
Fareham Local Plan Part 2: Development Sites and Policies

Hearing Statement
On behalf of Hallam Land Management Ltd

Issue 7:
Housing Allocations Including
Alternative Sites for Consideration (DSP40)

October 2014

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On behalf of

Hallam Land Management Ltd.

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**ISSUE 7: HOUSING ALLOCATIONS INCLUDING ALTERNATIVE SITES FOR
CONSIDERATION (DSP40)**

This statement is submitted to the Examination into the Fareham Local Plan Part 2: Development Sites and Policies (LP2) (June 2014) ('the Examination') on behalf of Hallam Land Management Ltd (HLM). This statement refers to the following Issue:

- Issue 7: Housing Allocations including Alternative Sites for Consideration (DSP40)

7.1 Bearing in mind the legal judgement referred to in my Question 1 to the Council (and the Council's response), is the Council's approach towards the identified housing requirement justified and in all other respects sound?

The legal judgement referred to in question 1 is concerned with the case of Gladman v Wokingham BC¹ ('the Gladman case'). In this case Gladman Development Ltd (GDL) challenged the adoption of Wokingham Borough Council's (WBC) Managing Development Delivery Development Plan Document (MDDDPD) on the grounds broadly that the MDDDPD failed to have regard to parts of relevant national guidance, primarily the National Planning Policy Framework ('the Framework') in considering whether the MDDDPD was sound. Gladman claimed that there was a failure to identify and plan for objectively assessed need for housing in the area in accordance with the Framework, and that the Inspector could not lawfully determine whether a DPD allocating sites for residential development across the Borough was sound without first ensuring the plan met an objective assessment of housing need.

In this case the Wokingham Borough Core Strategy (CS) was adopted in January 2013 and the Council then subsequently began preparing the MDDDPD with the intention that this would allocate sites to meet the remaining level of housing to be developed between 2006 and 2026 and to set out a series of development management policies. Prior to the adoption of the MDDDPD Gladman had submitted an outline planning application in respect of land at Spencers Wood, within Wokingham Borough, for the development of up to 120 dwellings. The site was not allocated for development through the CS, MDDDPD or by virtue of any other saved policies. It was a speculative application with key aspects of Gladman's case being that the Council was unable to demonstrate a five year supply of deliverable housing sites and that the level of development planned for was insufficient to meet the full, objectively assessed housing needs of the area.

¹ Legal Opinion of James Strachan QC and Ned Helme, 39 Essex Street Chambers, London 7th August 2014

WBC subsequently failed to grant planning permission and Gladman subsequently appealed to the Secretary of State, reiterating the above arguments in their evidence in support the appeal. Prior to the opening of the planning inquiry, Gladman had commenced proceedings against the adoption of the MDDDPD by WBC. Judgement was handed down on 11th July 2014, confirming that the MDDDPD was lawfully adopted (copy enclosed at **Appendix 1**). Mr Justice Lewis found at paragraph 60 that WBC's approach was *'...lawful...as the inspector was not required when examining a development plan document dealing with the allocation of sites to consider whether an objective assessment of housing need would disclose a need for additional housing'*.

We have reviewed the legal opinion obtained by the Council² ('the Joint Opinion') which ultimately concludes the same and is clear that LP2 (and the Welborne Plan) correctly deal with the allocation of sites for a quantity of housing which has already been identified as needed, rather than dealing with the actual assessment of the need for housing. The Joint Opinion supports the judgement of Mr Justice Lewis and reaches the following key conclusions:

1. There is 'no doubt' that the Inspector was correct to draw attention to the Gladman case in his question to the Council and this is relevant to the process as a matter of law. *'We consider that the soundness of the Welborne Plan and the DSP is not contingent on identifying the full, objectively assessed needs for market and affordable housing for the purposes of paragraph 47 (1) of the NPPF...both documents merely deal with the allocation of sites for a quantity of housing which has been identified as needed, rather than dealing with an assessment of the need for land for housing.'*
2. Even if the above analysis is wrong, *'...we nonetheless consider that the Council's commitment to an early review of the Fareham Local Plan would strongly support a conclusion that any potential unsoundness caused by a failure to identify full, objectively assessed needs would be addressed by that commitment...we also note that the PPG provides support for Local Plans being found sound conditional upon early reviews.'*
3. The Council's approach is *'...generally in accordance with the NPPF in seeking to provide for a plan led approach and seeking to avoid a policy vacuum while the work needed to understand full, objectively assessed needs is undertaken through a review of the South Hampshire Strategy. This enables the Council to*

proceed with a properly informed approach to that issue under the early review of the Local Plan, but in the meantime to put in place important elements of the development plan for its area.'

On first reading it would appear that the legal position in respect of the issue at hand is clear. Notwithstanding the judgement of Mr Justice Lewis and the Joint Opinion, we would nonetheless stress our view that a distinction can be drawn between the circumstances in the Gladman case and those at Fareham: primarily that, unlike Wokingham, the Council and other local planning authorities in South Hampshire have prepared the South Hampshire Strategic Market Assessment (SHMA) (January 2014) which provides recent evidence regarding the objectively assessed needs of the wider housing market area (HMA) of South Hampshire. Such an exercise was not undertaken in respect of the SHS, which underpins LP2. The SHMA does not address the extent of or the location in which the objectively assessed needs it identifies should be met: this is intended to be achieved by a review of the SHS, the adoption of which is currently timetabled for early 2016. We consider this issue further in our statement for Issue 7.

It is certainly worth highlighting the particular circumstances of the Gladman case, namely that, as highlighted by Mr Justice Lewis at paragraph 47 of his judgement, the MDDDPD Inspector had **no other better or credible basis** [our emphasis] **for calculating the level of housing need:**

'...paragraphs 13 to 15 of the Inspectors' report also confirm that he was not seeking to determine that issue. His report is carefully drafted. He indicated that the Defendant was using the Core Strategy figure to determine its housing requirement. He notes criticisms based on the absence of an up to date strategic housing market assessment (of the sort envisaged in paragraph 159 of the Framework). He notes the Core Strategy figures, adopted in 2010, were the most recent assessment of housing figures. He then noted that there was no other better or credible basis for calculating the level of housing need. He was aware that housing projections from 2008 suggested that the Core Strategy figure may be a serious under-estimate of the needs for housing...The Inspector concluded for "these reasons" that is, the absence of any better credible figure, and in this particular local context "it was appropriate to continue to rely on" the number of dwellings identified in the Core Strategy.'

It appears to us that the effect of the Gladman judgement is to draw a clear distinction between those DPDs which seek to determine the quantum of housing need and those which seek purely to allocate sites to meet the need identified in the former DPD (thereby negating the need to reassess growth requirements). It appears that on this basis a local planning authority is capable of producing a DPD which allocates sites for residential development and which implements the requirements of the higher tier DPD (CS/Local Plan) without necessarily being required to revisit the issue of objectively assessed housing need: though it seems the option is there for them to do so should they be so inclined albeit there is no statutory obligation to undertake such an exercise. In other words, whilst there may be no legal requirement to review the housing requirement at the LP2 stage 'good planning' would suggest that it would be the right thing to do. Rather, when the evidence of objectively assessed needs is before the Council, 'bad planning' (and contrary to the aspirations of the Framework) would be for the LP2 to not plan for the known housing needs. On this basis LP2 is **unsound**.

Notwithstanding the above, the circumstances in Gladman were such that there was no new assessment of objectively assessed need for example a SHMA since the adoption of the CS. Mr Justice Lewis appears to hesitate in his judgement (paragraph 70) where he considers the alternative by stating '*...even if I had found that the Inspector had erred in law...*' casting some doubt on the ability to apply the same legal principles to other circumstances, i.e. where a SHMA does exist and where there is a better, more credible basis for determining housing need. The question, in our view, therefore arises as to whether the judgement only goes so far as to conclude that there is no requirement in law to reassess housing needs when preparing a 'part 2' DPD where there is an absence of any new evidence; or whether the judgement could be applied irrespective of such new evidence existing.

Our understanding of the legal position is that ultimately no statutory requirement exists to undertake such a review of housing needs now. That said, we are of the view that the Council is unwise to proceed with LP2 as it stands and on the basis of outdated evidence regarding housing need: it is likely to render housing policies in the plans, with immediate effect, upon adoption, 'not up to date' (paragraph 49 of the Framework) thereby leaving the Council exposed to applications seeking to redress such a fall. HLM consider that ultimately LP2 fails to demonstrate how the full housing needs of Fareham will be met and in this respect it is **unsound** albeit potentially lawful. We submit that there is a difference. Regardless of whether or not the approach to LP2 in failing to review housing needs is considered permissible in legal terms, to proceed with the plan on the basis of an outdated evidence base seems perverse and completely at odds with positive and proactive planning. For information, we enclose at **Appendix 2** to this

Statement a copy of the Open House Assessment produced by Barton Willmore, which sets out our position in respect of the objectively assessed needs issue.

7.4 What is the status of the South Hampshire Strategy and how much weight should be applied to it?

The South Hampshire Strategy (SHS) aims to provide a strategic framework for local plan preparation and other decision making by PUSH authorities and their partners. It is based on and seeks to assist in implementing the PUSH Economic Development Strategy's forecast employment and house building requirements. The SHS was published in 2012.

Further to the publication of the new South Hampshire SHMA in January 2014, preparation to review the current SHS to 2036 is apparently underway '*...which will aim to bring together the evidence in the SHMA with a range of other factors to consider what level of development should be planned across the PUSH area.*'³

The SHS is not a statutory document and has not been subject to a full Sustainability Appraisal (SA), only an 'SA Light'. Nor has it been the subject of any detailed scrutiny through either consultation or examination. In terms of the weight that can be attributed to the adopted SHS of 2012, we submit that this should be limited given the existence of updated evidence in the form of the PUSH SHMA.

7.5 Are the proposed housing allocations based on a sound assessment of land availability and delivery? Is there any evidence that any of the housing sites being proposed by the Council are not viable or deliverable? If it can be satisfactorily demonstrated that a proposed housing site is not sound, is there any evidence that would enable a conclusion to be drawn that any of the following suggested sites would be sound?

21. Newlands (south of Longfield Avenue, Fareham) (DREP519).

Have these non allocated sites that are being promoted by representors (and sites where a different land use is being proposed) been subject to sustainability appraisal compatible with that for LP2 and to public consultation? Are the sites deliverable?

It is important to note from the very outset that HLM fully support the principle of the additional housing growth in the Fareham Borough. Our views in respect of the issue of

³ http://www.push.gov.uk/south_hampshire_strategy.htm

objectively assessed needs and the relevance to LP2 are set out clearly above and in our corresponding statements on separate Issues.

As explained above HLM is gravely concerned that in respect of development needs LP2 fails to meet the requirements of the NPPF or the PPG, and that the Plan is unsound on this basis. Our concerns notwithstanding the legal intricacies largely relate to the need for the Council to plan appropriately to meet the shortfall of housing against its objectively assessed housing requirements in line with the requirements of the NPPF. The Council must provide sufficient housing to support future population growth, and as it stands, HLM has significant concerns that the Council is not doing so. We enclose at **Appendix 2** a copy of our previous representations to the Publication version of LP2 which set out our case in respect of objectively assessed needs in full, and, as noted in our response to the previous question, a copy of the technical Open House Assessment informing this position is provided at **Appendix 1**.

Inextricably linked with the issue of housing need is that of housing supply and delivery. HLM submit that there is a demonstrable need for new housing in the Fareham Borough, including an existing five year housing land supply shortfall. When this is compared to the objective assessment of need at Appendix 1, overall five year housing land supply is significantly less than five years: based on Barton Willmore's assessment of all of the sites identified within LP2, supply ranges, depending on the scenario used⁴ from 1.9 years (when compared against pre-recessionary 2008 household formation rates, 717 dwellings per annum (dpa) to 3.6 years (PUSH SHMA recommended demographic led scenario, 395 dpa). This includes an optimistic allowance for early delivery at Welborne within the next five years.

Enclosed at Appendix 3 is a copy of Barton Willmore's five year housing land supply assessment worksheet which considers all of the sites listed in LP2 and provides commentary and an informed view as to the deliverability of each. We suggest that the level of housing growth currently being planned for is significantly below actual requirements which serves only to exacerbate the five year housing land supply position further, by virtue of the simple fact that the greater the level of need, the greater the overall shortfall. It is precisely this scenario that results in planning by appeal and which renders the progression of LP2 in its current form somewhat meaningless. If the Council pursue their current Plan, upon adoption, it will be rendered not up to date, despite legal compliance with regard to the Gladman clarification, due to the housing land supply shortfall arising.

⁴ Refer to Appendix 4

HLM are of the view that additional allocations are required in order to ensure that the Borough has a five year supply of housing. As per the worksheet at Appendix 3, there are number of sites that are not considered fully deliverable and as such we submit that the Inspector ought to consider the release of additional land to ensure that the Council can meet the requirements of the Framework and the PPG. HLM submit that their land at Newlands, Land South of Longfield Avenue (planning application P/14/0222/OA), should be considered as a suitable alternative or, preferably, an additional site within LP2 should it proceed to adoption. There is a plethora of technical evidence available (including a full Environmental Statement) to support the proposition that the site is entirely sustainable and fully deliverable, likely over and above any of the work that has been undertaken in respect of the sites currently put forward. Moreover, the technical work supporting the Newlands scheme fully takes into account the cumulative impacts of committed developments as well as assessing the environmental and socio economic benefits of the proposed bypass and providing a detailed landscape and visual assessment of the existing landscape character of the Strategic Gap and the effect development would have upon it.

The current proposals for the site are described as follows:

Development of site to provide 1,550 residential units, new health centre, primary school, public house and 88ha of green infrastructure including SuDS, an adventure play area, allotment gardens, structural woodland planting, playing fields and meadow; new footpaths and cycleways, and the provision of significant new road infrastructure in the form of a new Stubbington Bypass.

