

## **Fareham Borough Council Local Plan Examination** **Council's Response to Inspector's Matters and Issues**

### **Matter 7 Housing Land Supply**

**1. Is the reliance on Welborne Garden Village to deliver half of the housing requirement for Fareham justified as the most appropriate way of achieving sustainable development, the supply of new homes and the growth of the borough? If not, what are the alternatives?**

- 1.1 The housing trajectory (FBC001) shows that Welborne will deliver 3,610 homes over the plan period which represents just over one third (34.1%) of the total housing supply included in the Plan. The Council consider that it is justified to rely on Welborne to provide the level of housing stated, as the Welborne Garden Village already has an adopted plan in place, outline permission for the whole site has been granted and the s106 agreement has been agreed. Furthermore, the allocation is consistent with paragraph 73 of the Framework and the level of delivery within the plan period relies on tested delivery rates. The Council have a dedicated team working to progress the development and further detail of the Council's evidence in relation to Welborne's delivery is set out in Q7 below.
- 1.2 Welborne was included within the Sustainability Appraisal of the Local Plan and formed part of the assessment of reasonable alternatives. Not having Welborne included at all was not considered as a reasonable alternative because of the scale of the housing requirement. However varying rates of delivery at Welborne were considered as part of the reasonable alternative assessment. The Council's preferred development strategy 2F included a more realistic delivery scenario at Welborne compared to some of the other reasonable alternatives (CD003).

**2. Does the plan provide sufficient contingency should this site be delayed? Is the 11% additional supply set out in para 4.12 adequate?**

- 2.1 Yes, it is considered that the plan provides sufficient contingency. Delivery at Welborne has been delayed from that set out in the Welborne Plan whilst s.106 agreement and Government funding packages have been negotiated. However, the Council is confident in the trajectory for Welborne as set out in question 7 below. In terms of the contingency proposed, Planning Practice Guidance (PPG) previously made reference to adding a buffer over the plan period (Paragraph: 037 Reference ID: 3-037-20180913) although there was no guidance as to what level of buffer would be appropriate. This reference was removed in July 2019; however, the Council was preparing Regulation 18 plans on that basis.
- 2.2 In the absence of any guidance in national policy regarding contingency buffers, the Council considered Paragraph 74 of the Framework, which requires the supply of specific deliverable sites to include a buffer (moved forward from later in the plan period). In this context, a buffer of 10% is said to be sufficient to account for any fluctuations in the market. Whilst this only applies to the first five years, it was deemed that in the absence of any other guidance, this was a sound starting point to establish what an appropriate contingency buffer might look like. Therefore, a minimum of 10% additional supply is considered appropriate by the Council, 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 expectations.
- 2.3 A more precautionary 15% was proposed in the Council's initial Regulation 19 consultation (November 2020) (see paragraph 4.12 of the submitted Plan) given the greater uncertainty around when Welborne would start delivering new homes. However, since then, Welborne

has progressed significantly, and the Council can now have greater confidence in the delivery assumptions. Evidence for the delivery at Welborne is set out in the Council's response to question 7 below.

- 2.4 Furthermore, paragraph 73 of the Framework promotes new settlements and councils are entitled to make a "realistic assessment of likely rates of delivery" and are not required to apply a contingency in respect of any delay. The 11% buffer included in the Plan's total housing supply (1038 units) exceeds the anticipated delivery from Welborne in years 1-5 for the purposes of paragraph 68, and equates to around three and half years delivery from Welborne over the plan period (i.e. the annual delivery rate of 300 in the later part of the plan period).
- 2.5 In conclusion, a contingency buffer of 11% is considered to be justified and an appropriate strategy to address any delay. Of course, the matter of housing supply and delivery is kept under regular review by the Council and would be a trigger for Local Plan review if delivery fell far below the assumed rates, in line with paragraph 33 of the Framework.

**3. The Framework in para 69a) requires that land to accommodate at least 10% of the housing requirement on sites of 1 hectare or less should be allocated unless there are strong reasons why this cannot be achieved. Paragraph 4.13 of the Plan demonstrates that for Fareham this figure is 9.4%. What is the justification for this target not being achieved?**

- 3.1 In accordance with paragraph 69a of the Framework, the Council has identified all potential sites for housing development which were considered through the SHELAA process. All sites which were identified as deliverable in the SHELAA and were 1 ha or less and where development had not already commenced (and therefore forms part of the supply) were allocated in the Plan. In line with the advice contained in the Planning Practice Guidance (PPG): Housing and Economic Land Availability Assessment (para 009), the SHELAA considered all sites and broad locations that are capable of delivering five or more dwellings. All allocation sites in the plan provide 5 dwellings or more, with the exception of the specialist housing policy HA45. In order to boost the supply of small sites in line with paragraph 69, the plan provides Policy HP2 to support small sites. Further information regarding this policy is provided in the Council's response to the Inspector's Matter 4, Question 3.

