

**Fareham Examination Statement -
Issue 1 Duty to Cooperate**

Land South of Oakcroft Lane, Stubbington

October 2014

Examination Reference: DREP413 – Persimmon
Homes (South Coast)

1. Issue 1 – Duty to Co-operate, Legal Requirements, Sustainable Development (DSP1) and the Relationship between LP2, the Core Strategy and other Planning Documents

Question 1.1 – Has the Duty to Co-operate been complied with?

What part of the Plan is unsound?

- 1.1 Persimmon Homes (PH) considers that all aspects of LP2 relating to housing requirements and allocations of land for housing are unsound.

Which soundness criterion it fails?

- 1.2 LP2 fails the positively prepared, justified and effective tests of soundness

Why it fails

- 1.3 Persimmon Homes (PH) acknowledge that Fareham Borough Council is part of the Partnership for Urban South Hampshire, which was set up specifically to address strategic issues across the sub-region. It is evident that positive interaction with PUSH should be the starting point for Fareham to ensure compliance with the Duty to Cooperate in respect of Local Plan Part 2 (LP2).
- 1.4 However, despite the PUSH structure being in place the Council provides no evidence to demonstrate that Fareham has actively engaged with the other authorities to resolve the key strategic issues that go to the heart of whether LP2 (and indeed LP3) can be found sound and in accordance with the NPPF.
- 1.5 Principally, PH considers that the Council is seeking to adopt a suite of inter-related local plans that ultimately will not deliver the adopted Fareham Core Strategy housing requirement. There is also new evidence available as set out in the PUSH SHMA 2014 that indicates that the objectively assessed housing need in Fareham is now higher than currently planned for in the adopted Core Strategy.
- 1.6 By way of context, the housing requirement in the adopted Core Strategy is divided between 6,500 to 7,500 homes to be delivered at the Welborne Strategic Development Area (although only 5,350 dwellings are anticipated for delivery to 2026), and then a further 3,729 homes to be delivered in the rest of the Borough. Overall it is clear that the Core Strategy establishes a requirement of 9,079 homes to be delivered in Fareham Borough by 2026.
- 1.7 In terms of background, the SDA was originally envisaged to provide 10,000 homes in the former South East Plan in order to meet cross boundary needs in areas around Fareham such as Southampton, Portsmouth and Gosport.
- 1.8 By proposing a requirement of 6,500 to 7,500 at the North Fareham SDA, the Fareham Core Strategy (2011) therefore represented a substantial reduction in delivery when

compared against the former South East Plan requirement. Accordingly, whilst this position was ultimately accepted by the Core Strategy Inspector, this reduction created a shortfall in delivery against the original 10,000 requirement at the point the Fareham Core Strategy was adopted.

- 1.9 The shortfall from the SDA was acknowledged by the Core Strategy Inspector who, in recognition of the reduction in numbers from the South East Plan's 10,000 homes, highlighted that this shortfall should be referred back to PUSH to address (see paras 28 and 29 of the Fareham Core Strategy Inspector's Report – **Appendix 1**). Despite the Core Strategy Inspector's comments on this issue, there is no evidence that the issue of shortfall arising from the SDA has ever been considered by the Council and PUSH and therefore the residual housing needs that were not planned for in the adopted Core Strategy remain unresolved.
- 1.10 We also note that LP3 now proposes to exacerbate this and reduce the requirement at Welborne even further to 6,000 dwellings by 2036. When considered against the housing trajectory in LP3, this equates to only 2,860 dwellings being provided at the SDA (if completions begin from 2016/17) over the plan period to 2026. We note also that the envisaged completion rate (which proposes to reach a maximum output of 340 dwellings per annum from 2020/21) is higher than what would we ordinarily expect national developers to achieve. Given the complexities involved with bringing Welborne forward (as evidenced in detail in the LP3 hearing statements and sessions), we would suggest that the LP3 housing trajectory is over optimistic and the shortfall is likely to be higher than even the Council's current confirmed position.
- 1.11 Notwithstanding this, even taking a best-case scenario from the LPA's perspective it is clear that from review of LP3 that the Council are now planning to bring forward only 2,860 dwellings at Welborne by 2026. This creates a shortfall of 2,490 dwellings in the adopted plan period to 2026 that should be both acknowledged and addressed in LP2. It is not appropriate for the Council to rely simply on the residual Borough-wide Core Strategy requirement as a basis for determining allocations in LP2 in these circumstances and applying the relevant NPPF tests of soundness.
- 1.12 In view of this shortfall, we would have expected, in order to fulfil the Duty to Cooperate, for the Council to have engaged in meaningful discussions with the rest of the PUSH authorities to consider how this shortfall is proposed to be met. However, no evidence is presented by the Council to demonstrate that such discussions have taken place and therefore the current shortfall in delivery of 2,490 homes against the adopted Core Strategy requirement has not been addressed at the sub regional PUSH level as part of the process for LP2.
- 1.13 We note that the Council appear instead to be seeking to defer addressing the shortfall to beyond the plan period for further delivery at Welborne in the period to 2027 to 2036. However, this approach is not in conformity with the adopted Core Strategy, and for LPs 2 and 3 to be found sound in terms of the positively prepared, justified and effective tests of soundness they need to ensure, as a starting point, that the overall Core Strategy housing requirement to 2026 will be met. It is clear that LP2 and LP3 do not do achieve this.

