5410	5951	6492	7033	7574	8115	8656
Stepped Requirement	300	300	300	545	545	545	545	720	720	720	720	720	720	720	720	720
Accumulating	300	600	900	1445	1990	2535	3080	3800	4520	5240	5960	6680	7400	8120	8840	9560
Shortfall / surplus	-241	-482	-723	-719	-715	-711	-707	-528	-349	-170	9	188	367	546	725	904

- 2.15 Delivery of new homes needs to be brought forward in the plan period to ensure compliance and consistency with the NPPG and NPPF.
- 2.16 Further, given that FBC is now a presumption authority, based upon the latest 2021 HDT results and taking into account the NPPF (paragraph 74) requirement for a 20% buffer on five-year housing land supply, MH note that the PPG outlines:
- “To ensure that there is a realistic prospect of achieving the planned level of housing supply, the local planning authority should always add an appropriate buffer, applied to the requirement in the first 5 years (including any shortfall), bringing forward additional sites from later in the plan period”* (Paragraph: 022 Reference ID: 68-022-20190722).
- 2.17 However, the FBC’s response to the Inspector (ref. FBC001) confirms that the 20% buffer is only applied for the first three years due to expected HDT results with 5% buffer applied from then on. The PPG states that the buffer should be applied to the requirement in the first 5 years and there is no reason that FBC shouldn’t comply with this.
- 2.18 Clearly, insufficient flexibility is being achieved within the plan and the stepped trajectory is being retro-fitted to help FBC support its removal of previously tested, and included, sustainable sites from the plan – such as the HA4 extension (omission site).
- 2.19 The stepped approach to housing delivery that FBC proposes is inconsistent with the NPPF and unjustified given the additional sustainable sites available, that were previously promoted by the Council as sustainable alternatives (including Land to north of allocation HA4 Site ID 3130). Nothing has changed, and the current omission of these sites renders the plan unsound.
- 2.20 Currently policy H1 is inconsistent with the NPPF and unsound. To ensure consistency with National Policy, specifically, the need to significantly boost the supply of housing, in the plan and the five-year period, further allocations are required. The resulting total housing requirement should be planned to be

delivered evenly over the plan period, without reliance on delivery later in the plan period.

### **Affordable housing requirement**

#### ***Question 13 – How does this compare to the identified need?***

- 2.21 The Housing White Paper ‘Planning for the Future’, August 2020, recognises the need to *“increase the supply of land available for new homes where it is needed to address affordability pressures, support economic growth and the renewal of our towns and cities and foster a more competitive housing market”* (page 18).
- 2.22 Paragraph 1.42 of the draft Local Plan outlines the Borough’s affordability issues, namely for first time buyers and households of low income. FBC also highlights that there is now an ageing population that needs to be taken account of.
- 2.23 In the year ending 2019, Fareham’s average house price was £288,500. This is approximately 20% higher than the national average in the same year, which according to ONS<sup>1</sup> was £231,996. The Borough’s Affordable Housing Strategy, October 2019, (ref. HOP001) covers the period 2019-2036 (17 years) and identifies a current affordable need of 3,000 households and need across the plan period of 3,500 affordable homes (circa 233 dpa).
- 2.24 To help alleviate the affordability issue, the draft Local Plan should be seeking to boost the supply of housing and reduce the affordability gap. However, the plan seeks to delay housing delivery generally, through the stepped trajectory, and restricts the requirement to 10,594 new homes. The issue is exacerbated as, 67 of those homes comprise outstanding small permissions and 1,224 ‘windfalls’, noted in the plan as likely to comprise previously developed land, and both categories are highly unlikely to achieve any affordable housing.
- 2.25 Discounting the above elements of supply (outstanding small permissions and ‘windfalls’), all housing supply (market and affordable) will be in the region of 9,303 dwellings under the current planned requirement. To meet the affordable demand, 37% of new homes would need to be affordable. However, there is uncertainty about the level of affordable housing that will be provided at Welborne, with the s106 agreement suggesting only 10% affordable housing provision to enable the M27 J10 improvements.
- 2.26 Clearly there is justification to increase supply of new homes above and beyond the standard methodology need figure to help address affordability issues.

#### ***Question 14 – How does this compare to past performance? How many affordable homes have been provided as a percentage of total output over the past 5-10 years?***

- 2.27 The latest Authority Monitoring Report (AMR) covers the period 1 April 2020 to 31 March 2021. The report sets out at paragraph 3.4 the below table, and with the exception of 2011-2012 and 2014-2015, eight of the ten years outlined in the

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<sup>1</sup> <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/march2020>



table historically show a consistent and significant under delivery of affordable housing, well under the 33% average adopted affordable target.

- 2.28 Similarly, affordable housing completions within the same time period were below the average annual target of circa 233 dpa which FBC estimates is needed going forward.
- 2.29 Over the 10 year period there has been an average delivery rate of circa 23% affordable housing and over the last 5 years there has been an average delivery rate of circa 17% affordable housing. It is clear that within the past 5-10 years, FBC have consistently failed to meet the 33% target and only met this annual target twice within the last 10 years.
- 2.30 In particular, the delivery of affordable housing in 2018/19 was poor, with only 15 (5% of total dwellings) affordable homes delivered. The most recent year, 2020/21 picked up to 25% delivery rate, however this still shows significant under delivery against the adopted target. It is also important to highlight that the delivery of a higher number of affordable homes one year does not guarantee this will continue for future years.

Year	Affordable Dwellings (net)	Total Dwellings (C3) (net)	% of Total Dwellings
2011-2012	93	275	34%
2012-2013	66	238	28%
2013-2014	41	154	27%
2014-2015	96	287	33%
2015-2016	79	371	21%
2016-2017	98	349	28%
2017-2018	54	291	19%
2018-2019	15	290	5%
2019-2020	27	285	9%
2020-2021	29	117	25%

**Table 1: Affordable housing completions from Fareham Borough Council Authority Monitoring Report 2020-2021**

- 2.31 FBC's track record of affordable housing delivery has overall been dismal and falls well short of need.
- 2.32 It is clear that affordable need has not been met in the past and likely will not be met in the future, with FBC planning to deliver fewer affordable dwellings than are required, as set out under Question 13 above. Consequently, without the release of additional greenfield sites, affordable need will not be met.
- 2.33 The allocation of additional sustainable sites in the deliverable supply, including land to the north of allocation HA4 (site ID 3130) would help meet the affordable housing need and target requirement going forward.

### 3.0 Conclusions

- 3.1 MH support the LPA's approach to progressing the Local Plan 2037 and the general need to meet the need for homes based on the Standard Method figure. However, MH considers that the annual requirement for Fareham should consider the unmet need of neighbouring authorities and the significant need for affordable housing in the Borough. SHELAA site 3130 should be allocated to help meet this

requirement. There is no evidence of justification for not including this site within the plan.

- 3.2 The resulting total housing requirement should be planned to be delivered evenly over the plan period, without reliance on delivery later in the plan period and MH therefore requests the policies be amended to ensure they are sound, justifiable and consistent with National Policy.