



# FAREHAM BOROUGH LOCAL PLAN 2037

## Hearing Statement

### Written Statement relating to Matter 4

#### Housing Policies

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Prepared on behalf of Persimmon Homes (South Coast)



February, 2022

## 1 INTRODUCTION

- 1.1 This Hearing Statement has been prepared on behalf of Persimmon Homes (South Coast) in response to the Revised Publication Fareham Local Plan (CD001). Our client previously made representations to the Publication Local Plan in December 2020 and also to the Revised Publication Local Plan in July 2021.
- 1.2 Persimmon Homes have land interests within Fareham Borough and in particular at the edge of Stubbington which includes (but is not limited to) the site south of Oakcroft Lane (Site HA54) which was recently granted planning permission on appeal.
- 1.3 This statement has been prepared in accordance with the prevailing planning policy and guidance, in particular the National Planning Policy Framework (NPPF), July 2021 and the Planning Practice Guidance (PPG). It expands on our client's previous representations and argues that a number of the proposed housing policies, as currently worded, are not effective and not justified and are contrary to national planning policy and guidance. However, in each case we provide our suggestions for modifications that could allow the policies work effectively and flexibly.
- 1.4 Paris Smith LLP, on behalf of Persimmon Homes (South Coast) wish to take a full and active part in the Hearing to be held on Thursday 10th March 2022 in relation to Matter 4 (Housing Policies).

## 2 HP5 PROVISION OF AFFORDABLE HOUSING

***Q15. The supporting text refers to viability considerations which may affect the ability of schemes to provide the required level of affordable housing. To be effective, should the policy provide guidance on viability matters to provide flexibility?***

- 2.1 As Persimmon Homes (South Coast) set out in their previous representations, a financial viability review mechanism should be set out within the policy text and not relegated to the supporting text. As currently drafted, Policy HP5 does not provide sufficient flexibility to deal with situations over the lifetime of the plan where there is insufficient financial viability to fund the full policy compliant affordable housing target.

***Q16. Are the tenure requirements stated in the policy justified and effective? What evidence supports the levels required? Is the social rent requirement contradictory in parts i) and ii)?***

- 2.2 We consider that parts i to iii of Policy HP5 are confusingly drafted and therefore not effective. The tenure requirements appear to be based on 'Scenario 3' from the Council's 2019 viability evidence (VIA001) which considered a 65:35 split between Affordable/Social Rented and intermediate tenures. Within the 65% rented accommodation, there was an expectation that 10% of the affordable homes would be delivered as Social Rented, leaving 55% to be delivered as Affordable Rented. However, as the question highlights, parts i and ii of the policy are contradictory since both include the qualifier 'at least'. If the local plan's expectation that 65% of all affordable homes should be rented is a reasonable one, then the policy should require "at least 65% as rented affordable homes, including at least 10% as Social Rented with the remainder as Affordable Rented".
- 2.3 Part iii is also problematic as it is not consistent with notational policy. The NPPF paragraph 65 sets the expectation that 10% of the overall total number of homes on a site should be delivered as affordable ownership products. However, Policy HP5 only expects that (at least) 10% of the affordable homes will come forward as home ownership products. This will not result in the national policy target level of affordable home ownership being achieved.

2.4 The Addendum to the Council's Viability Assessment (VIA003) actually seeks to argue (in paragraph 2.2.4) that the NPPF is ambiguous on the matter of affordable home ownership and that what is really meant is that the expectation actually applies only to the affordable homes. We do not accept this and consider that NPPF paragraph 65 is quite clear that the 10% expectation applies to the total number of homes.

2.5 The NPPF clarifies that a range of exceptions would apply to this expectation of 10% affordable homes ownership. However, we have seen no evidence to suggest that any of these exceptions would apply generally to all housing sites across Fareham Borough. Therefore, part iii of Policy HP5 should be revised to clarify that the at least 10% affordable home ownership expectation applies to the total number of dwellings to be delivered on the site.

***Q17. The Policy requires that the mix of property size and type should reflect local need. Where is this assessment of current needs set out in the evidence? Paragraphs 5.40 – 42 of the supporting text relates to affordable housing size and mix but refer to open market homes in the first paragraph. Is this effective?***

2.6 The Council does provide relatively detailed information about the required size of affordable dwellings on its website.<sup>1</sup> This can be rather confusing to use however, and it does not allow the viewer to examine the evidence behind the significant variations in size of dwellings needed in each area. There is no indication on this webpage as to the date of the information and how it is monitored and reviewed over time. It would be helpful for the supporting text of the local plan to provide some guidance as to how and when this web-based information will be reviewed and updated and to provide access to the underlying data used to derive the requirements.

2.7 We consider that paragraph 5.40 of the Revised Publication Local Plan serves no purpose and causes confusion. It should be deleted.

***Q18. What is the justification for affordable rent provision to have rents and service charge at no more than 80% of market rent or the relevant Local Housing Allowance whichever is lower? Should this be more appropriately included in the supporting text to explain the application and expectation of the policy?***

2.8 The definition of 'affordable housing' in the NPPF refers only rent being set at least 20% below local market rents (including service charges where applicable). There is no provision in national planning policy for rents to be set by reference to Local Housing Allowance if this is lower than 80% of local market rents. This embellishment should be removed from Policy HP5.