The proposals for the Site bring with them a range of opportunities and benefits for both the new and existing residents of the Site and surrounding area. These can be summarised as follows:

- There is a demonstrable need for new housing in the Fareham Borough, including affordable. The development will make a valuable contribution towards meeting this identified need;
- The proposal will facilitate, the delivery of the long aspired Stubbington Bypass, which will reduce traffic and ease congestion through Stubbington;
- The proposal will sustain and support the current regeneration initiatives in Broadlaw Walk through the delivery of a new health centre and primary school;

- The proposal will provide 88 ha of useable open space and will make a significant contribution towards meeting the identified deficiency in the area, to the benefit of residents of both Stubbington and Fareham;
- The proposal will assist in unlocking the Daedalus employment site and Gosport via the delivery of new road infrastructure and much needed new housing;
- Enhancements to the designated Strategic Gap and strengthening of the separate identities of Stubbington and Fareham through the introduction of a permanent, attractive edge to Fareham;
- Improved connectivity between the Site and the wider landscape, physically through footpath and roads, as well as through landscape proposals;
- Public transport improvements;
- Ecological enhancements and provision of a much improved biodiversity network;
- Provision of positive drainage measures including SuDs will reduce flood risk to the surrounding area by 68 - 70%;
- Townscape improvements to enhance the visual amenity of Longfield Avenue, as well as potential improvements to existing SusTrans routes;
- Provision of 154 - 225 construction jobs per annum;
- New homes will provide for a growing workforce - the development will deliver between £75m and £110m economic output in the form of GVA, as well as boosting household expenditure;
- New Homes Bonus of between £11m and £12m over a six year period.

HLM are fully aware that the Site falls within a designated Strategic Gap. The visual appraisal supporting the planning application indicates that the site is only visible from a limited number of local viewpoints due to the screening provided by intervening vegetation and surrounding built forms that generally curtail views towards the Site. Near distance views of the Site would likely be obtained from the upper storeys of most properties to the north of Longfield Avenue, however the existing view from these properties is likely to include the glasshouses, storage sheds and infrastructure associated with Newlands Farm.

The site cannot be identified in long distance views due to the screening provided by intervening hedgerows, trees and woodlands, the containment and enclosure of the Site by surrounding residential buildings and the low-lying landform which effectively assimilates the Site into the landscape surrounding Fareham. Development of the site for new housing would have a very limited effect on immediate surrounding views, as the existing southern urban edge of Fareham already includes housing. The site is well

contained and absorbed into the landscape and would be seen in the context of the built up edge of Fareham.

In addition, consideration was given to the contribution that the site makes to the Strategic Gap between Fareham and Stubbington, and its contribution to the wider landscape in relation to the open countryside. The visual appraisal demonstrated that the open nature of the Strategic Gap between Fareham and Stubbington has already been compromised by the presence of structures associated with Newlands Farm. The Site is considered to provide a minimal role in defining the settlement character of the area, as a result of its urban fringe character and the existing dominance of urban elements within views from and across the Site. The presence of arable fields at Newlands Farm, immediately to the south of the Site, ensures that there would still be a physical gap retained between Stubbington and Fareham.

While the site assists in providing separation, it does not provide or contribute to the clear visual break, sense of openness, or sense of leaving a place. Development on the site would be contained by the existing vegetation along its northern, eastern, and western boundaries, which would be reinforced by additional planting and as a result it would have no visual impact on the gap between Fareham and Stubbington. The development proposals are also designed to complement the Council's own proposals for a bypass through this area.

HLM would be happy to provide the Inspector with a full hard copy of all technical work underpinning the Newlands planning application, which is currently with the Council awaiting determination. We enclose a CD copy of the application with this submission.

We would draw the Inspector's attention to the fact that revised plans for the application are due to be submitted at the end of November which show a reduction in the amount of overall built development to approximately 900 units; again, we would be pleased to share this material with the Inspector should this be helpful.

Have these non allocated sites that are being promoted by representors (and sites where a different land use is being proposed) been subject to sustainability appraisal compatible with that for LP2 and to public consultation? Are the sites deliverable?

A revised Sustainability Appraisal to support LP2 was published in January 2014.⁵ Within this document the sites proposed for allocation are scored for performance against identified SEA Objectives. Newlands has not been the subject of a formal sustainability appraisal in this manner however the site has been the subject of very detailed technical and environmental assessment all of which demonstrates that development of the site is entirely appropriate from an environmental perspective and justifiable in planning policy terms given the current circumstances at Fareham in respect of housing supply and delivery. It is recognised that no formal SA has been done however to assist the Inspector this will be produced and submitted to the Council and the Inspector prior to the Examination. The Inspector should be aware that the Council wrote to every resident of Fareham on receipt of the planning application and has held special meetings with the community to discuss the proposals. The Council has also provided it with a dedicated webpage (<http://www.fareham.gov.uk/planning/newlands.aspx>). This is over and above the consultation exercises carried out by HLM prior to submission.

The site is wholly deliverable.

7.7 Is policy DSP40 sufficiently flexible to accommodate changing circumstances (e.g. in relation to delivery?) What is the Council's fallback position in the event that development does not come forward as expected?

HLM has no comment to make on this matter over and above that given in response to the questions listed above.

⁵ Sustainability Appraisal for the Fareham Borough Local Plan Part 2: Development Sites and Policies Plan Sustainability Report (January 2014)

APPENDIX 1

Gladman Development Limited v Wokingham Borough Council

Case No: CO/1455/2014

High Court of Justice Queen's Bench Division Planning Court

11 July 2014

[2014] EWHC 2320 (Admin)

2014 WL 3002745

Before: Mr Justice Lewis

Date: Friday 11th July 2014

Hearing dates: 1st & 2nd July 2014

Representation

Mr Paul Tucker QC and Mr Martin Carter (instructed by Irwin Mitchell) for the Claimant.

Ms Saira Kabir Sheikh QC (instructed by Wokingham Borough Council) for the Defendant.

Judgment

Mr Justice Lewis:

Introduction

1 This is an application brought pursuant to [section 113 of the Planning and Compulsory Purchase Act 2004](#) ("the 2004 Act") to quash a development plan document known as the Managing Development Delivery Local Plan ("the MDD"). The MDD was adopted by the Defendant, the local planning authority, on 21 February 2014, following an examination by an inspector appointed by the Secretary of State for Communities and Local Government.

2 The MDD is concerned with the allocation of sites within the Wokingham Borough Council area for proposed residential development amongst other issues. It sets out a series of policies which are intended to identify which locations would be suitable for residential development. The MDD proceeds on the basis that the number of new houses for which it is identifying appropriate locations is the number identified in another development plan document, the Core Strategy, adopted in January 2010. That contemplates that provision will need to be made for at least 13,230 dwellings over a 20 year period from 2006 to 2026, equivalent to approximately 660 new dwellings each year.

3 In summary, the Claimant contends that the inspector failed to have regard to parts of relevant national guidance, namely the National Planning Policy Framework ("the Framework") in considering whether the MDD was sound. In particular, the Claimant contends that there was a failure to identify the objectively assessed need for housing in the area in accordance with the Framework. The Claimant contends that the inspector could not lawfully determine whether a development plan document allocating sites for residential development across the borough was sound for the purposes of [section 20\(7C\)](#) of the 2004 Act without first ensuring that there had been such an objective assessment of housing need. The Claimant further contends that, in those circumstances, the Defendant itself erred in adopting the MDD.

The Legal Framework

The Statutory Framework

4 [Part 2](#) of the 2004 Act deals with local development. [Section 13](#) of the 2004 Act imposes a duty on local planning authority to survey, and to keep under review, matters relating to the development or planning of development within its area. [Section 13](#) provides so far as material that:

“13 Survey of area

“(1) The local planning authority must keep under review the matters which may be expected to affect the development of their area or the planning of its development.

“(2) These matters include–

(a) the principal physical, economic, social and environmental characteristics of the area of the authority;

(b) the principal purposes for which land is used in the area;

(c) the size, composition and distribution of the population of the area;

(d) the communications, transport system and traffic of the area;

(e) any other considerations which may be expected to affect those matters;

(f) such other matters as may be prescribed or as the Secretary of State (in a particular case) may direct.

“(3) The matters also include–

(a) any changes which the authority think may occur in relation to any other matter;

(b) the effect such changes are likely to have on the development of the authority's area or on the planning of such development.

“(4) The local planning authority may also keep under review and examine the matters mentioned in subsections (2) and (3) in relation to any neighbouring area to the extent that those matters may be expected to affect the area

....”

5 [Section 15\(1\)](#) of the 2004 Act provides that the local planning authority must prepare and maintain a scheme to be known as their local development scheme. [Section 17\(3\)](#) of the 2004 Act provides that:

“(3) The local planning authority's local development documents must (taken as a whole) set out the authority's policies (however expressed) relating to the development and use of land in their area”.

6 [Section 15\(2\)\(aa\)](#) of the 2004 Act provides that the local development scheme must specify which local development documents are to be “development plan documents”.

7 [Section 19](#) of the 2004 Act deals with the preparation of documents. [Section 19\(2\)](#) of the 2004 provides, so far as material to this case, that:

“(2) In preparing a development plan document or any other local development document the local planning authority must have regard to –

(a) national policies and advice contained in guidance issued by the Secretary of State;

....

(h) any other local development document which has been adopted by the authority....”

8 [Section 20](#) of the 2004 Act deals with the independent examination of every development plan document and provides as follows:

“20 Independent examination

“(1) The local planning authority must submit every development plan document to the Secretary of State for independent examination.

“(2) But the authority must not submit such a document unless–

(a) they have complied with any relevant requirements contained in regulations under this Part, and

(b) they think the document is ready for independent examination.

“(3) The authority must also send to the Secretary of State (in addition to the development plan document) such other documents (or copies of documents) and such information as is prescribed.

“(4) The examination must be carried out by a person appointed by the Secretary of State.

“(5) The purpose of an independent examination is to determine in respect of the development plan document–

(a) whether it satisfies the requirements of [section 19\(1\) and 24\(1\)](#) and, regulations under [section 17\(7\)](#) and any regulations under [section 36](#) relating to the preparation of development plan documents;

(b) whether it is sound; and

(c) whether the local planning authority complied with any duty imposed on the authority by [section 33A](#) in relation to its preparation.

“(6) Any person who makes representations seeking to change a development plan document must (if he so requests) be given the opportunity to appear before and be heard by the person carrying out the examination.

“(7) Where the person appointed to carry out the examination—

(a) has carried it out, and

(b) considers that, in all the circumstances, it would be reasonable to conclude—

(i) that the document satisfies the requirements mentioned in subsection (5)(a) and is sound, and

(ii) that the local planning authority complied with any duty imposed on the authority by [section 33A](#) in relation to the document's preparation,

the person must recommend that the document is adopted and give reasons for the recommendation.

“(7A) Where the person appointed to carry out the examination—

(a) has carried it out, and

(b) is not required by subsection (7) to recommend that the document is adopted,

the person must recommend non-adoption of the document and give reasons for the recommendation.

“(7B) Subsection (7C) applies where the person appointed to carry out the examination—

(a) does not consider that, in all the circumstances, it would be reasonable to conclude that the document satisfies the requirements mentioned in subsection (5)(a) and is sound, but

(b) does consider that, in all the circumstances, it would be reasonable to conclude that the local planning authority complied with any duty imposed on the authority by [section 33A](#) in relation to the document's preparation.

“(7C) If asked to do so by the local planning authority, the person appointed to carry out the examination must recommend modifications of the document that would make it one that—

(a) satisfies the requirements mentioned in subsection (5)(a), and

(b) is sound.

“(8) The local planning authority must publish the recommendations and the reasons.”

9 [Section 23](#) of the 2004 Act provides, so far as material, that:

“(2) If the person appointed to carry out the independent examination of a development plan document recommends that it is adopted, the authority may adopt the document—

(a) as it is, or

(b) with modifications that (taken together) do not materially affect the policies set out in it.

“(2A) Subsection (3) applies if the person appointed to carry out the independent examination of a development plan document—

(a) recommends non-adoption, and

(b) under [section 20\(7\)C](#) recommends modifications (“the main modifications”).

“(3) The authority may adopt the document—

(a) with the main modifications, or

(b) with the main modifications and additional modifications if the additional modifications (taken together) do not materially affect the policies that would be set out in the document if it was adopted with the main modifications but no other modifications.

“(4) The authority must not adopt a development plan document unless they do so in accordance with subsection (2) or (3).

“(5) A document is adopted for the purposes of this section if it is adopted by resolution of the authority.”

10 The development plan has particular significance in terms of the operation of the planning system. [Section 38\(6\)](#) of the 2004 Act provides that:

“(6) If regard is to be had to the development plan for the purposes of any determination made under the planning Acts the determination must be made in accordance with the development plan unless material considerations indicate otherwise”.

11 That subsection applies to, amongst others, decisions on applications for planning permission for development (see [section 70 of the Town and Country Planning Act 1990](#)). If proposed development conflicts with the development plan, permission will be refused unless material planning considerations indicate otherwise.

12 So far as England other than Greater London is concerned, the development plan now is defined as follows by [subsections 38\(3\) and \(5\)](#) of the 2004 Act in the following terms:

“(3) For the purposes of any other area in England the development plan is

,....

(b) the development plan documents (taken as a whole) which have been adopted or approved in relation to that area;

(c) the neighbourhood plan documents (taken as a whole) which have been adopted or approved in relation to that area.

....

“(5) If to any extent a policy contained in a development plan for an area conflicts with another policy in which the development plan the conflict must be resolved in favour of the policy which is contained in the last document to become part of the development plan.”

The Framework

13 The Framework sets out the government's planning policies for England. It is guidance. It is not part of any development plan. The policies contained within it, however, are a material consideration in planning terms.

14 Paragraph 6 of the Framework explains that the purpose of the planning system is to contribute to the achievement of sustainable development. Paragraph 14 explains that at the heart of the Framework is a presumption in favour of sustainable development which should be seen as a golden thread running through both plan-making and individual decision-taking.

15 The Framework contains a series of sections under a heading "Delivering sustainable development" which contain substantive policies relating to discrete matters such as, for example, maintaining town centres, transport and so on. The relevant section for present purposes is [section 6](#) dealing with "Delivering a wide choice of homes". Paragraph 47 of the Framework provides as follows:

"To boost significantly the supply of housing, local planning authorities should:

- use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period;
- identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land;
- identify a supply of specific, developable sites or broad locations for growth, for years 6–10 and, where possible, for years 11–15;
- for market and affordable housing, illustrate the expected rate of housing delivery through a housing trajectory for the plan period and set out a housing implementation strategy for the full range of housing describing how they will maintain delivery of a five-year supply of housing land to meet their housing target; and
- set out their own approach to housing density to reflect local circumstances."

16 Paragraphs 150 onwards of the Framework deal with local plans. The Framework uses the phrase "local plans" to mean the development plan documents adopted under the 2004 Act: see the glossary to the Framework.

17 Paragraphs 158 and 159 of the Framework provide as follows:

"158. Each local planning authority should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals.

"159. Local planning authorities should have a clear understanding of housing needs in their area. They should:

- Prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The

Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:

- meets household and population projections, taking account of migration and demographic change;
 - addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and
 - caters for housing demand and the scale of housing supply necessary to meet this demand;
- prepare a Strategic Housing Land Availability Assessment to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period.”

