

# **FAREHAM LOCAL PLAN 2037**

## **MATTER 3:**

### **HOUSING NEED AND SUPPLY**

**ON BEHALF OF: THE HAMMOND FAMILY, MILLER HOMES AND BARGATE HOMES**

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## 1. MATTER 3 – HOUSING NEED AND SUPPLY

### *Housing requirement*

#### **1.1 What is the justification for the conclusion in paragraph 4.3, that the Plan should not plan for a higher level of housing need than the standard method Local Housing Need suggests?**

1.1.1 The eFLP correctly acknowledges that the housing requirement should be increased if this would better respond to the need for affordable housing.

#### The need for affordable housing

1.1.2 A need for 3,500 affordable homes is identified in HOP001. FBC001 explains how this has been calculated. The detailed data is not provided and the calculation does not accord with the methodology of the PPG including because it does not:

- i. Identify the number of households that are homeless<sup>1</sup>, in temporary accommodation<sup>2</sup>, in over-crowded housing<sup>3</sup>, concealed<sup>4</sup>, existing affordable housing tenants in need<sup>5</sup>, or households in other tenures that cannot afford their own homes contrary to the PPG (2a-020).
- ii. Project the newly arising need reflecting the rates of household formation, the proportion of newly forming households unable to access the market taking account of the minimum household income required to access lower quartile housing, or the number of existing households falling into need contrary to the PPG (2a-021). Instead, FBC001 identifies an arbitrary and unevidenced allowance for 500 homes.

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<sup>1</sup> 41 according to the DLUHC Live Tables.

<sup>2</sup> 77 according to LGInform.

<sup>3</sup> 882 according to the 2011 Census.

<sup>4</sup> 373 according to the 2011 Census.

<sup>5</sup> According to the English Housing Survey 25% of households in local authority housing and 21% of households in other forms of affordable housing are in unsuitable housing nationally, which would suggest that circa 991 households in affordable housing in Fareham are in unsuitable housing.

- iii. Identify the supply of affordable housing including relets, vacant stock<sup>6</sup> and existing commitments contrary to the PPG (2a-022).
- iv. Identify the size mix of the supply of affordable housing compared to need contrary to the PPG (2a-023).

1.1.3 The results are also demonstrably anomalous. The newly arising need for affordable housing is normally<sup>7</sup> significantly greater than the existing need, and yet FBC001 suggests that there will be a newly arising need for 500 homes of a total of 3,500, or **14%**. By contrast, in neighbouring Winchester, the PPG has been applied and this demonstrates that **93%** of the need is accounted for by the newly arising need. Similarly, the South Hampshire SHMA Update<sup>8</sup> identified that in Fareham between **94% and 96%** of the need is accounted for by newly arising need<sup>9</sup>. It would therefore appear that the newly arising need has been substantially under-estimated by the unevidenced allowance of HP001.

1.1.4 The under-estimation is also evident from the fact that the South Hampshire SHMA Update identified a net need for between 234 and 302 affordable homes per annum (hpa) in Fareham in 2016<sup>10</sup>. The definition of affordable need has since expanded to include the needs of households seeking low-cost market housing<sup>11</sup>, and so the needs will now be greater. Additionally, in response to the need for between 234 and 302hpa, an average of only 49hpa have been delivered since 2016, such that there would be expected to be a greater backlog of need which again would suggest that the need will now be significantly greater. However, FBC001 anomalously suggests, in the absence of a PPG compliant assessment<sup>12</sup> that there is now a need for only 206hpa<sup>13</sup>.

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<sup>6</sup> 102 according to the DLUHC Live Tables.

<sup>7</sup> In every instance of which Pegasus Group is aware.

<sup>8</sup> Noting that this was prepared prior to the publication of the current PPG.

<sup>9</sup> Depending on whether an income threshold of 30% or 35% is applied.

<sup>10</sup> Ibid.

<sup>11</sup> Which was explicitly excluded from the definition of affordable housing within the NPPF of 2012.

<sup>12</sup> Including being based upon uninformed estimates.

1.1.5 Additionally, the eFLP proposes to contribute 900 homes to the unmet need of the wider sub-region, which will also contribute to the unmet affordable housing needs of the sub-region, placing an additional need for affordable housing within the plan area.

The supply of affordable housing

1.1.6 FBC001 suggests that the full affordable housing need will be met by the proposed housing requirement. No evidence is provided to support this.