### **3 HP7 ADAPTABLE AND ACCESSIBLE DWELLINGS**

***Q22. What is the justification for requiring at least 15% of all new dwellings as Category 2 standard? What is the threshold based on?***

3.1 Persimmon Homes (South Coast) provided some detailed commentary on this requirement in their representations to the Publication Local Plan in December 2020 (CD007). We do not consider it necessary to repeat or expand on that here.

***Q23. What is the justification for requiring schemes of over 100 dwellings to provide at least 2% of private housing and 5% of affordable housing as Category 3 properties?***

3.2 Whilst Persimmon Homes (South Coast) covered this requirement in their representations to the Publication Local Plan in December 2020 (CD007), some further elaboration is required. The evidence put forward by FBC to support this requirement, particularly in relation to market dwellings, is not locally based but is simply extrapolated from data at the national level.<sup>2</sup> This

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<sup>1</sup> [https://www.fareham.gov.uk/housing/looking\\_for\\_a\\_home/affordablehousingneed.aspx](https://www.fareham.gov.uk/housing/looking_for_a_home/affordablehousingneed.aspx)

<sup>2</sup> Paragraph 3.18 of the Specialist Housing Needs Background Paper (HOP003), 2020.

requirement is therefore not consistent with the relevant PPG which seeks an understanding of the local needs of those requiring accessible and wheelchair user dwellings.<sup>3</sup>

- 3.3 We consider that the proposal to require at least 2% of market homes as wheelchair user homes is simply an attempt to match the relevant part of Policy WEL20 of the Welborne Plan. However, it is not appropriate or justified to seek this parity for a number of reasons. First, the Welborne Plan was prepared and Examined before the current PPG was drafted and before the Part M of the Building Regulations was put in place. Second, The Welborne Plan was based on specific viability evidence, including extensive engagement with the site developers on matters such as accessible and adaptable homes. Third, Policy HP7 seeks to go further than Welborne Policy WEL20 as it requires “at least” 2% wheelchair user homes whereas Policy WEL20 seeks a level of provision consistent with latest needs evidence and only “approximately 2%” in the early phases.
- 3.4 In light of the above, we consider that FBC needs to provide appropriate local evidence of the need for 2% wheelchair user homes in the market sector and even where this evidence can be produced, the policy needs to provide greater flexibility in its application, as is the case with Welborne Plan Policy WEL20.

***Q24. How have the costs associated with the requirements in Policy HP7 been taken into account as part of the Plan's preparation?***

- 3.5 The 2019 Viability Assessment (VIA001) did seek to include the costs of providing adaptable and accessible homes (as they were at that point in time) within the viability appraisals. However, the costs of delivering accessible and adaptable homes have increased since 2019 and this increase has not been taken into account.
- 3.6 The Viability Assessment Addendum paper (VIA003) recognises the potential increase in build costs, but suggests only that such increases could be covered by the £10,000 ‘policy contingency’.<sup>4</sup> However, elsewhere in VIA003 it is demonstrated that the available headroom for increases in policy-related requirements is only £335 per dwelling. Therefore, the Council’s evidence does not adequately take account of the current day costs of delivering Policy HP7 compliant levels of accessible and adaptable homes.<sup>5</sup>

***Q25. How does the Plan account for situations where it may not be suitable or viable to provide adaptable and accessible homes? Is the policy effective?***

- 3.7 Policy HP7 is inflexibly drafted and does not take account of situations where it may not be suitable or viable to deliver the policy requirements. A suitably worded viability review mechanism needs to be included within the policy text. This should also take account of circumstances where a particular site or scheme may not be suitable for the provision of accessible and adaptable homes. The PPG requires site-specific factors to be taken into account where these may make delivery of adaptable and accessible homes less suitable.<sup>6</sup> We consider that Policy HP7 needs to have better regard to this planning guidance.

## **4 POLICY HP9 SELF AND CUSTOM BUILD HOMES**

***Q27. What is the current demand for self and custom-build housing in Fareham? How does Policy HP9 relate to the identified need?***

- 4.1 The current demand for self-build and custom-build homes is set out on the Council’s website.<sup>7</sup> However, there is no attempt to link the level of current need with the policy requirements proposed in Policy HP7. We acknowledge that the level of planning permissions for these types

<sup>3</sup> PPG paragraph: 007 Reference ID: 56-007-20150327.

<sup>4</sup> Paragraph 2.3.3 in the Viability Assessment Addendum (VIA003).

<sup>5</sup> Paragraph 2.5.12 in the Viability Assessment Addendum (VIA003).