18 Paragraph 182 of the Framework addresses the examination of local plans (that is, examination of individual development plan documents by an inspector pursuant to [section 20](#) of the 2004 Act). It provides as follows:

“The Local Plan will be examined by an independent inspector whose role is to assess whether the plan has been prepared in accordance with the Duty to Cooperate, legal and procedural requirements, and whether it is sound. A local planning authority should submit a plan for examination which it considers is “sound” – namely that it is:

- **Positively prepare** – the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development;
- **Justified** – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;
- **Effective** – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and
- **Consistent with national policy** – the plan should enable the delivery of sustainable development in accordance with the policies in the Framework.”

The Facts

The Core Strategy

19 The Defendant adopted a Core Strategy on 29 January 2010. That document is a development plan document and is part of the development plan for Wokingham. The Core Strategy set out a number of what it describes as high level policies to guide where development would take place within the borough between 2006 and 2026.

20 Policy CP17 in the Core Strategy delivery deals with housing. It provides that:

“Provision will be made for the development of at least 13,230 dwellings and associated development and infrastructure in the Borough in the period 2006–2026 for which substantial investment infrastructure will be required.”

21 That equated to an equivalent of 660 new dwellings a year over the lifetime of the development plan. In fact, the provision was to occur in phases with a lower figure than 660 dwellings a year in the first five year period and higher numbers in the middle two five year periods. Policy CP17 set out the phases of development, i.e. the number of dwellings as to be provided in five year cycles over the period of the development plan. The policy continues by saying that:

“The Council through subsequent [development plan documents] will phase and manage the release of allocated sites to ensure the overall targets are met.”

22 Policy CP17 also indicated where the Defendant expected the at least 13,230 new dwellings were to be located. Residential developments providing 9,990 dwellings would take place on four identified sites, referred to as strategic development locations.

23 The figure of at least 13,230 dwellings originated in a former regional strategy document known as the South East Plan. There was formerly an obligation to prepare a regional strategy and provision for it to form part of the local planning authority's development plan. Those provisions have now been repealed and the regional strategies revoked. The policies formerly incorporated in regional strategies may, of course, be included within development plan documents. Furthermore, the information and data used to formulate regional strategy policies may, depending on its continued relevance, be relevant to the formulation of policies included in development plan documents: see paragraph 218 of the Framework.

24 Policy H1 of the South East Plan provided for the provision of a total of 32,700 homes within the south east. The accompanying text indicated that that was not the number of homes assessed as needed over the relevant period for the south east. Rather, the figure would go “some way towards” the goal of meeting the needs. There is a dispute as to what the position is for Wokingham. The South East Plan allocated a figure of 12,460 homes for Wokingham. That, however, included a figure of 2,500 homes to meet anticipated needs in Reading. It is not clear from the text whether the figure of 12,460 would itself meet all the needs for housing in Wokingham or whether it was still a figure that was lower than the number of houses that would be needed for Wokingham. Ultimately, that issue does not need to be resolved in this case.

25 In any event, the 2010 Core Strategy used the figure of 12,460 homes as a starting point. As earlier targets had not been met, there was also a backlog of 772 dwellings. That figure was added to the South East Plan figure to give the total of at least 13,230 new dwellings which CP17 said should be provided in Wokingham over the development plan period of 2006 to 2026.

26 The Core Strategy also contained policies dealing with the Defendant's spatial vision for Wokingham. These policies are concerned with location of housing. They are not concerned with assessing the number of dwellings required.

The MDD

27 As foreshadowed by the Core Strategy, the Defendant began working on producing another development plan document to deal with the allocation of sites to accommodate the proposed 13,230 houses. The Defendant prepared a development plan document, the MDD, and submitted that to the Secretary of State for the purposes of examination by an inspector under [section 20](#) of the 2004 Act.

28 The purpose and objectives of the MDD are set out in paragraph 1.10 in the following terms:

“1.10. The objectives in the MDD take forward and develop the objectives laid down in the Core Strategy and the earlier version (Draft Options) of the MDD (June 2011) as set out in the following paragraph. The MDD is consistent with the Core Strategy, as well as taking into account the [National Planning Policy Framework](#) . Where relevant, it also takes account of other plans, programmes and strategies, including those produced by WBC. Specifically, the purpose of the MDD is to:

i. Allocate sites for residential development. The Core Strategy already seeks to concentrate the majority of residential development (circa 9,900 dwellings) in four key locations called Strategic

Development Locations (SDLs). However, it is also necessary to allocate further sites outside the SDLs to meet overall housing requirements set out in the Core Strategy

- ii. Allocate sites for other uses, including commercial development such as retail development
- iii. Set boundaries, which can be seen on the Policies Map for issues such as development limits (settlement boundaries)
- iv. Provide additional detailed policies to use when considering development proposals.”

29 The MDD then set out a series of policies dealing with matters relevant, amongst other things, to the allocation of sites for residential development within the borough.

30 An inspector was appointed. He prepared a series of papers setting out issues and questions for the examination. Written submissions were made by the Defendant, the Claimant and others. The Claimant consistently submitted that it would not be possible for the inspector to determine if the MDD were sound unless he first ensured that there had been an objective assessment of the need for housing as envisaged by paragraph 47 of the Framework and carried out in accordance with the process contemplated by paragraph 159 of the Framework. It contended that the inspector could not determine if the allocation of sites for proposed residential development was sound unless he was satisfied that the amount of housing to be provided (and so the amount of land to be allocated) would satisfy the objectively assessed need for housing in the borough.

31 The inspector held hearings between 14 and 24 May 2013. He then prepared interim conclusions intended to give a brief indication of those aspects of the MDD which were considered sound and those where major modifications would be necessary to make it sound.

32 There was also correspondence between the inspector and the Defendant. That correspondence was placed on the Defendant's website and was publicly available. By letter dated 20 October 2012, the inspector indicated that he “would like to receive the Council's comments” on certain significant issues. In an attached document, he referred to a number of issues. The opening paragraph says the following:

“I am concerned that, irrespective of the Council's statement in WBC/11 that 14,962 dwellings could be completed between 2006–2026, there is no comprehensive evidence in the form of an up-to-date SHMA to support the overall housing requirement. I have accepted that reliance is placed on the Core Strategy to provide the basis for the MDD proposals. However, there is no indication of any commitment to review the Core Strategy in the event that the spatial vision is not being achieved. In the case of Reading, the Council has indicated that a review of the Core Strategy is likely to take place in the near future. It appears to me that such a review may also be necessary for Wokingham's Core Strategy, specifically if the [strategic development locations] are seen to be failing to deliver the levels of development necessary to fulfil the Core Strategy's spatial vision. If this is correct, then further text must be included following para 1.6 to make the intention clear.”

33 Later in that document, the inspector said that a section of the MDD headed “Overall Housing Requirement and maintaining a five-year supply of housing land” required further consideration. He said this:

“In brief, I consider it is necessary to include recognition that the [strategic housing market assessment], on which the Core Strategy was based, is out-of-date and the figure of ‘at least 13,230 dwellings (2006–2026)’ may be an under-estimate. This suggests that para 4.5 et seq requires some revision. I am also concerned that there is no recognition that my initial conclusions advised there is no doubt that there has been underperformance and there is clear evidence that there should be a buffer of 20%. It would appear that the Council can show that a 20% buffer can be brought forward from later in the plan period. In this context I do not believe that para 4.9 (which was not the subject of a Main Modification) sits easily following the new paragraph. In particular the

second sentence should be deleted. (Separately, it would be helpful to know the latest position regarding the various applications for planning permission submitted during the examination period – effectively an update on the position shown in Appendix 3 to the SHLAA, April 2013, CD/03/03.02).”

34 The Defendant provided its comments on those issues and put forward drafts of possible modification to the wording of the text of parts of the MDD.

35 The inspector reported to the Defendant on 23 January 2014. At paragraph 1 of his report, the inspector said this:

“This report contains my assessment of the Managing Development Delivery Local Plan in terms of [Section 20\(5\) of the Planning & Compulsory Purchase Act 2004](#) (as amended). It considers first whether the Plan's preparation has complied with the duty to co-operate, in recognition that there is no scope to remedy any failure in this regard. It then considers whether the Plan is sound and whether it is compliant with the legal requirements. The National Planning Policy Framework (paragraph 182) makes clear that to be sound; a Local Plan should be positively prepared; justified; effective and consistent with national policy.”

36 Paragraphs 10 and 11 of his report under the Heading “Assessment of Soundness” and “Preamble” are in the following terms:

“10. The NPPF was published in March 2012 replacing previous Government planning policies and guidance, at which time the MDD was at an advanced stage of preparation. The Council carried out a compatibility self-assessment, using the PAS checklist. Whilst the overall conclusion was that there were no significant issues relating to compatibility, the presumption in favour of sustainable development, which is a golden thread running through both plan making and decision-making, has not been addressed satisfactorily and is a subject of consideration in this report (para 22).

“11. In addition to the NPPF, the partial revocation of the South East Plan is a further change to the context within which the MD has been prepared. The development plan now consists of the local plans produced by each LPA. [Reg 8\(4\) of the Town and Country Planning \(Local Planning\) \(England\) Regulations 2012](#) requires a local plan to be consistent with the adopted development plan which, in this instance, includes the adopted Wokingham Core Strategy. Although there is provision for policies in adopted plans to be superseded under [reg 8\(5\)](#), in this instance, the CS provides a spatial vision for the Borough within which the MDD has been developed to provide an important part of the means for implementing the provisions of the CS. For this reason consistency with the CS is an important consideration. No convincing evidence has been submitted to show that the strategy is fundamentally flawed and, as a consequence, there is no need for this Examination to re-visit the basis for the spatial vision or the principle of concentrating development in four Strategic Development Locations, which have been examined, found sound and adopted.”

37 The inspector then identified four main issues upon which he considered that the soundness of the MDD depended. The first relates to the housing requirement for Wokingham and the issue, and his conclusions, are expressed in the following terms:

“Issue 1 – Whether the MDD has a clear strategy for allocating adequate and appropriate land for development purposes, including meeting the full, objectively assessed housing needs and ensuring a supply of specific deliverable sites sufficient to provide five years worth of housing.

Housing requirement

“13. The council has used the housing numbers in the CS for the purposes of

calculating the requirement. This is appropriate since the CS has been relatively recently adopted. The numbers comprise the requirement from the South East Plan (SEP), together with a shortfall against the former Berkshire Structure Plan, totalling 13,232 dwellings, equating to just over 660 dpa for the Plan period.

“14. The Council has been criticised for the absence of an up-to-date Strategic Housing Market Assessment (SHMA) on which to base its housing requirement. The existing SHMA for Berkshire dates from 2007 [WBC/28]. However, it did not offer conclusions on the overall requirement for housing within Berkshire, indicating that this would be set by the SEP. As the CS is based on the SEP requirement, and was adopted 2010, it clearly provides the most recent assessment of the overall requirement.

“15. No other credible basis for calculating an alternative overall level of housing need has been suggested. The 2008 based national projections, indicating an annual increase of 955 households per annum for the period 2006–2026 [WBC/11, Table 2] suggests a serious under-estimation of the housing requirement. However, the national projections vary from a potential requirement. However, the national projections vary from a potential requirement of 242 dpa (2003) to 733 dpa (interim 2011). This suggests that reliance on a single projection would be unwise. Recent performance of around 330 dwellings completed per annum shows that even if the requirement were to be based on a higher estimate, it is unlikely that this could be achieved, in the short term at least. For these reasons and in this particular local context it is appropriate to continue to rely on the CS numbers.”

38 The second issue concerned the supply of housing land supply. In view of the criticisms made of this aspect of the inspector's reasoning it is necessary to set out the following paragraphs of his report:

“16. Two significant appeal decisions, relating to land at Shinfield and at Kentwood Farm, with inquiries held respectively in October & November 2011, concluded that the Council could not demonstrate a 5-year deliverable housing land supply. In the case of the second appeal, a letter dated 17 May 2012 confirmed that, as at 1 April 2012, the Council still did not have a 5-year deliverable housing land supply. Representations to the Examination maintain that this is still the case.

“17. Despite the Council's assertions, there can be no doubt that there has been underperformance in housing delivery over the past 6 years: Appendix 3 to WBC/11 shows the average figure is 329 dpa compared to the 662 dpa required to meet the overall housing requirement. This is clear evidence that, in accordance with para 47 of the NPPF, there should be a buffer of 20% moved forward from later in the plan period.

“18. Evidence provided suggests the annual requirement for assessing a 5-year supply is around 990 dpa (2013–2018) or just over 1,000 dpa if the period 2014–2019 is considered. Against this, the assessment shows sites for around 6,000 in the former case and well over 6,500 in the latter, each equating to around 6-years supply, and so providing a 20% buffer.

“19. The Council has argued that its performance mirrors that of the sub-region, region and country as a whole, reflecting the economic recession and the impact of wider issues such as mortgage availability, that may well be the case, but it is also clear that the Council's strategy of concentrating in a limited number of Strategic Development Locations (SDLs) carries with it the risk of under-delivery in the short term. On the other hand the allocation of more sites outside the SDLs risks undermining the overall strategy, potentially leading to further shortfalls in delivery from the SDLs over time.

“20. Raising the annual rate of housing delivery from the 401 achieved in 2012–2013 to the 990 annual rate anticipated for the 5-year period 2013–2018, or the 1,000 annual rate anticipated from 2014 would present a substantial challenge to all parties. Against this, the risk of harm to the overall strategy through the allocation of more sites outside the SDLs, to provide flexibility in terms of delivery, significantly outweighs any potential benefit. Accordingly, I conclude that, in all the relevant local circumstances, the MDD is not unsound in this respect.”

And

“84. As already indicated, it has not been my intention that this Examination should seek to re-visit the basis for the spatial vision or the principle of concentrating development in four Strategic Development Locations. In this context I have concluded that the MDD is generally sound in respect of the amount of land allocated for housing purposes, and the individual sites included in policies SAL01 – SAL03. It follows that there is no need or reason to recommend further allocations and for this reason I conclude that the MDD is sound in this respect. It is also the case that none of the omission sites proposed by representors offer clear benefits over those included in the MDD, either in terms of location, sustainability or deliverability.”

39 The inspector's overall conclusion was that the MDD had deficiencies and he could not recommend it for adoption. However, the inspector recommended main modifications which, if accepted would, make the MDD sound. He therefore concluded that, if those modifications were accepted, the MDD would meet the requirements of [section 20\(5\)](#) of the 2004 Act and the criteria for soundness.