1.1.7 The policies of the eFLP will provide for between 2,146 and 2,455 affordable homes even if every scheme is able to deliver a policy compliant level of affordable housing<sup>14</sup>. Therefore, even on the basis of the affordable housing need identified in the eFLP, there will be a significant shortfall in delivery, such that the eFLP and the PPG (2a-024) require that consideration is given to increasing the housing requirement. The eFLP however does not engage in this consideration owing to the false proposition that affordable housing needs will be met.

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<sup>13</sup> =3,500/17.

<sup>14</sup> As calculated in paragraph 2.10 of the previous representations on housing provision and affordable housing provision.

**1.2 Has the Council been asked if it can accommodate any unmet housing needs from other local authorities within the Housing Market Area (HMA)?**

1.2.1 This is addressed in response to question 4 of Matter 1.

**1.3 The Statement of Common Ground (SoCG) with Portsmouth suggests their unmet need is now 800 dwellings, not 669 as identified in paragraph 4.5 of the Plan. What is the current position?**

1.3.1 Portsmouth City Council identify an unmet need of 800 homes in SCG003 but nevertheless support the proposed contribution of 900 homes towards wider unspecified sub-regional needs. It is therefore apparent that not all, if any, of the proposed contribution of 900 homes will be directed towards Portsmouth. Without knowing which LPA/s the 900 homes contribute to, it is very difficult for those LPA/s to progress their Local Plans and it is not possible to ensure that the distribution within Fareham is appropriate to the needs to which it responds. Without such clarity, the eFLP is not effective, justified or positively prepared and acts as a constraint on the duty to cooperate.

1.3.2 It should be noted that FBC002 now identifies an unmet need for Portsmouth of 462 homes, and as such even if the eFLP contributes to the unmet needs of Portsmouth, only circa half of the contribution will address the unmet needs of Portsmouth, with the remainder presumably meeting sub-regional needs including those of Gosport. If this is the case, the distribution of housing proposed should respond accordingly to provide for an effective eFLP.



**1.4 The above SoCG also suggests a contingency of 11% should be added to the 900 dwellings. Is this included in Table 4.1 of the Plan?**

1.4.1 No comment.

**1.5 Are specific sites identified to meet Portsmouth’s need? If so, which sites and are they located within the Portsmouth HMA?**

1.5.1 As identified previously, the eFLP does not commit to addressing the unmet needs of Portsmouth specifically but rather to meeting wider sub-regional unmet needs<sup>15</sup>. As such, it has not identified specific sites to respond to the unspecified unmet needs to which it contributes.

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<sup>15</sup> As set out towards the end of paragraph 4.5.

**1.6 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?**

- 1.6.1 As set out in response to Matter 1, FBC002 now identifies an unmet need of 13,000 homes which have not been taken into account within the submission draft eFLP<sup>16</sup>, contrary to paragraph 61 of the NPPF. A considerable proportion of this unmet need has arisen as a direct result of the proposals of the eFLP to divert the allocation at Welborne to contribute to the needs of Fareham rather than to sub-regional needs rather than seeking to allocate a sufficient number of sites in Fareham.
- 1.6.2 The Council propose to defer meeting the resultant needs to subsequent Local Plan reviews following the production of a Joint Strategy. This is contrary to the explicit wording of paragraph 35c of the NPPF such that the eFLP is not effective and unsound.
- 1.6.3 FBC002 demonstrates that numerous LPAs do not have any capacity to address their unmet needs including East Hampshire, Eastleigh, Gosport, New Forest, Portsmouth and Southampton. It will therefore clearly fall to the other LPAs to address this unmet need including Fareham, Havant, Test Valley and Winchester.
- 1.6.4 Unmet needs should be met as close as possible to the area in which these originate and as such, the unmet needs of Gosport (2,439 homes) should be met within Fareham; the unmet needs of Portsmouth (462 homes) should be met within Havant, Winchester and Fareham; and the unmet needs of Eastleigh (2,656 homes) should be met within Test Valley, Winchester and Fareham insofar as this is sustainable. In this context, not only would it be unsound to defer meeting these unmet needs, Fareham provides an appropriate location to meet a significant proportion of these (including 2,439 homes from Gosport) and as such in the absence of a sufficient response, the eFLP is not positively prepared, justified, and it will not be effective in meeting housing needs. It will also not accord with paragraphs 8b, 35a, 35c and 61 of the NPPF.

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<sup>16</sup> Notwithstanding that the need increased in December 2020.