**4. What compelling evidence is there in accordance with paragraph 71 of the Framework that windfall sites should be part of the anticipated supply? Are the windfall projections in Table 2 of the Housing Windfall Background Topic Paper. i.e. 51 dwellings on both small and large sites over the plan period justified?**

- 4.1 The evidence for including windfall development in the anticipated supply is based on a thorough analysis of the past trends within the borough. This is set out in the Housing Windfall Background Paper (HOP007). In particular the Council draws attention to paragraphs 1.4 and 3.1-3.10 which set out the Council's thorough methodology and justification for the level of windfall for small and large sites of 51 dwellings each year from year 3 of the plan period in respect of small sites and from year 6 for large windfall development sites. The Council monitors windfall rates and as such the reliability of this part of the supply will be reviewed alongside each element of the supply.

**5. Does the Council apply a lapse rate for sites with planning permission or with resolutions to grant subject to a s106 agreement which may be delayed or do not come forward?**

- 5.1 Yes, the Council applies a lapse rate to small sites with planning permission. The total number of dwellings permitted is discounted by 10% to allow for non-implementation and to ensure that we are not overly optimistic with regards to the number of dwellings likely to be delivered on small sites. A lapse rate is not applied to larger sites as the anticipated delivery is based on regular engagement with site promoters and landowners and therefore the Council is confident in the projected delivery rates. Where we have been unable to contact the relevant landowner/agent, the site has been assumed to be no longer available and discounted in the SHELAA. Furthermore, the Framework requires the five-year housing land supply to include an appropriate buffer (moved forward from later in the plan period). In Fareham's case a 20% buffer has been applied to improve the prospect of achieving the planned supply as determined by the 2020 and 2021 HDT results. The Council considers that this in combination with the contingency buffer on the supply provides sufficient flexibility should sites not come forward as expected.

**6. What assumptions have been made to inform the trajectory for the delivery of housing sites in terms of lead in times for grant of full planning permission, outline and reserved matters, and conditions discharge; site opening up and preparation; dwelling build out rates; and number of sales outlets? Are they appropriate and justified?**

- 6.1 The Council makes justified assumptions relating to the delivery of differing site sizes and application types. For example, it is expected that small sites (less than 5 dwellings) will deliver in years 1 to 3, full planning applications for larger sites will commence delivery around year 3 and outline applications may take longer, due to the need to gain reserved matters approval in advance of commencement. It is also assumed for the majority of sites (with the exception of HA4, HA55, HA56 and Welborne), that there would likely only be one sales outlet and that 50 dwellings per annum is used as the general starting point for annual delivery rates on this basis.
- 6.2 The Council's assumptions are broadly in line with Hampshire County Council's Housing Delivery Trends in Hampshire 2000-2020<sup>1</sup> report (November 2021) which looked at how sites delivering between 100-399 dwellings have built out across Hampshire over the last 20 years. This included the lead-in time of sites prior to commencement of development, as well as the subsequent build-out rates. The study shows that it took an average of 2.7 years from first registration of a planning application with the local planning authority to the first dwelling being completed on site. Furthermore, across all sites analysed in this study, an average of 52 dwellings were built each year. Within this, the build-out rates observed increased as the site size increased, from 51 dwellings per annum for sites of 100-199 dwellings to 66 dwellings per annum for sites of 300-399 dwellings. Therefore, the Council's delivery rate assumptions are aligned with this.
- 6.3 However, in order to provide robust evidence, the Council undertakes regular delivery evidence-gathering by contacting the site developers to gather site-specific delivery timeframes to inform the Plan trajectory. This data is assessed by the Council to ensure it is realistic and may be revised to ensure projected delivery rates are not overly optimistic. In addition, the Council's Planning Strategy team undertakes regular site visits to sites with permission and under-construction in the borough to assess delivery.

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<sup>1</sup> [Hampshire County Council \(2021\) Housing Delivery Trends 2000-2020](#)

- 6.4 In addition, the Council receive housing monitoring data from HCC who undertake annual site visits to confirm the progress of sites under construction, and the trajectory is updated accordingly. The Council also receive phasing data from HCC which is based on:
- information from NHBC and Building Control data;
  - information gathered from the site visits including conversations with developers if they were on site at the time;
  - estimates on the number of dwellings that a single developer can optimally build annually;
  - estimates on lead-in times from when an application is registered, permitted etc.
- 6.5 This phasing information is compared with the delivery information the Council holds and the phasing is agreed collaboratively.
- 6.6 On a number of larger sites, the Council has also foreshortened planning permissions, requiring that development commences much sooner than would otherwise be the case. Typically, the required timeframe is to have commenced development within 18-24 months of the permission being granted. This is another factor that is taken into account when projecting when sites may start to deliver housing and is a tool the Council use to try and boost the five-year housing land supply where the council has applied extant policy DSP40 (and would apply its replacement policy HP4).
- 6.7 In summary, there are a number of pieces of evidence used to inform the projected delivery rates in the Plan, resulting in a justified trajectory.