40 The Defendant did make those main modifications. It also made certain other minor modifications. One was to replace paragraph 4.5 in the site allocation section of the MDD. The original text read:

“4.5 The Council considers that the housing target within the adopted Core Strategy is consistent with the advice in the National Planning Framework (“NPPF”).”

41 The text in the MDD as adopted reads:

“4.5 The Inspector who examined the MDD concluded (in paragraph 15 of his report) that the Core Strategy's housing target provides a robust basis upon which the MDD can rely.”

42 The Defendant resolved to adopt the MDD on 21 February 2014.

The Issues

43 Against that background, and in the light of the claim form, the skeleton arguments and oral submissions, the following issues arise:

(1) did the inspector consider what the objectively assessed need for housing in Wokingham was, or did he simply consider whether the MDD was sound in so far as it dealt with the allocation of the number of houses proposed in the Core Strategy?

(2) could the inspector consider the soundness of the MDD without considering what was the objectively assessed need for housing, determined in accordance with paragraph 47, and using the process envisaged by paragraphs 158, 159 and 182, of the Framework?

(3) if the inspector was purporting to depart from the Framework, did he give proper, adequate and intelligible reasons for doing so?;

(4) did the inspector fail to determine whether or not there was a five year supply of housing land available, or, if he did determine that issue, did he give adequate reasons for his conclusion?

(5) should the Claimant be given permission to amend the claim to allege that the Defendant's failure to adopt the MDD with the modifications proposed by them in response

to the inspector's letter of 20 October 2013?

The First Issue – The Inspector's Approach

44 In my judgment, the inspector approached the examination on the basis that he was considering that the MDD was dealing with the allocation of sites for the amount of housing proposed in the Core Strategy, that is the figure of at least 13,230 houses over the 20 years of the development plan period. He did not determine that that figure represented the objectively assessed need for housing in Wokingham in the development plan period. In other words, the inspector was considering whether the MDD was sound in the sense of whether the policies for the allocation of sites for the number of dwellings referred to in the Core Strategy were sound. He did not determine whether the number of houses to be provided under the Core Strategy would be sufficient to ensure the objectively assessed need for housing during the relevant period.

45 I reach that conclusion for the following reasons. First, the MDD which was before the inspector itself indicates that its purpose was to take forward the Core Strategy and allocate sites in accordance with it, as appears from paragraph 1.10 of the MDD set out at paragraph 28 above. There is nothing to indicate that the intention of the MDD was to review the figure for housing in the Core Strategy.

46 Secondly, the inspector's report, read as a whole, confirms that he did not consider that he was, or was in a position, to consider whether the Core Strategy housing figure now represented what was objectively assessed as necessary to meet the housing needs of the Borough. In paragraph 11 of his report, the inspector indicates that his assessment of soundness involved considering whether there was any need to reconsider the spatial vision in the Core Strategy or the principle of locating development in the four strategic development locations. He considered that there was no such need. Those matters all relate to the location of housing – not the different question of what amount of housing is needed. There is nothing in the preamble, therefore, to indicate that the inspector was considering whether the Core Strategy housing figure continued to represent the objectively assessed need for housing.

47 Thirdly, paragraphs 13 to 15 of the inspector's report also confirm that he was not seeking to determine that issue. His report is carefully drafted. He indicated that the Defendant was using the Core Strategy figure to determine its housing requirement. He notes criticisms based on the absence of an up-to-date strategic housing market assessment (of the sort envisaged in paragraph 159 of the Framework). He notes the Core Strategy figures, adopted in 2010, were the most recent assessment of housing figures. He then noted that there was no other better or credible basis for calculating the level of housing need. He was aware that housing projections from 2008 suggested that the Core Strategy figure may be a serious under-estimate of the needs for housing (although he was also alive to the risk of relying on a single projection, given the variation that could be seen in the projections over time). The inspector concluded that for "these reasons" – that is, the absence of any better, credible figure, and in this particular local context – "it was appropriate to continue to rely on" the number of dwellings identified in the Core Strategy.

48 Fourthly, an objective assessment of housing needs would generally require a strategic housing market assessment. That would address the sort of issues referred to in paragraph 159 of the Framework, including household and population projections and needs for different types of housing. The inspector was aware that there was no up to date assessment of this nature available in relation to the housing needs of the borough. That again, supports the conclusion that the inspector was not purporting to determine that the Core Strategy figure adopted in 2010, and based on figures produced in 2006, were an objective assessment of the current need of the sort contemplated by paragraph 47 of the Framework.

49 Furthermore, that interpretation of the inspector's report is reinforced by the exchanges between the inspector and the Defendant. The evidence produced generally appeared to indicate that the figure of 13,230 dwellings over the plan period, or 660 houses per annum, might well not reflect the current need for housing in the borough. The indications are, generally, that that is likely to be an under-estimate of the amount of housing necessary. The inspector noted that he was concerned that there was "no comprehensive evidence in the form of an up to date [strategic housing market assessment] to support the overall housing requirement". He noted that Core Strategy figure for the provision of at least 13,230 dwellings between 2006 and 2026 may be an

under-estimate.

50 In my judgment, read as a whole, and read in context, it is clear from the inspector's report that he was not intending to endorse the figures in the Core Strategy as the figures for housing that would reflect an objective assessment of the current need for housing in the borough. Rather, the inspector considered that it was appropriate to consider whether the MDD was sound in its allocation policies for the figure of at least 13,230 new dwellings bearing in mind that that might be an underestimate of the housing needs for the borough.

The Second and Third Issues – The Inspector's Approach to the Assessment of Soundness

51 The next issue, encapsulated in the Claimant's first and second grounds, is whether the inspector could lawfully proceed to assess the MDD without there being an objective assessment of housing needs of the sort envisaged by paragraph 47 of the Framework?

52 Mr Tucker Q.C., on behalf of the Claimant, submitted that it was implicit in the Framework that assessing the soundness of a development plan document, such as an MDD, which dealt with the allocation of housing across the district, required consideration of the objectively assessed need for housing. He submitted that that was what the Framework envisaged. The objective recognised in paragraph 47 of the Framework was to boost significantly the supply of housing and that the local planning authority should use their evidence base to ensure that the local plan (that is the development plan documents) did meet the full, objectively assessed need. The means of doing that was set out in paragraphs 158 and 159 which required authorities to have a clear understanding of housing needs in their area, based on adequate, up to-date and relevant information and, to that end, to prepare a strategic housing market assessment.

53 Furthermore, Mr Tucker relied upon paragraph 182 of the Framework which is expressly addressed to examination of development plan documents such as the MDD. That set out guidance on what constituted a "sound" local plan. That required that local plans be positively prepared in that they should be based on a strategy which seeks to meet objectively assessed development needs. The local plan should be based on proportionate evidence. Further, the local plan, to be sound, should be consistent with national policy, that is, the local plan should deliver sustainable development in accordance with the policies in the Framework

54 All those factors, submitted Mr Tucker, indicated that assessment of the soundness of a development plan document dealing with the allocation of sites for housing necessarily involved forming a view on whether that document would deliver sufficient sites to meet the objectively assessed need for housing. If the MDD were based on a Core Strategy, and that Core Strategy was out of date and did not provide for sufficient housing development, the MDD itself would not therefore be sound.

55 Mr Tucker submitted that that approach was consistent with the legislation. [Section 19\(2\)](#) of the 2004 Act required the inspector to have regard to national guidance, such as the Framework, and other development plan documents, such as the Core Strategy. It was permissible for one development plan document, such as an MDD, to supersede an earlier development plan document such as a Core Strategy. That was implicit in [section 38\(5\)](#) of the 2004 Act and [regulation 8\(5\) of the Town and Country Planning \(Local Planning\) \(England\) Regulations 2012](#) which provide that if one development plan document is to supersede an earlier one, it must say so.

56 Mr Tucker realistically recognised that as, the Framework was guidance and not a statute, it would be open to an inspector to depart from the guidance but an inspector would need to have, and to articulate, good, adequate and intelligible reasons for doing so. The inspector here, he submitted, failed to have regard to the Framework, rather than deciding consciously to depart from it and failed to give good reasons for doing so.

57 Finally, Mr Tucker drew attention to the decision of Hickinbottom J. in *Gallagher Homes Limited v Solihull Metropolitan Borough Council* [2014] EWHC 1283 (Admin). Hickinbottom J. chartered the changes in relating to housing policy represented by the Framework and explained the significance of having an objective assessment of housing need based upon a strategic housing market assessment, or equivalent data. Hickinbottom J. considered that an inspector conducting an examination into the soundness of a development plan document which determined the housing provision for the area needed to address the issue of what were the

objectively assessed needs. Hickinbottom J. held that the inspector had approached the issue unlawfully by failing to do so. Mr Tucker submitted that the same conclusion applied here.

Discussion

58 In my judgment, the starting point is an analysis of the scope of this particular development plan document, that is the MDD. That deals with policies for the allocation of a certain quantity of housing, i.e. a figure of “at least 13,320” over 20 years. That amount of housing provision will be required, as a minimum, as a contribution to meeting the housing needs for Wokingham. As the inspector recognised, that might well prove to be an under-estimate of the amount of housing that will be required. The MDD will provide a set of policies for allocating sites for the provision of 13,320 dwellings (although more houses, and possibly other sites, may be required).

59 On analysis, therefore, the issue is whether the inspector could assess the soundness of a development plan document dealing with the allocation of the provision of at least 13,320 dwellings which would be required without also having an objective assessment of what further additional housing provision might be required in due course.

60 In my judgment, an inspector assessing the soundness of a development plan document dealing with the allocation of sites for a quantity of housing which is needed is not required to consider whether an objective assessment of housing need would disclose a need for additional housing. I reach that conclusion for the following reasons.

61 First, the statutory framework does not require such an approach. The statutory framework recognises that a development plan may be comprised of a number different development plan documents. [Section 19\(2\)\(h\)](#) of the 2004 Act provides that a local planning authority preparing a development plan document must have regard to any other local development document (which will include a development plan document). Thus where, as here, the Defendant has an adopted development plan document in the form of a Core Strategy, it must have regard to that in preparing a subsequent development plan document. The inspector, on examination, will need to ensure, amongst other things, that that requirement has been met (see [section 20\(5\)\(a\)](#) of the 2004 Act).

62 The structure of the 2004 Act is, therefore, consistent with a situation where one development plan document is giving effect to another earlier such document. It may be that the earlier development plan document needs updating, and may need to make further and additional provision for development in the future. There is, however, nothing in the statutory framework to suggest that a development plan document, such as the MDD here, cannot be adopted simply because another development plan document, such as the Core Strategy, may need to be updated to include additional provision, for example additional housing.

63 Secondly, the Framework properly interpreted, and read against the statutory background, does not, in my judgment, require the result contended for by the Claimant. The Framework sets out the government's policies on planning in England. It provides guidance. It is written in a way which is intended to be accessible to the reader as is clear from the foreword. The Framework offers guidance on what it describes as local plans. These are, or at least include, the development plan. The development plan is, however, comprised of a series of development plan documents adopted under the 2004 Act as the glossary to the Framework makes clear. One should, therefore, be wary about assuming that the guidance in relation to one particular development plan document necessarily applies to all other development plan documents simply because the Framework refers to “local plans” without differentiating between different development plan documents for these purposes.

64 Where a development plan document is intended to deal with the assessment of the need for housing, then, the provisions of the Framework material to housing need will be a material consideration. A local planning authority dealing with the question of the amount of housing needed for its area will need to have regard to paragraph 47 of the Framework. The provisions governing a local plan – that is a development plan document – dealing with the assessment of housing need would have to have regard to paragraphs 158 and 159 of the Framework. Any examination of that local plan, that is that particular development document, would need to have regard in that context to paragraph 182 of the Framework.

65 Properly read, however, the Framework does not require a development plan document which

is dealing with the allocation of sites for an amount of housing provision agreed to be necessary to address, also, the question of whether further housing provision will need to be made.

66 Thirdly, in my judgment, the approach advocated by the Claimant would be likely to run counter to the aims of the Framework and lead to results that were not intended. On the facts of the present case, for example, the position taken by the inspector is that a figure of at least 13,230 dwellings will be required and the MDD, with modifications, would address the allocation of that amount of housing in a sound way. On the Claimant's case, the Defendant cannot prepare, and an inspector cannot consider the soundness of, a development plan document dealing with the allocation of necessary housing until further steps are taken to identify whether additional housing is required. The process of adopting the MDD allocating sites for required housing would have to stop while a strategic housing market assessment is carried out or equivalent data obtained. If additional housing were to be needed, then either the scope of the proposed MDD would have to be enlarged to include the larger figures and have that MDD supersede the Core Strategy figure or a development plan document dealing with changes to the Core Strategy would need to be prepared. It is difficult to see that that interpretation is consistent with the Framework which seeks to encourage the development of development plan documents and to ensure that such documents are in place to guide decisions on development.

67 Fourthly, in reality, the approach of the Claimant would involve using the perceived need to comply with the Framework as a way of compelling the Defendant to carry out a full, objective assessment of its housing needs to discover if additional housing provision were required. The Defendant is, however, already under a statutory duty to review matters which may be expected to affect the development of their area ([section 13\(1\)](#) of the 2004 Act). The Defendant is also under a duty to keep the development plan documents under review having regard to the results of any such review ([section 17\(6\)](#) of the 2004 Act). The Defendant in the present case is, as the evidence establishes, in the process of preparing a strategic housing market assessment which may lead to a review of the housing provision identified as necessary. The use of the Framework as a means of compelling the Defendant to carry out of such reviews is not necessary. In those circumstances, the interpretation of the Framework advanced by the Claimant has less force. The Claimant's interpretation is not needed to ensure that the local planning authority performs a review of its housing need but it would prevent them from adopting a development plan document which allocates sites for housing need already established.

68 Finally, this conclusion is, in my judgment, consistent with the decision in *Gallagher Homes Ltd . There, Hickinbottom J.* was dealing with a development plan document which did involve the assessment of housing need and proposed a figure of 11,000 new dwellings in the relevant period as appears from paragraph 35 of the judgment. It was in that context that Hickinbottom J. considered that the inspector erred in his approach to the examination of that development plan document in not addressing fully the issue of what was the objectively assessed need for housing. This case is different. The inspector here was not examining a development plan document assessing housing provision. He was examining a plan which proposed site allocations for housing which, as a minimum, would contribute towards the agreed housing need of the area.

69 For those reasons, in my judgment, the inspector in the present case was not required by reason of the Framework to consider an objective assessment of housing need in order to assess whether this development plan document was sound.