**1.7 Will the level of housing growth proposed be sufficient to support the economic growth expectations of the plan and the wider sub region?**

1.7.1 No comment.

**1.8 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?**

The justifications of the Council

- 1.8.1 The eFLP proposes a stepped housing requirement to reflect the fact that delivery will be lower earlier in the plan period owing to the Council's choice of allocations and the consequent ability of the Council to demonstrate a five year land supply (5YLS), rather than allocating sites which will deliver early<sup>17</sup> and address the substantial backlog of need in a timely fashion. The eFLP does not therefore propose to bring forward sufficient land at a sufficient rate to address needs contrary to paragraph 23 of the NPPF.
- 1.8.2 The approach of the Council acts to unnecessarily<sup>18</sup> and unsustainably constrain meeting the needs of households in the early years of the plan period, which further compounds the substantial backlog in housing delivery (including affordable housing delivery) which has occurred since at least 2011<sup>19</sup>.
- 1.8.3 Such a stepped housing requirement has particularly pronounced adverse impacts in Fareham not only because of the substantial backlog of housing need, but also because the sub-regional needs are not proposed to be met in the future at least in the indefinite short-term. In effect, there has been substantial under-delivery and it is planned that under-delivery will persist in the future even without a stepped housing requirement. With a stepped housing requirement, the under-delivery in the future will be even greater with only 900 homes being required to be delivered from 2021-24 in response to a minimum indigenous need (excluding unmet needs) for 1,623 homes. This would clearly be the antithesis of positive planning, and of being effective in meeting needs.

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<sup>17</sup> Within the first five years.

<sup>18</sup> Contrary to the PPG (68-021).

<sup>19</sup> The extent of the under-delivery and the consequent effects are outlined in paragraphs 2.34 to 2.37 of the previous representations on housing provision and affordable housing provision.

1.8.4 The proposed step seeks to address the shortfalls relative to the annualised housing requirement of 598hpa from 2028 onwards. However, as the housing requirement will no longer be applicable five years post-adoption<sup>20</sup>, the proposed increased housing requirement from 2028 onwards will not be taken into account in planning decisions. In effect, less weight will be afforded to housing in the short-term as the eFLP suggests this will be addressed in the longer-term, but in the longer-term this response will be disregarded.

1.8.5 The Council also now suggest that a stepped housing requirement is necessary to maintain a 5YLS for the first five years of the plan period and to avoid the consequences of the Housing Delivery Test (HDT) as soon as possible in FBC001<sup>21</sup>. The demonstration of a 5YLS and the disapplication of the HDT should not be used to justify not meeting needs. The 5YLS and HDT tests are in place to ensure that needs are met at a sufficient rate, to use these as justifications for doing precisely the opposite does not accord with the objectives of national policy. This proposed justification therefore does not stand up to scrutiny and should be disregarded.

#### The sustainable solution

1.8.6 To meet needs in a timely fashion and bring forward land at a sufficient rate to meet needs in accordance with paragraph 23 of the NPPF and demonstrate a 5YLS at the point of adoption<sup>22</sup> against the annualised housing requirement, the Council would need to identify an additional 702 homes capable of delivery during the period 2021-26<sup>23</sup>, or an additional 363 homes to demonstrate a 5YLS against the indigenous need excluding the unmet need<sup>24</sup>. The

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<sup>20</sup> As set out in paragraph 74 of the NPPF.

<sup>21</sup> Clearly, this position only arises if the eFLP does not identify a sufficient number of sites to provide for a 5YLS, which should be the priority for the eFLP.

<sup>22</sup> And throughout the entire plan period.

<sup>23</sup> Based on the difference between (1) the annualised requirement for 598 homes per annum (=9,560/16) which equates to 2,988 homes within five years (=598x5) which with an additional 20% buffer provides for a requirement for 3,585 homes (=2,988x1.2), and (2) the supply of 2,883 identified in FBC001.

<sup>24</sup> Based on the difference between (1) the annualised need for 541 homes per annum which equates to 2,705 homes within five years (=541x5) which with an additional 20% buffer provides for a requirement for 3,246 homes (=2,705x1.2), and (2) the supply of 2,883 identified in FBC001.

identification of such sites should be the priority for the eFLP to positively and effectively address the substantial backlog of need as well as newly arising needs. Without such allocations (or without demonstrating that such allocations would be unsustainable), the eFLP is not sustainable, effective, justified, or positively prepared.

Other less desirable solutions

- 1.8.7 There is currently a substantial record of under-delivery in Fareham<sup>25</sup> and this will remain the case until circa January 2024<sup>26</sup>, such that the most important policies of the eFLP will be out-of-date<sup>27</sup> regardless of the 5YLS position.
- 1.8.8 In the interim, given that policies will be out-of-date in any event, a stepped requirement would not render policies up-to-date and its sole purpose would be to unsustainably act as a constraint on the delivery of much needed housing.
- 1.8.9 In the absence of a sufficient supply in the very short-term, the best that can be hoped for is that the policies of the eFLP will become up-to-date in January 2024 providing a 5YLS is able to be demonstrated at that point. This can be achieved according to the trajectory of FBC001 against the unstepped annualised requirement providing the Liverpool approach is adopted<sup>28</sup>. The use of the Liverpool approach whilst not ideal is far preferable to the use of a stepped housing requirement as it ensures that the need for housing is

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<sup>25</sup> As recorded by the Housing Delivery Test.