**7. What evidence is there to support the anticipated delivery rate of Welborne Garden Village? Does this adequately reflect the time it will take to bring development forward and the necessary infrastructure requirements for the site?**

- 7.1 As set out in the Council's response to Matter 7 Question 2, delivery at Welborne has been delayed from that proposed at the time of the Welborne Plan adoption (2015). However, in the last year Welborne has progressed significantly as referenced in the Council's responses to questions 8 and 13 of the Inspector's Initial Questions (FBC001). Firstly, in June 2021, the planning application was revised to allow for the developer's contribution to M27 Junction 10 to increase which ensured that funding was in place for all the improvement works required. The Council then resolved to grant planning permission for the outline planning application in July 2021. The planning consent for the Garden Village was issued on 30 September 2021 ([FBC012 Welborne Decision Notice Sept 2021](#)) following completion of the s.106 agreement. This significant milestone means preparatory work can now begin onsite to deliver Welborne. A pre-commencement condition was included that related to fully securing the funding for improvements to J10 of the M27. The Details Pursuant to Condition 57 ([FBC013 Junction 10 of the M27 Funding Strategy Nov 2021](#)) was approved on 24 November 2021, with funding now being secured for the required improvements to junction 10 of the M27 motorway with Hampshire County Council confirmed as scheme promoters.
- 7.2 The developer's approach to delivery of the site is set out in the Welborne Delivery Strategy (see page 69 of [FBC014 Welborne Delivery Strategy Oct 2019](#)). This strategy sets out the approach to land release, investment in infrastructure, the selection of housebuilders and the control of design and safeguarding of the vision for the site. This strategy gives the Council confidence that it is reasonable delivery rate. A letter of support on behalf of Buckland Development Ltd is provided in the examination library (FBC051).

7.3 The delivery timescales included within the housing trajectory in the submitted Local Plan were agreed with the site promoters and submitted to the Council in April 2021 as part of the Council’s ongoing liaison with the development industry on delivery profiles. This information was provided in FBC001 and recent discussions suggest that this trajectory is still valid and takes account of the time required to bring development forward. In relation to the numbers of dwellings delivered per year, the Council commissioned Lichfields to prepare a review of the delivery rates in 2017 in comparison with other sites nationally. This document was made available as part of early consultations on the Plan and concludes that, based on multiple sales outlets complemented by the delivery of other elements of private housing, including retirement living and self-and custom-build, the approach to delivery is feasible (paragraphs 5.5 and 5.6 of FBC050)

**Table 1: Welborne Garden Village delivery rates (as of 1<sup>st</sup> April 2021)**

<i>Year</i>	<i>Dwellings Delivered Per Year</i>	<i>Cumulative Dwellings Delivered</i>
2023-2024	30	30
2024-2025	180	210
2025-2026	240	450
2026-2027	240	690
2027-2028	240	930
2028-2029	280	1210
2029-2030	300	1510
2030-2031	300	1810
2031-2032	300	2110
2032-2033	300	2410
2033-2034	300	2710
2034-2035	300	3010
2035-2036	300	3310
2036-2037	300	3610

**8. Overall does the plan allocate sufficient land to ensure the housing requirement of the borough will be met over the plan period? Is the average delivery of 720 homes per annum in 2028-29 and 2036-37 achievable considering past delivery in the borough?**

8.1 Yes, the plan allocates sufficient land to ensure that the housing requirement of the Borough is met over the plan period. Table 4.2 in the Plan sets out the housing supply position totalling 10,594 homes which is sufficient to meet Fareham’s housing need as well as a contribution towards unmet need. This total also includes an 11% contingency buffer should sites not come forward as expected.

8.2 In recent years, delivery rates have been constrained by nitrates and Covid-19 pandemic. However, the trajectory shows that whilst delivery rates are expected to be low again in 2021/22, they are expected to pick up significantly in 2022/23 and again in 2023/24 as a result of a number of large sites being granted planning permission and the overall high number of dwellings that have been granted planning permission. Delivery rates in Fareham have been significantly higher in the past than they have in very recent years. For instance, in 2006/07 and 2007/08 completion rates were 608 and 546 respectively. The Council has confidence that the proposed delivery rates are achievable, particularly in the latter years with Welborne coming forward and making a substantial contribution to the annual projected completions. Furthermore, it is considered that the mix of sites allocated in the plan such as a Garden Village at Welborne, Town Centre Broad Location for Housing Growth and allocations of varying sizes and typologies mean that delivery rates can be maximised as there is diversity in housing products.