70 If that conclusion were wrong, Mr Tucker accepts that the Framework is guidance only, and an inspector could depart from it for good reasons. In the present case, the context in which the MDD came to be prepared and examined is one where the Defendant had a figure for housing requirement and this MDD would deal with allocating sites for that amount of housing. The preparation of the MDD was, as the Defendant submitted to the inspector in its comments in May 2013, well advanced before publication of the Framework and the Defendant wanted to ensure that there was an up-to-date development plan document dealing with these matters. The inspector did not, I accept, expressly indicate whether he considered he was not required by the Framework to consider objectively assessed housing needs before he could consider the soundness of the MDD or whether he was departing from that guidance. Reading paragraphs 13 to 15 of his report, however, it is clear, in my judgment, that the inspector was aware of the possibility that the figures in the Core Strategy might underestimate the need for housing but considered that there were no other better or credible basis for calculating an alternative figure for housing requirements. As the inspector made clear in the last sentence of paragraph 15, in those circumstances, and in this particular local context (where at least 13,230 dwellings were

needed and the MDD would at least allocate sites for those), he considered it appropriate to rely on the number in the Core Strategy. Read as a whole, that is a sufficient indication of the reasons why he considered it appropriate to proceed. If, contrary to the interpretation that I consider to be correct, the Framework would have required him to have an objective assessment of need, his report gives a sufficiently clear explanation of why the inspector did not consider that one should be required in the present case and would explain the departure from the Framework.

71 For those reasons, the inspector did not err in his approach to the examination of the soundness of the plan. He was not obliged to consider whether there was an objective assessment of need for housing before considering the examination of the MDD to determine whether the allocation of sites was sound. Provided that the inspector's approach is lawful and his conclusion is rational, the assessment of soundness is, of course, a matter of planning judgment for the inspector: see [*Barratt Developments plc v Wakefield Metropolitan District Council* \[2010\] EWCA Civ. 897](#) at paragraph 33.

72 For completeness, I note that even if I had found that the inspector had erred in law, I would not, as a matter of discretion, have quashed the MDD. In the course of submissions, Mr Tucker frankly and realistically accepted that he was not seeking to quash the MDD as he recognised that the Claimant did not object to the allocation of sites made by that MDD. Rather, the Claimant's concern was that the process of the examination should, as they saw it, be properly carried out as they believed that any objective assessment of need would recognise that additional housing was required.

The Fourth Issue – Housing Land Supply

73 Mr Tucker submits that one of the principal issues at the examination was whether the proposed allocations would provide a five-year supply of land. He submits that the inspector either did not decide this issue or, if he did, gave no adequate intelligible reasons for his conclusion on that issue.

74 In my judgment, reading the report as a whole, and in particular paragraphs 16 to 21 and 84, the inspector did resolve this issue. He concluded that the MDD was sound, having regard to the amount of land allocated generally for housing purposes, and the specific sites allocated in policies SAL01 to SAL03. There was no need for any further allocations of land and none of the other proposed sites were better than those allocated by the MDD. It is clear that the inspector did resolve the issue of housing land supply and gave reasons for his conclusion: the MDD allocated the right amount of land, in the most appropriate sites, for the provision with which it was dealing.

The Fifth Issue – The Additional Ground

75 The Claimant seeks permission to amend the claim form to allege that the Defendant erred in law in that it gave assurances to the inspector as to changes it would make to the MDD but then adopted it without making those changes. The alleged changes were included in the Defendant's response to the inspector's letter of 20 October 2013.

76 In my judgment, permission to amend should be refused. First, the alleged ground demonstrates no arguable ground of error on the part of the Defendant. It was invited by the inspector to comment on certain issues. It did so. As is clear from the accompanying covering letter, and the text provided, the Defendant was providing a response to the inspector's queries and it did so by way of showing possible changes to the text of the MDD which would address any queries. The Defendant was not giving assurances that it would make any changes. The inspector, having received the comments, could have decided that the MDD would not be sound unless the proposed modifications were made. He did not do so. There is no arguable error on the part of the Defendant in not incorporating its responses to the inspector into the adopted version of the MDD. Secondly, the correspondence was made publicly available in November 2013. The adoption report published by the Defendant in February 2014 made it clear that there were background documents, including correspondence, available on the Defendant's website. The Claimant did not indicate that it would seek any amendment until it provided its skeleton argument dated 10 June 2014. No adequate explanation is given for the fact that the Claimant did not investigate this issue earlier and apply to amend earlier. Given that the proposed amendment discloses no arguable ground and was raised extremely late without any adequate explanation, permission to amend is refused.

Conclusion

77 The inspector approached the examination on the basis that he was considering that the MDD was dealing with the allocation of sites for the amount of housing proposed in the Core Strategy, that is the figure of at least 13,230 dwellings over the 20 years of the development plan period. He did not determine that that figure represented the objectively assessed need for housing in Wokingham in the development plan period. That was a lawful approach as the inspector was not required when examining a development plan document dealing with the allocation of sites to consider whether an objective assessment of housing need would disclose a need for additional housing. The inspector did decide that the MDD identified sufficient supply of housing land in the appropriate locations and gave adequate, intelligible reasons for that conclusion. The MDD was, therefore, lawfully adopted. This application is dismissed.

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APPENDIX 2

Housing Need Assessment



NEWLANDS



LAND SOUTH OF LONGFIELD AVENUE, FAREHAM

January 2014



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Open House
The Local Housing Toolkit



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Appendices

Appendix 1:

Popgroup Dwelling - Led Scenario Output;

Appendix 2:

Popgroup Demographic - Led Scenario Output;

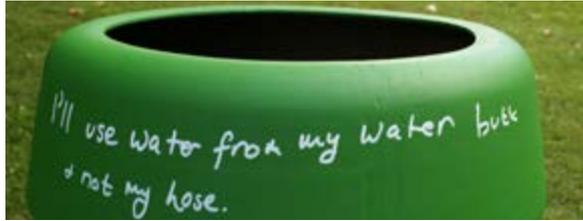
Appendix 3:

Popgroup Economic - Led Scenario Output.



“We have a simple choice. We can decide to ignore the misery of young families forced to grow up in tiny flats with no outside space. We can pass by on the other side while working men and women in their twenties and thirties have to live with their parents or share bedrooms with friends. We can shrug our shoulders as home ownership reverts to what it was in the 19th century: a privilege, the exclusive preserve of people with large incomes or wealthy parents...”





"...Or we can accept that we are going to have to build on previously undeveloped land and resolve that we will make these decisions locally and build beautiful places like we used to."(Nick Boles MP, January 2013)





~1~

Introduction

This report provides a borough-wide assessment of the future housing requirement within Fareham Borough, utilising the most recent Central Government population and household projections, in addition to scenarios generated by the Chelmer Population and Housing Model.

1.1 This report has been prepared by Barton Willmore on behalf of Hallam Land Management Limited who have development interests within Fareham Borough, specifically at the site known as 'Newlands'. The report provides an up to date housing requirements assessment, set in the context of the requirements of the National Planning Policy Framework (NPPF), and has been produced to support the accompanying planning application to which this report is appended.

1.2 To provide an objective assessment of housing requirements in compliance with the NPPF, this report focuses on the Borough of Fareham, alongside a summary of the official ONS and CLG projections for the Partnership for Urban South Hampshire (PUSH) area (incorporating the local authorities of Test Valley, Southampton, Eastleigh, Gosport, Portsmouth, Havant, and East Hampshire) which forms the surrounding Housing Market Area (HMA).

1.3 The report is structured as follows:

1. Introduction; 2. Planning Policy Context;

- National Planning Policy and Ministerial Statements context;
 - » NPPF;
 - » Ministerial statements;
- Local Planning Policy context;
 - » Fareham Borough Council;
 - ~ Adopted Core Strategy;
 - ~ Local Plan Part 2 – Development Sites and Policies;
 - ~ Welborne Plan;
 - ~ Affordable Housing;
 - ~ Other relevant evidence base documents;

- Strategic Housing context;
 - » South East Plan (revoked) - evidence used to justify Fareham SDA housing requirement;
 - » Partnership for Urban South Hampshire (PUSH) area – incorporating all Local Authorities within the PUSH area.



3. Household Demographics Analysis;

- Fareham Borough;
 - » ONS population projections;
 - » CLG household projections;
 - » ONS migration projections and estimates;
 - » Summary
- PUSH area;
 - » ONS population projections;
 - » CLG household projections;
 - » ONS migration projections and estimates;
 - » Analysis

4. Housing Forecasts - Fareham;

- PopGroup – Bespoke Demographic Modelling scenarios;
 - » Dwelling-led (To highlight the implications of current housing target);
 - » Demographic-led (Using the most up to date demographic assumptions to determine housing requirements in compliance with the NPPF);
 - » Economic-led (Determining the level of housing growth required to support the most recent – May 2013 – Experian job growth forecasts).
- » Summary and Conclusions

5. Housing Market Area (PUSH Area) Demographic Analysis;

- Incorporating the bespoke housing forecasts for Fareham; official ONS/CLG projections/ estimates; and emerging/ adopted housing targets for the PUSH area.

6. Summary & Conclusions;

- Drawing the evidence together to provide a summary of the pertinent issues.



~2~

Relevant Planning Policy

“To boost significantly the supply of housing, local planning authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area.” (Paragraph 47, NPPF, March 2012)

National Planning Policy

Introduction

2.1 We set out below the relevant planning policy at a national level, within which Fareham Council should be formulating its housing requirements.

2.2 In addition we set out relevant local planning policy set out in Fareham Borough Council's Publication Core Strategy (July 2013).

National Planning Policy Framework (27 March 2012)

2.3 The National Planning Policy Framework (NPPF) sets out the Government's planning policies for England and how these are expected to be applied. The presumption in favour of sustainable development is said to sit at the heart of the NPPF, and this requires that local planning authorities should positively seek opportunities to meet the

development needs of their area, and that local plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change.

2.4 The NPPF must be taken into account in the preparation of local and neighbourhood plans. The NPPF confirms that 12 core land use principles should underpin plan-making, and these include, driving and supporting economic development to deliver homes, business and thriving local places. In doing so, it requires that every effort is made to objectively identify and meet housing, business and other development needs of an area, and respond positively to wider opportunities for growth.

2.5 In respect of housing requirements, the NPPF (paragraph 47) confirms the need for local authorities to significantly boost the supply of housing and in doing so confirms that local authorities

should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing.

2.6 In establishing its housing requirement, in accordance with the NPPF (paragraph 159), local authorities should have a clear understanding of housing need, through the preparation of a strategic housing market assessment (SHMA). The NPPF is clear that a SHMA must identify the scale and mix of housing that the local population is likely to need, which:

- “meets household and population projections, taking account of migration and demographic change
- addresses the need for all types of housing, including affordable..; and
- caters for housing demand and the scale of supply necessary to meet this demand.”



2.7 The NPPF confirms the need for local authorities to be aspirational. Furthermore, the NPPF is clear in its requirement to set out an up to date and relevant evidence base, ensuring that assessment and strategies for housing and employment and other uses are integrated.

2.8 Paragraph 160 confirms that local authorities should work closely with business communities to gain an understanding of changing needs, as well as identifying and addressing barriers to investment, which includes a lack of housing.

2.9 It is clear therefore that the NPPF requires that local authorities undertake to meet the full, objectively assessed need for market and affordable housing, and that they seek to integrate this within their employment strategy so as to ensure there are no barriers to investment. In short, local authorities are required to present a coherent strategy that is aspirational and positively prepared.

National Planning Policy Guidance (28 August 2013)

2.10 CLG have recently (28 August 2013) launched for testing and comment in 'Beta' the National Planning Practice Guidance (NPPG) web-based resource, to "reflect and support" the National Planning Policy Framework (NPPF). The guidance is currently in draft form (Beta) and has not yet been issued by the Secretary of State.

2.11 In respect of the NPPG's status during this 'Beta' stage, the Government have commented as follows:

*"The Government considers that where the planning practice guidance published in draft on this web-based resource during Beta is a material consideration, it is likely to have limited weight. However, it is for the decision taker to determine the weight of this guidance in any individual decisions."*¹

2.12 In this context the NPPG should be considered in decision making, and specifically in respect of this report, when setting a housing target. The section of the NPPG addressing housing requirements is entitled 'Assessment of housing and economic development needs' which the NPPG states "Guides councils in how to assess their housing and economic development needs."

2.13 In terms of assessing housing requirements the NPPG states the following:

*"The assessment of development needs is an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance infrastructure or environmental constraints. However, these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans."*²

¹ 'About the Beta', National Planning Policy Guidance, 28 August 2013, <http://planningguidance.planningportal.gov.uk/beta/>

² 'Can local authorities apply constraints to the assessment of development needs', National Planning Policy Guidance, 28 August 2013, http://planningguidance.planningportal.gov.uk/blog/guidance/assessment-of-housing-and-economic-development-needs/what-is-the-purpose-of-the-assessment-of-housing-and-economic-development-needs-guidance/#paragraph_001

2.14 The draft NPPG is therefore clear that the objective assessment of need should not be constrained. The consideration of whether the need can be supplied in the area will be addressed once the full objective assessment of need has been determined.

2.15 The NPPG also clarifies the extent to which local planning authorities should seek to work when assessing housing needs, as follows:

*"Local planning authorities should assess their development needs working with the other local authorities in the relevant housing market area or functional economic market area in line with the duty to cooperate. This is because such needs are rarely constrained precisely by local authority administrative boundaries."*³

2.16 The NPPG therefore highlights the requirement to assess needs across local authority boundaries and not just within an individual authority.

³ 'With whom do local planning authorities need to work?', National Planning Policy Guidance, 28 August 2013, http://planningguidance.planningportal.gov.uk/blog/guidance/assessment-of-housing-and-economic-development-needs/what-is-the-purpose-of-the-assessment-of-housing-and-economic-development-needs-guidance/#paragraph_001



2.17 The draft NPPG moves on to address the methodology for assessing housing need, stating the following:

*“Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need.”*⁴

2.18 Although the official CLG household projections should therefore be considered, they only represent the starting point for assessing need. This is due to a number of reasons as the NPPG explains:

*“The household projections are trend based, i.e. they provide the household levels and structures that would result if the assumptions based on previous demographic trends in the population and rates of household formation were to be realised in practice. They do not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour.”*⁵

2.19 In this context the draft NPPG explains how the household projection-based estimate housing need may require adjustment for a number of reasons, as follows:

*“The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing.”*⁶

2.20 Furthermore the methodology section of the NPPG establishes the potential requirement to adjust household formation rates when assessing needs, as follows:

*“plan makers may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates.”*⁷

2.21 Alongside demographic assumptions, the NPPG clearly identifies the responsibility placed on local authorities to consider economic growth and the link with housing requirements.