<sup>26</sup> Even on the basis of the proposed stepped requirement and the Council's trajectory in FBC001 there will remain a record of substantial under-delivery until the HDT results of 2023 are published in circa January 2024.

<sup>27</sup> Through footnote 8 and paragraph 11d of the NPPF.

<sup>28</sup> The annualised requirement for 598hpa (=9,560/16) would require the delivery of 1,793 homes in the period 2021-24 (=598x3). The trajectory of FBC001 suggests that 1,538 homes will be delivered in this period leaving a shortfall of 255 homes (=1,793-1,538) to be addressed over the remaining 13 years of the plan or 98 over the following five years (=255/13x5). In addition to the five year requirement arising from the annualised requirement for 2,988 homes (=598x5) this would result in a requirement for 3,085 homes (=2,988+98). With an additional 5% buffer which the Council assume will apply at this point, there would be a requirement for 3,240 homes (=3,085x1.05). The trajectory of FBC001 suggests that there will be a supply of 3,506 homes at this point which would provide for a 5.41 year land supply (=3,506/3,240x5).

reflected in policies but allows the flexibility to ensure that any under-delivery that does arise is addressed over the remainder of the plan period.

The step

- 1.8.10 Even if notwithstanding all of the above, it is considered appropriate and sound to step the housing requirement in Fareham with the sole objective of demonstrating a 5YLS thereby potentially reducing the weight afforded to the housing that is so desperately needed, the step proposed by the Council is not positive, effective in meeting housing needs or consistent with the PPG (68-021) as it would unnecessarily delay meeting needs.
- 1.8.11 The Council suggest that a stepped housing requirement of 300hpa from 2021-24, 545hpa from 2024-28 and 720hpa from 2028-37 is necessary to maintain a 5YLS for the first five years of the plan period in FBC001. However, it is immediately apparent that a far lesser step could maintain a 5YLS, as FBC001 identifies that the proposed step would identify a 6.04yIs at the point of adoption.
- 1.8.12 Indeed, the Council would be able to demonstrate a 5YLS<sup>29</sup> with the following stepped requirement:
- i. 305 homes per annum (a constrained requirement) from 2021-23;
  - ii. 598 homes per annum (the annualised requirement) from 2023-26;
  - iii. 651 homes per annum (as required to make up the shortfall in 2021-23) from 2026-37.
- 1.8.13 Even assuming that a stepped housing requirement is found sound notwithstanding the absence of any robust justification and the numerous harms which arise, the stepped housing requirement should be increased as set out above.

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<sup>29</sup> If the trajectory of FBC001 is achieved.



***Affordable housing requirement***

**1.9 What is the annual net need for affordable housing in the borough? For clarity for decision-makers, developers and local communities should the need for affordable housing be clearly set out in the Plan?**

1.9.1 It would be beneficial for this to be provided in the eFLP.

**1.10 Has the affordable housing need been correctly established, and is it based on up-to-date information?**

1.10.1 No. As addressed in response to question 1 above.

**1.11 How does it compare to the housing requirement?**

1.11.1 This is addressed in response to question 1 above.

**1.12 Based on the requirement for qualifying developments to provide affordable housing as set out in Policy HP5, how many affordable homes is the Plan expected to deliver?**

1.12.1 This is addressed in response to question 1 above.

**1.13 How does this compare to the identified need?**

1.13.1 This is addressed in response to question 1 above.

**1.14 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?**

1.14.1 As set out above, the eFLP provides for the delivery of between 2,146 and 2,455 gross affordable homes if every scheme achieves a policy-compliant level of affordable housing. This equates to between 134 and 153 affordable homes per annum, or between 22% and 26% of the housing requirement.

1.14.2 Over the last decade, 2011-21, an average of 68 gross additional affordable homes have been delivered per annum<sup>30</sup> and over the last five years, 2016-21, an average of 49 have been delivered<sup>31</sup>. These represent 26% and 18% respectively of the total number of homes delivered respectively.

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<sup>30</sup> Comprising 684 gross additions and 108 losses through Right to Buy.

<sup>31</sup> Comprising 244 gross additions and 61 losses through Right to Buy.