1.14 In view of this PH consider that LP2 does meet the NPPF's positively prepared test of soundness (as will not assist in meeting the shortfall in delivery against the adopted Core Strategy housing requirements), and no evidence is put forward by the Council that confirms that this is justified when considered against reasonable alternatives (such as making sufficient land available to meet the adopted housing requirement). Further, no evidence is presented that the planned shortfall in delivery against the Core Strategy housing requirement has been resolved through positive joint working with the other PUSH authorities, and LP2 therefore also fails the effective test of soundness. This is particularly pertinent in Fareham given the physical constraints to development that exist in the neighbouring authorities of Portsmouth and Gosport. Accordingly, it is clear that the plan is unsound as drafted.

How the Plan can be made sound?

1.15 In terms of what options are available for the Council to make necessary amendments to ensure LP2 can be found sound, it is relevant to consider the approach taken at East Hampshire. In that case, East Hampshire had the same issue as in Fareham in so far that the Inspector identified concerns with the Whitehill and Bordon SDA being delivered at the rate required over that plan period. Although we recognise that LP2 is being prepared against an adopted Core Strategy, it is a strategy that is outdated and failing to deliver the adopted housing requirement, which is in urgent need of review.

1.16 The East Hampshire examination was suspended to allow the Council further time to consider housing requirements that ultimately resulted in the SDA requirement being conjoined with the rest of the Borough and more allocations across that district being required to safeguard against slow delivery from the SDA.

1.17 Overall, there are no material difference between the outcome at East Hampshire and the issues being considered at Fareham. The Council must therefore acknowledge that they have a duty to safeguard against the inevitable delay in delivery at Welborne by ensuring there is sufficient flexibility contained within LP2 that will enable more land to come forward. This approach will be a positive policy response to assist in addressing the shortfall before the SDA can start to deliver the level of housing originally envisaged in the Core Strategy.

1.18 In view of this there are two options available to redress the issue of shortfall against the Core Strategy. The first being for LP2 (and LP3) to be found unsound and the Council be obliged to undertake a comprehensive and immediate review of the Core Strategy to ensure that a new plan can be brought forward that is up to date, based on objectively assessed needs, in accordance with the NPPF and that has resolved issues with shortfall from the SDA through proper dialogue with PUSH.

1.19 The other alternative, in addition to an immediate review of the Core Strategy (which must be forthcoming given the new evidence on objectively assessed needs identified in the PUSH SHMA 2014), is for further land to be identified in LP2 to help meet the shortfall at Welborne in the interim period before the Core Strategy and South Hampshire Strategy reviews can be finalised.

The precise change and / or wording that you are seeking.

1.20 PH support the latter option of LP2 being revised to commit the Council to an immediate review of the Core Strategy in conjunction with more land being allocated to provide

sufficient flexibility to meet housing needs in the period before the review is completed. In this context, PH requests that their interests at Land at Oakcroft Lane are included as an allocation in LP2. The allocation of the site will provide a further 200 homes that will assist in meeting the current shortfall that is being brought by the Council.

- 1.21 In addition to the allocation of Land South of Oakcroft Lane we request that the Inspector inserts a new policy mechanism to facilitate the immediate review of the Core Strategy, rather than the Council's current proposal of an early review to follow the South Hampshire Strategy review timetable, which is noted will not be formally approved until 2016 at the earliest. It is imperative to recognise that the need to address the shortfall against Core Strategy exists now and there is no reasonable justification for the LPA in seeking to delay addressing this fundamental strategic issue by deferring to the South Hampshire Strategy, which is neither a statutory requirement or obliged to meet the purported 2016 adoption timeframe.