*“Plan makers should make an assessment of the likely growth in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area.”*⁸

2.22 The NPPG explains how housing numbers may need to be increased due to economic growth:

*“Where the supply of working age population (labour force supply) is less than the projected job growth, this will result in unsustainable commuting patterns and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider increasing their housing numbers to address these problems.”*⁹

2.23 This guidance supports the policies of the National Planning Policy Framework, which we have summarised above.

4 ‘With whom do local planning authorities need to work?’, National Planning Policy Guidance, 28 August 2013, <http://planningguidance.planningportal.gov.uk/blog/guidance/assessment-of-housing-and-economic-development-needs/what-methodological-approach-should-be-used/>

5 ‘What is the starting point to establish the need for housing?’, National Planning Policy Guidance, 28 August 2013, <http://planningguidance.planningportal.gov.uk/blog/guidance/assessment-of-housing-and-economic-development-needs/what-methodological-approach-should-be-used/>

6 ‘What is the starting point to establish the need for housing?’, National Planning Policy Guidance, 28 August 2013, <http://planningguidance.planningportal.gov.uk/blog/guidance/assessment-of-housing-and-economic-development-needs/what-methodological-approach-should-be-used/>

7 ‘What is the starting point to establish the need for housing?’, National Planning Policy Guidance, 28 August 2013, <http://planningguidance.planningportal.gov.uk/blog/guidance/assessment-of-housing-and-economic-development-needs/what-methodological-approach-should-be-used/>

8 ‘How should employment projections be taken into account?’, National Planning Policy Guidance, 28 August 2013, <http://planningguidance.planningportal.gov.uk/blog/guidance/assessment-of-housing-and-economic-development-needs/what-methodological-approach-should-be-used/>

9 ‘How should employment projections be taken into account?’, National Planning Policy Guidance, 28 August 2013, <http://planningguidance.planningportal.gov.uk/blog/guidance/assessment-of-housing-and-economic-development-needs/what-methodological-approach-should-be-used/>



Housing and Growth Ministerial Statement (6 September 2012)

2.24 The 'Housing and Growth' ministerial statement by the Rt Hon Eric Pickles MP reaffirms the Coalition Government's number one priority to grow the economy, with a specific emphasis on increasing housebuilding across the country. This importance is emphasised as follows:

"House building starts across England were 29 per cent higher in 2011 compared to 2009. But there is far more to do to provide homes to meet Britain's demographic needs and to help generate local economic growth."¹⁰

2.25 The role of demographic needs and economic growth is highlighted by the statement, in accordance with the requirements of the NPPF.

Housing the Next Generation - Keynote Speech (10 January 2013)

2.26 Most recently, Nick Boles MP, Parliamentary Under Secretary of State for Planning stated the following:

"We have a simple choice. We can decide to ignore the misery of young families forced to grow up in tiny flats with no outside space. We can pass by on the other side while working men and women in their twenties and thirties have to live with their parents or share bedrooms with friends. We can shrug our shoulders as home ownership reverts to what it was in the 19th century: a privilege, the exclusive preserve of people with large incomes or wealthy parents. Or we can accept that we are going to have to build on previously undeveloped land and resolve that we will make these decisions locally and build beautiful places like we used to."¹¹

2.27 The need to build more homes across the country is considered to be significant by Central Government, and it is essential that Local Plans ensure their targets are adequate to meet the Government's aspirations for growth.

Local Planning Policy

Fareham Borough Council – Adopted Core Strategy (August 2011)/Local Plan Part 2: Development Site and Policies (October 2012)

2.28 The Fareham Core Strategy was adopted on 4 August 2011, and policy CS2: 'Housing Provision' planned for growth of 3,729 new dwellings, 2006-2026 (186 dpa), excluding the Fareham Strategic Development Area (SDA). This target is broadly similar to the South East Plan (SEP, revoked March 2013) target of 3,720 new dwellings over the same period (186 dpa). However the SEP also made provision for an additional 10,000 new dwellings, 2006-2026 (500 dpa) at the Fareham Strategic Development Area (SDA).

2.29 In the intervening period Fareham Borough Council have published the draft 'Local Plan Part 2 – Development Sites and Policies' (October 2012) which shows a revised requirement for 1,925 new dwellings, 2012-2026 (138 dpa), again excluding the 'New Community North of Fareham'. This revised figure is underpinned by the South Hampshire Strategy (October 2012), published by the 'Partnership for Urban South Hampshire' (PUSH) which resulted in revised District level housing numbers for the PUSH area (including Fareham) up to 2026.

10 Housing and Growth Ministerial Statement, 6 September 2012, CLG

11 Housing the Next Generation, Nick Bowles MP, 10 January 2013



2.30 Furthermore the SEP allocation of 10,000 new dwellings at the Fareham SDA, 2006-2026, has been revised to 6,500 new dwellings (see Welborne Plan below) to be provided over 25 years starting from 2016/17 (260 dpa). This is a significant reduction to the SEP target (500 dpa) for a new community in Fareham Borough.

2.31 Due to the housing delivery at Welborne beginning in 2016/17, in total the Council are therefore planning for growth of approximately 4,570 new dwellings, 2011/12 to 2025/26 (326 dpa). The justification for this figure and its implications in respect of Fareham's need for new housing should now be established. In fact, the possibility that the Borough's housing requirement might need to be revisited was acknowledged in the Inspector's Report on Fareham's Core Strategy (paragraph 29, 20 July 2011, our emphasis):

*"... as already noted, the sub-regional housing requirement applying to the SDA will necessarily have a Borough-based component. It is therefore possible that, subject to further sub-regional analysis of housing provision and future refinement of the likely levels of housing delivery in the SDA through work on the AAP, the reduced scale of the SDA may imply an increased need for new housing in the remainder of the Borough. At present this cannot be quantified, and I agree with the Council that it would be both premature and lacking in justification to make such provision in the Core Strategy."*¹²

¹² Paragraph 29, Planning Inspectorate report on the Fareham Borough Core Strategy, 20 July 2011

Welborne Plan – Draft Plan Consultation (April 2013)

2.32 The Welborne Plan is the third document of the Development Plan for Fareham (alongside the Adopted Core Strategy, and Development Sites and Policies), and sets out the site-specific Plan for the new community of Welborne, to be built north of the M27 at Fareham by 2041. The new community was initially progressed through the South East Regional Assembly (SEERA) and the South East Plan (SEP), but following the Localism Act 2011 the SEP has been revoked. However the Welborne Plan remains an important component of the South Hampshire Strategy, and was endorsed by the Partnership for Urban South Hampshire (PUSH) in October 2012.

2.33 Policy CS13 of the Adopted Core Strategy makes provision for between 6,500 and 7,500 new dwellings at the North of Fareham SDA, and it is within the context of policy CS13 that the Welborne Plan is being progressed.

2.34 Policy WEL3 – 'Allocation of Land' in the draft Welborne Plan therefore sets out the proposed quantum of development as follows:

*"Land to the north of Fareham, east and west of the A32, as set out on the Fareham Policies Map and in Figure 3.3 of this Welborne Plan, is allocated to accommodate the new community of Welborne which will comprise approximately 6,500 dwellings, up to 78,650 sq. metres of employment floorspace and associated uses and is programmed to enable completion by 2041."*¹³

¹³ Policy WEL3, page 36, Local Plan Part 3 – The Welborne Plan, April 2013

2.35 In respect of the economy the draft Welborne Plan forecasts growth of between 6,500 and 7,500 new jobs, at a rate of between 1.00 and 1.15 new jobs per dwelling.¹⁴

Affordable Housing

2.36 The most recent assessment of affordable housing for Fareham is set out in the 'Affordable Housing Study – update' (2009). However the Adopted Core Strategy refers to need of 495 affordable dwellings per annum established in the 2004 Housing Needs Study.¹⁵

2.37 As we have summarised above, Local Plans must provide a full objective assessment of housing need for all types of housing, including affordable housing. The assessment of housing must also be up to date, and recent Planning Inspectorate Planning Inspectorate decisions have established the age at which a SHMA is not considered to be up-to-date. In the case of the East Hampshire Local Plan: Joint Core Strategy the Inspector stated the following in his Initial Conclusions letter:

*"The last SHMA was produced in January 2008, over 4 years before the submission of the JCS for examination. Later assessments of need have been carried out but they do not provide an update on the full housing needs of the District. I consider this to be a serious shortcoming in the evidence base supporting the JCS and I do not see how I can properly consider whether the Plan meets objectively assessed need without an up to date SHMA."*¹⁶

¹⁴ Table 5.1, page 50, Local Plan Part 3 – The Welborne Plan, April 2013

¹⁵ Paragraph 2.3, page 8, Fareham Borough Council Core Strategy, 2011

¹⁶ Paragraph 6, Examination of the East Hampshire District Local Plan: Joint Core Strategy, letter of 23 November 2012



2.38 More recently the Inspector commented as follows in respect of the North West Leicestershire District SHMA (Inspector’s initial note to North West Leicestershire District Council):

“The 2007/8 Leicester and Leicestershire Strategic Housing Market Assessment (SHMA) does not appear to reflect recent market conditions and does not cover the full Plan period to 2031. It is a requirement of the Framework (paragraph 159) that Councils should prepare a SHMA to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. In the absence of an up-to-date SHMA, it will be difficult to conclude that the CS meets the Framework’s soundness requirements that a Plan should be justified and consistent with national planning policy.”¹⁷

2.39 The two decisions summarised above suggest that Fareham Council’s assessment of affordable housing need is out of date. This is a serious failing of the Council’s evidence base and requires updating to provide an assessment of housing requirements in line with the requirements of the NPPF.

2.40 However it is important to note more recent figures from the Communities and Local Government (CLG) live tables, which show a significant increase since 2005 of the number of households on the Council’s housing waiting list (see Table 2.1 below).

2.41 This highlights the increasingly acute affordability problem in Fareham Borough, an issue that will only be solved through increased overall housing provision.

Strategic Housing Policy

South East Plan (SEP - May 2009, revoked) and the Partnership for Urban South Hampshire (PUSH)

2.42 As we have summarised above the South East Plan (SEP) identified the Strategic Development Area (SDA) within Fareham Borough, which was to provide 10,000 new dwellings, 2006-2026 (500 new dwellings per annum). However Fareham Borough Council have reduced the amount of housing to 6,500 new dwellings, over a longer Plan period (25 years).

2.43 This section of the report identifies the risk to realising PUSH’s aspirations for economic growth presented by The South Hampshire Strategy (October 2012), which is based on flawed assumptions about the sub regions ability to influence net migration rates.

2.44 Through the provisions of the SEP, the objectives for the PUSH area were to achieve 3.5% annual economic growth (GVA) by 2026, facilitated by the development of 80,000 new homes, 2,000,000 m² additional business space and by adding 59,000 jobs between 2006 and 2026.

2.45 In respect of housing, the SEP was clear that the new housing would accommodate forecast population growth and demographic change, alongside providing for sufficient new homes to support the sustainable economic growth aspired to across the PUSH area¹⁸

¹⁷ Paragraph 7 (a), Examination of the North West Leicestershire Core Strategy: Inspector’s initial note to North West Leicestershire District Council, 09 July 2013

¹⁸ Paragraph 16.23, page 197, South East Plan (revoked), May 2009

Table 2.1 Households on Fareham Borough Council housing waiting list, 2005-2012

Year	2005	2006	2007	2008	2009	2010	2011	2012	% increase 2005-2012
Households on waiting list	735	1,448	1,158	1,717	1,548	1,943	1,898	2,113	+187%

Source: CLG live table 600; number of households on local authorities’ housing waiting lists, by District.



2.46 However the South Hampshire Strategy (October 2012) incorporates downward revisions to the SEP targets based on the PUSH Economic Development Strategy Preferred Growth Scenario¹⁹ published in June 2010. Revised targets for the plan period (2006 to 2011) include the following:

- GVA compound growth rate of 2.1%, slightly above the baseline position presented of 2%;
- Employment to grow by 51,200 against the baseline of position of plus 41,300;
- Population to grow by 133,000 persons against the baseline of plus 145,000.

2.47 It is noteworthy that whereas GVA growth is above (albeit only marginally) the baseline position and employment is 24% above baseline (compared to the current target which is 43% above baseline), population growth under the Preferred Growth scenario is projected to fall below that of the baseline scenario by 12,000 persons between 2011 and 2026.

2.48 It is considered that this revised position will have significant consequences for the PUSH area in reaching the economic growth aspired to, as follows:

- Below baseline population growth occurs because of a modelling assumption used in the preferred growth scenario. It reduces baseline inward migration to the PUSH area by 2% per annum “as a result of increased resident skills workforce engagement and facilitation of residents into work”²⁰.
- Whilst the assumption is reported to have been agreed by DTZ and the Steering Group that guided development of the PUSH Preferred Growth Scenario, the likelihood that such a policy will achieve the desired results is questionable and risks harming PUSH’s growth aspiration.
- First and foremost, PUSH cannot directly influence the recruitment practices of locally based and incoming employers.
- Secondly, given fiscal constraints under the current parliamentary term, it is questionable that the policy can be effectively resourced and delivered. Moreover, even if it can be, there is no guarantee that competing migrant workers will be disadvantaged by it.
- Thirdly, as Oxford Economics point out “typically, a faster growth scenario will lead to a faster population growth as residents are encouraged to stay to take up the job opportunities and migrants are attracted to the area”²¹

- Finally, such an approach could have unintended negative consequences. According to Oxford Economics, the population reduction of 12,000 equates to a reduction of 9,700 dwellings by the end of the plan period against their own baseline scenario. This could exacerbate any difficulties employers may have in filling skills gaps by not providing enough accommodation for skilled workers wishing to move into the area. In turn, aspirations for economic growth will be compromised.
- It should be noted that the baseline forecasts produced by Oxford Economics as part of PUSH’s strategy review process return a housing requirement of over 84,000 over the plan period²². Under Policy SH5 of The South East Plan, the plan period requirement is for 80,000 net additional dwellings. Oxford Economics’ baseline scenario confirms it as an appropriate minimum requirement.

2.49 In short it is not considered that the current position of the PUSH will achieve the demographic growth projected by official projections, nor the economic growth aspired to.