<sup>6</sup> Paragraph: 008 Reference ID: 56-008-20160519

<sup>7</sup> [https://www.fareham.gov.uk/planning/local\\_plan/selfbuild.aspx](https://www.fareham.gov.uk/planning/local_plan/selfbuild.aspx)

of homes over the past five years have not met the full need over the same period. However, we consider that a robust assessment is required of what the likely level of need over the plan period will be, taking account of the following factors:

- The site allocated specifically for this type of provision (Site HA35);
- The level of provision that will be achieved through small-site windfalls across the Borough since this was not assessed in the Windfalls Projections Background Paper of June 2020 (HOP007); and
- The likely timescales for the delivery of the approximately 60 self-build plots on the Welborne site under Policy WEL21.

***Q28. What is the threshold of 40 or more dwellings based on, and what is the justification for requiring 10% of the dwelling capacity to be provided as self-build and custom build plots.?***

- 4.2 We consider that both the threshold of 40 or more dwellings and the 10% requirement are completely arbitrary figures with no sound or robust assessment as to the level of self and custom-build homes required, or the ability of these housing schemes to provide this level of plots.
- 4.3 Using the Housing Allocation Policies Table following paragraph 4.20 of the Revised Publication Local Plan (and excluding the town centre allocations and any allocations where the net delivery will be less than 40 dwellings) we estimate that there will be 3,835 dwellings delivered on sites that would be caught by Policy HP9, if it were adopted. This would result in a potential supply of self and custom build plots of some 384 plots over the plan period.
- 4.4 If we then look at the delivery of self and custom-build plots from windfalls, we can see from FBC's website<sup>8</sup> that an average of 15 plots have been granted planning permission per year since 2016, when the Self and Custom-Build Register commenced. Over the plan period, if this level of delivery was maintained, it would result in a further 240 plots being permitted. In our view this is a conservative estimate as the need for nutrient neutrality will have suppressed planning permissions in the last few years.
- 4.5 Therefore, if we also assume half of the provision at Welborne will come forward within the plan period and that Policy HP9 were to be introduced, the total level of self and custom build plots potentially delivered by 2037 would be as follows:
- Site HA35: 7
  - Welborne: 30
  - Windfalls (2021-2037): 240
  - Sites caught by Policy HP7: 384
  - **Total anticipated delivery by 2037: 661 self and custom-build plots**
- 4.6 Against this potential level of delivery, we would expect FBC to provide at least some level of assessment of future need to justify such a large level of planned provision. In the absence of that justification, the threshold and requirement in Policy HP9 are unjustified and should be deleted or revised to match the assessed level of anticipated need over the plan period.

***Q29. Is the requirement for plots to be marketed for 12 months justified?***

- 4.7 The requirement for plots to be 'appropriately marketed' for 12 months is a further arbitrary element to Policy HP9 that is not justified. Whilst a requirement to market any required self-build plots as such may be reasonable to ensure policy compliance, the detailed and prescriptive approach set out under paragraphs 5.72 and 5.73 of the supporting text is

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<sup>8</sup> [https://www.fareham.gov.uk/planning/local\\_plan/selfbuild.aspx](https://www.fareham.gov.uk/planning/local_plan/selfbuild.aspx)

considered too onerous. In particular, the 12-month period only starts when the plots are actually available, whereas in reality they would need to be marketed well before the point of release, as is the case with all new homes. Therefore, if the period has to be 12 months, the starting point should be up to the developer.

- 4.8 We are also concerned by the reference in paragraph 5.72 to a “*thorough marketing strategy*”. Who would define what that means and where is this set out? Is the approach set out in paragraph 5.73 the definition of ‘thorough marketing strategy’? In the absence of this clarity the policy would be ineffective and inflexible as there would be no certainty about how alternative forms of housing might be justified.
- 4.9 The main problem with a lengthy marketing strategy being required is that by the time this period has been achieved and the evidence collated and the variation to the s106 agreement and planning conditions finalised, it may well be that construction has been completed on the site and the contractors have handed the site over. In such cases contractors would then have to be brought back on to site at a later stage at great expense and to the significant disturbance of the new residents of surrounding properties.
- 4.10 Overall, we consider that the text within Policy HP9 could be tolerable only if the supporting text was revised to remove the prescriptive details about when the marketing could commence and clarifying that following the approach recommended in paragraph 5.73 would be sufficient to demonstrate a “thorough marketing strategy”.

***Q30. Bearing in mind the provision of custom and self-build homes on the Welborne Garden Village and the potential for windfall development, would the application of the policy result in an over provision? Has the potential delivery over the plan period been assessed against the potential need?***

- 4.11 Please see our response to Question 28 above.

***Q31. Part c) of the policy requires design parameters to be in place. Is it clear who and when these parameters would be prepared and how they would relate to the wider site?***

- 4.12 We do not consider that this point is at all clear and would request that this is clarified or is deleted from Policy HP9.

***Q32. Is it clear to decision-makers, developers and local communities how the policy will be applied? Is it sufficiently flexible?***

- 4.13 In addition to the issues referred to above, the policy is not clear on how it would operate in cases where self or custom-build plots could give rise to financial viability issues for the scheme. For example, will this expectation apply in any town centre or other higher density sites which are not flatted schemes? In order for the policy to work flexibly (and in addition to the points above) further thought is needed to expand the final lines of the policy to provide for a viability review mechanism.