Question 1.2 Have any cross-boundary strategic priorities or issues been identified? Is so are they clearly identified in LP2?

What part of the Plan is unsound?

- 1.22 See para 1.1 of this statement.

Which soundness criterion it fails?

- 1.23 See para 1.2 of this statement.

Why it fails

- 1.24 As set out in PH's response to question 1.1, it is evident that cross-boundary strategic priorities in respect of housing delivery have neither been adequately identified or subject to resolution either through LP2 or the Duty to Cooperate.

How the Plan can be made sound?

- 1.25 PH suggests that to rectify issues with soundness more land should be allocated in LP2 to help redress the shortfall arising from Welborne in the period before the South Hampshire Strategy is reviewed. This is explained further in paras 1.15 to 1.19.

The precise change and / or wording that you are seeking.

- 1.26 See paras 1.20 and 1.21 of this statement.

Question 1.3 – Has LP2 been prepared in accordance with: the LDS, the Council's Statement of Community Involvement and public consultation requirements (SCI), national policy in the NPPF, the Sustainable Community Strategy, the Public Sector Equality Duty.

What part of the Plan is unsound?

- 1.27 See para 1.1 of this statement.

Which soundness criterion it fails?

- 1.28 See para 1.2 of this statement.

Why it fails

- 1.29 As explained further in PH's response to Question 1.1, we contend that LP2 has not been prepared in accordance with the NPPF as it has not been positively prepared, justified when considered against reasonable alternatives nor will be effective in meeting housing needs in the Borough and wider sub-region.
- 1.30 PH's principle concern is that LPs 2 and 3 collectively do not allocate enough land to meet the Core Strategy's housing requirements, particularly the significant shortfall that will arise from Welborne. Unless more land for housing is allocated in LP2 to safeguard against delay in delivery from the SDA, the plan cannot be found sound.

How the Plan can be made sound?

- 1.31 See paras 1.15 to 1.19 of this statement.

The precise change and / or wording that you are seeking.

- 1.32 See paras 1.20 and 1.21 of this statement.

Question 1.4 - Is LP2 based on a sound process of sustainability appraisal and testing of reasonable alternatives, and does it represent the most appropriate strategy in the circumstances? Has the site selection process been objective and based on appropriate criteria? Is there clear evidence demonstrating how and why the preferred strategy was selected? Will the policies and proposals in the plan contribute to the sustainable growth of the Borough?

What part of the Plan is unsound?

- 1.33 See para 1.1 of this statement.

Which soundness criterion it fails?

- 1.34 See para 1.2 of this statement.

Why it fails

- 1.35 We refer the Inspector to our comments made in response to Question 1.1, which identify that LP2 has not been positively prepared or justified against reasonable alternatives.

How the Plan can be made sound?

- 1.36 See paras 1.15 to 1.19 of this statement.

The precise change and / or wording that you are seeking.

- 1.37 See paras 1.20 to 1.21 of this statement.

Question 1.5 – Have the requirements of the Habitats Regulations been satisfied?

- 1.38 PH makes no comment.

Question 1.6 – Is the relationship between LP2 and the adopted Core Strategy (CS) sufficiently clear? Is the plan consistent with the overall objectives of the CS? (see also question 7.1)

What part of the Plan is unsound?

1.39 See para 1.1 of this statement

Which soundness criterion it fails?

1.40 See para 1.2 of this statement

Why it fails

1.41 We refer the Inspector to our comments made in response to Question 1.1, which identify that LP2 has not been positively prepared or justified against reasonable alternatives.

How the Plan can be made sound?

1.42 See paras 1.15 to 1.19 of this statement

The precise change and / or wording that you are seeking.

1.43 See paras 1.20 to 1.21 of this statement

Question 1.7 - The Design SPD is not scheduled for publication until later in the year. Nevertheless there are a number of references to it in the policies of LP2. Firstly is it appropriate to refer to a document which has not been published? Secondly, even if a reference is justified, this SPD will have less weight than LP2 when adopted because it has not been through the same statutory process and therefore would it be more appropriate for any specific references to the 'non-statutory' document to be made within the supporting text rather than within a 'statutory' policy?

1.44 PH make no comment.

Appendix 1: Fareham Core Strategy Inspector's Report

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