**Five-year housing land supply**

**9. Would the Council be able to demonstrate a 5-year supply of deliverable housing sites on adoption of the Plan and a rolling 5-year supply throughout the plan period?**

9.1 The Framework requires planning policies to identify a supply of specific, deliverable sites for years one to five of the plan period, with the appropriate buffer. In this regard and taking into account the requirement for a 20% buffer (as determined by the 2020 and 2021 HDT results) on the five-year housing land supply, the housing target proposed in Policy H1 ensures that the Council can achieve a five-year housing land supply on adoption of the Local Plan that is realistic and can be sustained. The table below summarises the rolling five-year housing land supply position for the first six years of the plan period, factoring in the stepped housing delivery target periods. This analysis clearly demonstrates that, based on the minimum site capacity requirements and the stepped requirement, a five-year housing land supply can be secured upon adoption of the plan and maintained until 2026/27, as set out in Table 2 below.

**Table 2: Five Year Housing Land Supply with Stepped Housing Requirement**

	<b>2021/22</b> – <b>2025/26</b>	<b>2022/23</b> – <b>2026/27</b>	<b>2023/24</b> – <b>2027/28</b>	<b>2024/25</b> – <b>2028/29</b>	<b>2025/26</b> – <b>2029/30</b>	<b>2026/27</b> – <b>2030/31</b>
Local Plan Housing Requirement	1,990	2,235	2,480	2,900	3,075	3,250
5 Year Requirement (inc. buffer)*	2,388	2,682	2,976	3,045	3,229	3,413
Housing Supply	2,883	3,488	3,682	3,506	3,414	3,416
Balance Between Requirement and Supply	495	806	706	461	185	3
5 Year Housing Land Supply	6.04	6.50	6.19	5.76	5.29	5.01

\* 20% buffer applied for first three years due to expected HDT results with 5% buffer applied from then on.

9.2 The supply position is constantly under review, and the Council is already aware that the supply position has changed since submission as a result of planning permissions including

appeal decisions. If an updated supply position was requested, say as of April 2022, our rolling five-year housing land supply position throughout the plan period is likely to extend for more years than is the case with the submitted supply position. Additionally, the Council is required to review the plan within five years so the housing need and supply position will be different at that point.

- 9.3 The information above is predicated upon the stepped requirement being found sound. Without the stepped requirement the Council would not be able to demonstrate a five-year housing land supply upon adoption of plan. Table 3, below, sets out what the five-year housing land supply position would be without the stepping of the requirement.

**Table 3: Five Year Housing Supply with Annualised Housing Requirement**

	2021/22 -	2022/23 -	2023/24 -	2024/25 -	2025/26 -	2026/27 -
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Local Plan Housing Requirement *	2,990	2,990	2,990	2,990	2,990	2,990
5 Year Requirement (inc. buffer)**	3,588	3,588	3,588	3,140	3,140	3,140
Housing Supply	2,883	3,488	3,682	3,506	3,414	3,416
Requirement Vs Supply	-705	-100	94	367	275	277
5 Year Housing Land Supply	4.02	4.86	5.13	5.58	5.44	5.44

\* Standard method figure plus unmet need contribution annualised

\*\* 20% buffer applied for first three years due to expected HDT results with 5% buffer applied from then on.

- 9.4 The difference between the two tables demonstrates the justification for the stepped requirement in policy H1 of the Plan, and that it is necessary to achieve a five-year supply on adoption of the Plan in line with paragraph 74 of the Framework and will also ensure the HDT is passed sooner rather than later.

**10. Is there a need for and are there any additional sites which could contribute to the first 5 years' supply post adoption should delivery of any of the allocated sites stall in the first 5 years?**

- 10.1 No further sites are required to contribute to the first 5 years' supply post adoption. The Council is confident in the delivery assumptions that have been made to inform the housing trajectory (FBC001). It is based on robust evidence including regular engagement with site promoters and landowners as set out in the Council's response to Matter 7 Question 6 and regular monitoring of housing delivery in the Borough. Provided that the stepping of the housing requirement is considered a sound approach, the Council will have a five-year housing land supply until 2031. All sites considered developable in the SHELAA (CD003) have been allocated in the Plan or are in the supply already as a commitment so, even if it was to be argued that more sites were required, there would be no additional sites in the Borough to allocate.

**11. If I were to conclude that a 5-year supply of specific, deliverable housing sites would not exist on adoption, what would be the most appropriate way forward for the Plan?**

- 11.1 The Council is confident that there will be a five-year housing land supply upon adoption of the Plan, and it is considered that the stepping of the housing requirement is the most appropriate way forward in order to achieve this. However, should the Inspector conclude that there was not a five-year housing land supply, it is considered that this would most appropriately be dealt with through adjusting the stepped requirement accordingly. It is also important to note that the supply position includes an 11% contingency buffer, which gives some flexibility across the plan period.