19 PUSH Economic Development Strategy, DTZ and Oxford Economics, June 2010

20 PUSH modelling approach, Oxford Economics, December 2011, page 17

21 PUSH modelling approach, Oxford Economics, December 2011, page 22

22 PUSH modelling approach, Oxford Economics, December 2011, page 23



Summary

2.50 In summary, the NPPF and the accompanying draft NPPG requires that in planning for future levels of housing, Local Authorities should:

- boost significantly the supply of housing in their area that meets the full objectively assessed needs for market and affordable housing;
- identify a scale of housing that meets household and population projections;
- account for migration and demographic change in formulating housing requirements;
- ensure that assessment of, and strategies for, housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals; and
- work closely with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing.

2.51 As detailed above the adopted Core Strategy/Development Plan Policies document propose housing growth of 326 new dwellings per annum 2011/12-2025/26 (400 new dwellings per annum).

2.52 The following section of this report considers the housing target for Fareham and the PUSH area in the context of the official ONS and CLG projections – the ‘starting point’ for setting a housing target as set out in the ‘Beta’ version of the National Planning Policy Guidance (NPPG).





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Household Demographics

“Household projections published by the DCLG should provide the starting point estimate of overall housing need. Account should also be taken of the most recent demographic evidence including the latest ONS population estimates.”
(draft NPPG, August 2013).

Central Government Demographic Projections – Fareham Borough

Office for National Statistics (ONS) population projections

3.1 Table 3.1 sets out the official ONS sub national population projections (SNPP) in chronological order from the 2003-base series to the most recent 2011-base ‘interim’ series (September 2012).

3.2 The most recent (September 2012) ONS ‘interim’ 2011-based SNPP is the first projection since the 2011 Census data was published (July 2012) and records the mid 2011 population of Fareham as 111,900 people to allow for growth since the Census 2011 (recorded March 2011).

3.3 This latest interim 2011-based SNPP shows the highest level of projected population growth of all recent series, and is a 55% increase from the 2008-based ONS SNPP (2011-2021), which underpinned the previous 2008-based CLG household projection (see Table 3.2 below). The 2008-based SNPP projects growth of 730 people per annum over a 20-year period.

Table 3.1 ONS Population Estimates and Projections for Fareham, 2011-2021 & 2011-2031

	2011	2016	2021	2026	2031	2011-2021 (per annum)	2011-2031 (per annum)
Interim 2011-based	111,900	117,400	122,300	-	-	10,400 (1,040)	-
2010-based	113,500	117,500	121,100	124,600	127,600	7,600 (760)	14,100 (705)
2008-based	112,300	115,300	119,000	123,100	126,900	6,700 (670)	14,600 (730)
2006-based	109,800	111,700	114,400	117,200	120,000	4,600 (460)	10,200 (510)
2004-based (revised)	111,200	113,200	115,500	117,800	-	4,300 (430)	-
2003-based	114,500	117,700	120,900	123,800	-	6,400 (640)	-

Source: Office for National Statistics (rounded to nearest hundred) Note: Figures may not sum due to rounding



ii) Communities and Local Government (CLG) household projections

3.4 As Table 3.1 (above) shows, the ‘interim’ 2011-based SNPP projects population growth, 2011-2021, 55% higher than the 2008-based SNPP (2011-2021 and 2011-2031). However despite this significant increase in projected population growth, as Table 3.2 (below) shows, the resulting ‘interim’ 2011-based CLG household projections show an increase of only 12% in household growth (488 hhp/a) from the 2008-based CLG household projection (436 hhp/a).

3.5 Although the ‘interim’ 2011-based CLG projections show a significant increase to the Council’s current housing target (326 dpa), there are concerns over using the projection to underpin Local Plan targets.

The household formation rates underpinning the latest ‘interim’ CLG 2011-based household projections are considered to be unrealistically low in the younger age groups when compared to the previous 2008-based CLG projection. This comparison is set out by the ONS in Table 3.3 (below). It shows how -26,300 less households per annum are projected to be formed in England in the 25-34 age group alone. Incorporating

the 35-44 age group (-7,500 less households per annum) this would sum a total of -33,800 new households being formed in the 25-44 age group per annum.

3.6 This reduction in household formation in the younger age groups is due to the ‘interim’ 2011-based CLG projections being underpinned by recessionary trends over the past five years. It is not expected that these recessionary trends will continue in the long-term, and in this context it is not considered prudent to plan on this basis over a 15 to 20-year period, particularly in the context of the NPPF’s aspirations to ‘boost significantly the supply of homes’, ‘promote economic growth’ and positively prepare Local Plans.

Table 3.2 CLG Household Estimates and Projections for Fareham, 2011-2021 & 2011-2031

	2011	2016	2021	2026	2031	2011-2021 (per annum)	2011-2031 (per annum)
Interim 2011-based	46,719	49,238	51,596	-	-	4,877 (488)	-
2008-based	46,801	48,916	51,158	53,367	55,387	4,357 (436)	8,586 (429)
2006-based*	46,000	48,000	50,000	52,000	53,000	4,000 (400)	7,000 (350)
2004-based (revised)*	47,000	49,000	51,000	53,000	-	4,000 (400)	-
2003-based*	48,000	51,000	53,000	55,000	-	5,000 (500)	-

Source: CLG (rounded to nearest thousand); *Note: Figures may not sum due to rounding

Table 3.3 Household growth in England per annum, 2011-2021:

Interim 2011-based CLG household projections vs. 2008-based CLG household projection

Age of Household Representative Person	2011-based projection Average annual change 2011-2021	2008-based projection Average annual change 2011-2021	Difference*
Under 25	-2,000	-6,000	3,200
25-34	23,000	49,000	-26,300
35-44	15,000	22,000	-7,500
45-54	17,000	11,000	6,600
55-64	50,000	47,000	3,100
65-74	46,000	48,000	-2,500
75-84	40,000	41,000	-1,400
85+	32,000	33,000	-200
All households	221,000	245,000	-24,900

*Indicative values; Source: Table 8, Page 17, Housing Statistical Release, 9 April 2013



3.7 Indeed the Planning Advisory Service (PAS) have recently (10 July 2013) published 'Ten principles for owning your housing number: finding your objectively assessed needs', and state the following (paragraph 6, page 6) in respect of the use of projections when formulating housing targets as part of an NPPF compliant objective assessment of housing requirements:

*"caution should be applied if the trends experienced in the past five years reflect a period of particular economic decline or likewise economic buoyancy. Projecting forward a recessionary trend may lead to concealed households not being catered for and an underestimate of the true level of household change. It is also important to understand how this may impact on any economic recovery and growth ambitions that the council have."*²³

3.8 The guidance of the PAS has been reinforced by the 'Beta' version of the National Planning Policy Guidance (NPPG, 28 August 2013), which states the following in respect of the CLG household projections:

*"Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need."*²⁴

3.9 This clarifies that CLG household projections should be the starting point for an objective assessment of need. As we have set out above the latest 'interim' 2011-based CLG household projection is underpinned by low household formation rates due to recessionary conditions. In this respect the NPPG goes on to state the following:

*"The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing."*²⁵

3.10 It is therefore considered that the household formation rates of the 2008-based CLG household projections should be applied to the most recent ONS 'interim' 2011-based sub national population projections, in order to provide a household projection which is underpinned by pre recessionary household formation rates.

3.11 Notwithstanding the conservative assumptions underpinning the CLG projection, the 'interim' 2011-based CLG projection shows growth of 488 new households per annum, 2011-2021, significantly higher than the cumulative housing target for Fareham (326 dpa, including the Fareham SDA).

3.12 However for the reasons set out above this figure should not be taken at face value and considered as a starting point only as part of a wider objective assessment of housing requirements for Fareham.

ONS estimates of net migration

3.13 Net migration is an important component of population change in Fareham, with there being continuous net in-migration since 2005/06. The 2003/04 and 2004/05 net in-migration figures (10 to -194 people and -258 to -477 people respectively) represent a minor anomaly in the last 10 years, with net in-migration of at least 150 people and a maximum of 1,180 in every other year over the past decade.

3.14 It is important to note how net in-migration has continued at a significant rate (at least 500 people per annum) over the recessionary period (2008-2012).

²⁴ 'With whom do local planning authorities need to work?', National Planning Policy Guidance, 28 August 2013, <http://planningguidance.planningportal.gov.uk/blog/guidance/assessment-of-housing-and-economic-development-needs/what-methodological-approach-should-be-used/>

²⁵ 'What is the starting point to establish the need for housing?', National Planning Policy Guidance, 28 August 2013, <http://planningguidance.planningportal.gov.uk/blog/guidance/assessment-of-housing-and-economic-development-needs/what-methodological-approach-should-be-used/>

²³ Page 6, Ten key principles for owning your housing number – finding your objectively assessed needs, Local Government Association, July 2013



ONS projections of net migration

3.15 In respect of net-migration projections, net in-migration is projected by the ‘interim’ 2011-based ONS projection to hover between 900-1,000 people per annum, 2011-2021. This would represent an increase from 700-900 people per annum projected by the 2008-based ONS SNPP.

Summary

3.16 In summary this section has set out the most up-to-date official population, household and migration projections published by CLG and ONS. The NPPF states that in setting a housing target local plans must meet household and population projections, taking account of demographic change and migration (paragraph 159).

3.17 The most recent ‘interim’ 2011-based CLG household projection shows growth of 488 new households per annum (2011-2021) which represents a significant increase from the 2008-based CLG projection (436 hpa, 2011-2021), despite the ‘interim’ 2011-based CLG household projections being underpinned by very low recessionary household formation rates.

3.18 Given our concerns in respect of the ‘interim’ 2011-based CLG projections it would be considered prudent to calculate household growth generated by the ONS ‘interim’ 2011-based sub national population projections based on the household formation rates

of the 2008-based and ‘interim’ 2011-based CLG household projections to provide a range of potential housing growth targets.

3.19 However as the new ‘Beta’ version of the National Planning Policy Guidance sets out, the CLG projections should not be taken at face value, but rather used as a starting point in an objective assessment of housing requirements.

3.20 This section has summarised official ONS and CLG projections and estimates for Fareham Borough – the following section provides a summary for the PUSH area.

Table 3.4 ONS Estimates of Net Migration: Fareham

	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	Annual average	
											2007-2012	2002-2012
Net Migration	359	10	-258	550	1,180	898	790	760	697	763	782	575
Other*	-213	-204	-219	-206	-208	-208	-210	-230	-245	74	-	-
Net Migration and Other Combined Changes	146	-194	-477	344	972	690	580	530	452	837	618	388

Source: ONS, 2001 - 2011 MYE revised in light of 2011 Census (April 2013), 2012 MYE (June 2013); *Note: includes an ‘unattributable other’ element which the ONS confirm maybe associated with migration, or any other component of population change since 2001, including the 2001 or 2011 Census estimates.

Table 3.5 ONS Migration Estimates and Projections for Fareham, per annum

	2009-13 pa	2014-18 pa	2019-23 pa	2024-28 pa
Interim 2011-based	1,000	900	900	-
2010-based	800	700	700	800
2008-based	500	700	800	900
2006-based	400	500	600	700
2004-based (revised)	500	600	600	700
2003-based	800	800	800	800

Source: ONS (rounded to nearest hundred); Note: Migration per annum within range of years indicated (specific year differs by base year of projection)



Central Government Demographic Projections – PUSH Area

Office for National Statistics (ONS) population projections

3.21 Table 3.6 (below) sets out the cumulative projected population growth of the past three official ONS sub national population projections (SNPP) for the PUSH area.

3.22 As the table shows, the 2008-based (November 2010) and the most recent ‘interim’ 2011-based SNPP (September 2012) show broadly similar population growth across the PUSH area (between 8,350 people and 9,465 people per annum, 2011-2021/31). Both of these series show a significant increase to the 2010-based SNPP (5,520 people per annum, March 2012), and the most recent series is the first to be underpinned by the 2011 Census population and household estimates (July 2012).

Communities and Local Government (CLG) household projections

3.23 The ONS SNPP underpin the CLG household projections, the past two series’ of which are set out in Table 3.7 below. The latest ‘interim’ 2011-based CLG projection (April 2013) is the most recent and the first to be underpinned by the 2011 Census population and housing estimates (July 2012).

3.24 Table 3.7 illustrates how the previous 2008-based CLG projection (November 2010) projected household growth (5,496 households per annum, 2011-2021) 32% higher than the most recent (April 2013) ‘interim’ 2011-based CLG projection (4,160 households per annum, 2011-2021).

3.25 As set out above the CLG projections are based on the ONS SNPP, however the 2008-based ONS SNPP projected population growth only 11% higher than the most recent ONS ‘interim’ 2011-based SNPP, a significant difference in the percentage comparison between projected household growth and projected population growth.

3.26 For the reasons set out in paragraphs 3.6 to 3.11 (above) it is considered that the ‘interim’ 2011-based CLG household projections are conservative in nature, being underpinned by recessionary trends in household formation. It is therefore considered that the ‘interim’ 2011-based CLG projections are the very minimum level of demographic led growth in households that should be considered across the PUSH area. This view is supported by the National Planning Policy Guidance (August 2013), as set out above.

Table 3.6 ONS Population Estimates and Projections for PUSH, 2011-2021 & 2011-2031

	2011	2016	2021	2031	2011-2021 (per annum)	2011-2031 (per annum)
Interim 2011-based	1,232,100	1,277,200	1,315,600	-	83,500 (8,350)	-
2010-based	1,215,600	1,245,200	1,270,800	1,325,300	55,200 (5,520)	109,700 (5,485)
2008-based	1,227,600	1,273,700	1,320,700	1,416,900	93,100 (9,310)	189,300 (9,465)

Source: Office for National Statistics (rounded to nearest hundred) Note: Figures may not sum due to rounding

Table 3.7 CLG Household Projections for PUSH, 2011-2021 & 2011-2031

	2011	2016	2021	2031	2011-2021 (per annum)	2011-2031 (per annum)
Interim 2011-based	511,650	532,937	553,256	-	41,606 (4,160)	-
2008-based	512,791	540,404	567,760	619,698	54,969 (5,496)	106,907 (5,345)

Source: Office for National Statistics (rounded to nearest hundred) Note: Figures may not sum due to rounding



3.27 Notwithstanding the conservative nature of the ‘interim’ CLG household projections, they project growth of 4,160 new households per annum, 2011-2021. This is broadly consistent with the original level of growth (4,000 new dwellings per annum, 2006-2026) planned for the PUSH area in the (revoked) South East Plan (SEP); and the level of growth projected by Experian baseline forecasts produced by Oxford Economics as part of PUSH’s strategy review process return a housing requirement of approximately 4,200 new dwellings per annum over the plan period²⁶.

ONS estimates of net migration

3.28 Net migration is an important component of population change in the PUSH area, with there being continuous net in-migration between 2002 and 2012. Interestingly the highest level of net in-migration has been experienced during the recessionary period (2010/11), and the short-term trend (predominantly recessionary period, 2007-2012) shows average net in-migration of between 5,373 and 5,913 people per annum. The long-term trend (2002-2012) shows a slightly lower average of between 4,946 and 5,220 people per annum.

ONS projections of net migration

3.29 In respect of net-migration projections, net in-migration is projected by the ‘interim’ 2011-based ONS projection to exceed 3,000 people per annum over the Plan period, across the PUSH area. This would represent a significant increase from the 2010-based ONS projections.

²⁶ PUSH modelling approach, Oxford Economics, December 2011, page 23

Table 3.8 ONS Estimates of Net Migration: PUSH area

											Annual average	
	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	2007-2012	2002-2012
Net Migration	1,802	4,197	5,114	7,044	1,354	3,082	4,384	4,562	7,710	5,583	5,373	4,946
Other*	-179	-144	-72	23	116	296	369	568	694	702	-	-
Net Migration and Other Combined Changes	1,623	4,053	5,042	7,067	1,470	3,378	4,753	5,130	8,404	6,285	5,913	5,220

Source: ONS, 2001 - 2011 MYE revised in light of 2011 Census (April 2013), 2012 MYE (June 2013); *Note: includes an ‘unattributable other’ element which the ONS confirm maybe associated with migration, or any other component of population change since 2001, including the 2001 or 2011 Census estimates.

Table 3.9 ONS Migration Estimates and Projections for PUSH, per annum

	2009-13 pa	2014-18 pa	2019-23 pa	2024-28 pa
Interim 2011-based	4,400	3,400	3,200	-
2010-based	2,600	1,000	1,500	3,400
2008-based	5,900	5,000	4,700	5,700
2006-based	4,700	4,100	4,300	5,000
2004-based (revised)	3,300	3,100	3,100	3,800
2003-based	3,700	3,800	4,400	4,300

Source: ONS (rounded to nearest hundred); Note: Migration per annum within range of years indicated (specific year differs by base year of projection)



Summary

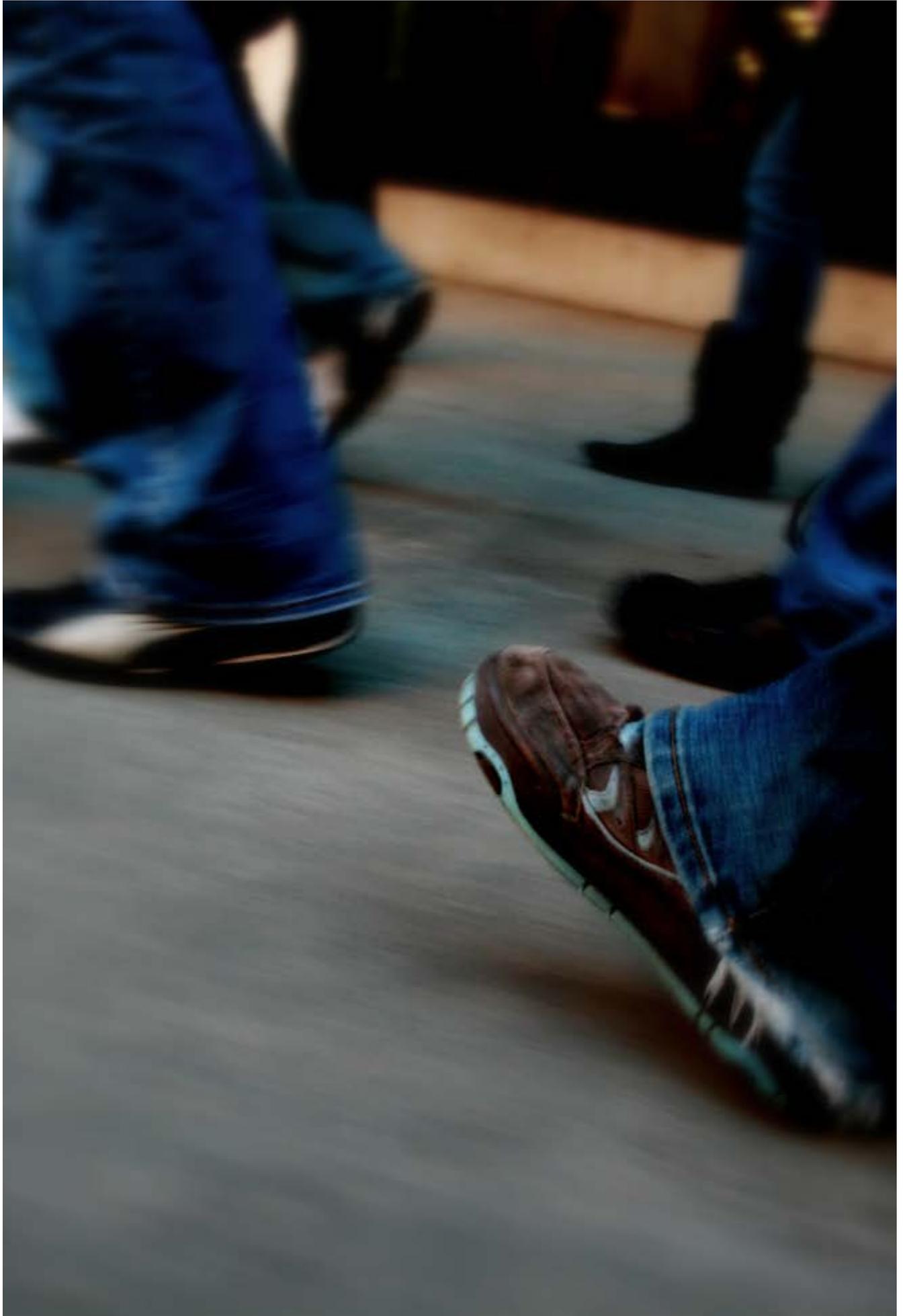
3.30 In summary this section has set out the most up-to-date official population, household and migration projections published by CLG and ONS. The NPPF states that in setting a housing target local plans must meet household and population projections, taking account of demographic change and migration (paragraph 159).

3.31 The most recent 'interim' 2011-based CLG household projection shows growth of 4,160 new households per annum (2011-2021) across the PUSH area. Extrapolated over the full Plan period this would lead to growth of 83,200 new households, but as explained above this is underpinned by very low household formation rates due to recessionary trends. However it remains in excess of the 80,000 new dwellings (2006-2026) planned for in the (revoked) South East Plan.

3.32 The previous 2008-based CLG projection showed growth of approximately 107,000 new households (2011-2031), equating to 5,350 new households per annum. This significantly exceeds the most recent 'interim' 2011-based CLG projection, but in the context of our concerns regarding the 'interim' 2011-based CLG projection, it is considered a starting point from which to assess housing requirements across the PUSH area should be between 4,160 and 5,350 new households per annum, 2011-2031.

3.33 Furthermore given our concerns in respect of the 'interim' 2011-based CLG projections it would be considered prudent to calculate household growth generated by the ONS 'interim' 2011-based sub national population projections based on the household formation rates of the 2008-based and 'interim' 2011-based CLG household projections to provide a range of potential housing growth targets.







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Housing Forecasts Fareham Borough

The Chelmer Population and Housing Model (Chelmer Model) is a demographic housing model that can be tailored to produce bespoke scenarios for demographic change and housing growth.

Introduction

4.1 In the absence of an up to date Strategic Housing Market Assessment (SHMA) for Fareham Borough and the PUSH area (expected imminently); and the Planning Inspector's Report on Fareham's Core Strategy (paragraph 29, 20 July 2011), details of which we have summarised above, this section incorporates bespoke growth forecasts for the administrative area of Fareham.

4.2 The forecasts have been produced using the PopGroup demographic forecasting model. It should be noted that PopGroup is one of only two forecasting models referred to in CLG's 'Strategic Housing Market Assessments: Practice Guidance Version 2' (2007); Chelmer and Popgroup.

Popgroup Demographic Forecasting Model

Introduction

4.3 The POPGROUP model is a demographic model developed to forecast population, households and the labour force. POPGROUP has over 90 users, including academic and public service staff in housing, planning, health, policy, research, economic development, and social services. The model uses standard demographic methods of cohort component projections, household headship rates and economic activity rates. Its flexibility allows integration of official statistics produced by the ONS.

4.4 Using POPGROUP it is possible to develop forecasts of population and household growth that reflects the impact of projected or policy driven economic growth over the forecasting period. In turn the associated housing requirement can be calculated. More information about POPGROUP can be found at <http://www.ccsr.ac.uk/popgroup/index.html>.

PopGroup Methodology applied to Fareham

4.5 In this section we provide scenarios for growth based on the most up-to-date demographic projections and economic forecasts available. It should be noted that the household to dwelling conversion factors for Fareham in the POPGROUP model are based on vacancy, second homes and shared household data sourced from the CLG live tables and the 2011 Census.



4.6 Three scenarios have been developed using PopGroup to provide growth projections for Fareham between 2011 and 2031, as follows:

Dwelling-led:

- Constraining household and population change to the Council’s adopted Core Strategy housing target and the number of dwellings per annum planned for in the Welborne Plan (138 dpa, 2012-2016 and 398 dpa 2016-2026).

Demographic-led:

- For the period 2011-2021, population is constrained to that of the ‘interim’ 2011-based ONS projections;
- For the period 2021-2026, the most recent migration, fertility, and mortality rates available – the ONS 2010-based sub national population projections – are applied;
- The ‘interim’ 2011-based CLG household projections formation rates are applied between 2011-2021, with the most recent for the 2021-2026 period – the 2008-based CLG rates – applied.

Economic-led:

- In this scenario the same fertility, mortality, and household formation rates applied to the demographic-led scenario are applied;
- However the scenario constrains household and population change to the ‘workforce job growth’ forecast by the most recent (May 2013) Experian forecast (486 new jobs per annum, 2012-2026);
- This scenario also uses updated economic activity rates to account for changes in retirement age and increased participation of women.

4.7 The demographic-led scenario models the effect of the ONS interim 2011-based SNPP on growth in Fareham. It is important to note that the interim 2011-based SNPP are policy neutral and do not consider growth in accordance with the economic growth aspirations set out in Government and Local Planning Policy.

4.8 The ONS interim 2011-based SNPP are used to derive a policy neutral dwelling requirement as follows (data sources in brackets):

Interim 2011-based SNPP (ONS)	
Minus	Population not in households (2011 Census population estimates)
Times	Headship rates (interim 2011 based CLG h’hld projections 2011-2021)
Equals	Number of households
Times	vacancy/ shared/ second homes factor (ONS 2011 Census and CLG live tables)
Equals	Dwelling requirement

4.9 At the same time, the size of the labour force and the number of workforce jobs implied by the ONS interim 2011-based SNPP are calculated as follows:

Interim 2011-based SNPP (ONS)	
Times	Economic activity rates (by age and gender; ONS)
Equals	Labour force
Times	Commuting factor (ONS)
Equals	Workforce jobs

4.10 A summary of the POPGROUP results for each scenario is set out below, and the full results sheets are reproduced in the appendices section of this report:



Dwelling-led scenario (326 new dwellings per annum, 2011/12 – 2025/26)

4.11 The first scenario measures the implications on demographic change of the Council's current housing target (138 dpa, 2012-2016, and 398 dpa 2016-2026). The results are summarised in Table 4.1 (below) and set out in full in Appendix 1 of this report.

4.12 The dwelling led scenario set out above highlights the implications of the Council's current housing target (including the allocation at Welborne). Over the remainder of the Plan period (2012-2026) it would result in population growth of 543 people per annum; half that of the ONS interim 2011-based sub national

population projections. This will be generated by net in-migration of only 578 people per annum, significantly lower than past short-term (2007-2012) trends (between 618 and 782 people per annum) and projected levels of net in-migration (900 to 1,000 people per annum, 2011-2021) over the remaining Plan period.

4.13 In short, the provision of 326 new dwellings per annum will not meet demographic led requirements in line with the most recent ONS projections and trends.

4.14 Furthermore this level of housing provision will result in a decline in the working age population, leading to a decline in the resident labour force and

falling job creation. This would conflict with adopted policy, and the aspirations of Central Government as set out in the NPPE, and the most recent Experian workforce jobs forecast which shows growth of 486 new jobs per annum.

Demographic-led scenario

4.15 This second scenario tested with PopGroup is demographic-led and seeks to establish the level of housing growth over the remainder of the Plan period (2012-2026) generated by the most recent demographic projections and trends. The methodology for this scenario is set out above in paragraph 4.6 and the results are summarised in Table 4.2 (below) and set out in full in Appendix 2.

Table 4.1 Dwelling-led POPGROUP scenario, 2011/12-2025/26

	2012	2016	2021	2026	2012-2026 (per annum)
Population	112,305	112,319	116,209	119,909	7,604 (543)
Net Migration	-	169*	764**	910**	9,048 (646)
Working Age Population	64,996	63,130	62,982	61,953	-3,043 (-217)
Labour Force	57,413	56,223	56,522	56,513	-900 (-64)
Jobs	52,262	51,179	51,451	51,443	-819 (-59)
Households	46,990	47,528	49,470	51,411	4,421 (316)
Dwellings***	48,165	48,717	50,707	52,697	4,532 (323)

Source: Appendix 1

*Net-migration per annum over preceding 4-year period;

**Net-migration per annum over preceding 5-year period;

***Includes completions of 275 as reported in the Council's 2012 Annual Monitoring Report

Table 4.2 Demographic-led POPGROUP scenario, 2011/12-2025/26

	2012	2016	2021	2026	2012-2026 (per annum)
Population	113,097	117,439	122,342	126,044	12,946 (925)
Net Migration	-	951*	926**	725**	12,191 (871)
Working Age Population	65,575	66,711	67,051	66,061	486 (35)
Labour Force	57,909	59,349	60,162	60,220	2,311 (165)
Jobs	52,714	54,025	54,764	54,817	2,103 (150)
Households	47,232	49,239	51,606	53,714	6,481 (463)
Dwellings	48,413	50,471	52,896	55,057	6,644 (475)

Source: Appendix 2

*Net-migration per annum over preceding 4-year period;

**Net-migration per annum over preceding 5-year period



4.16 As Table 4.1 (above) shows, the demographic led scenario shows population growth of 925 people per annum, over 100 people per annum less than the ONS interim 2011-based sub national population projections show for the 2011-2021 period (1,040 people per annum). This will be generated by average net in-migration of 871 people per annum, slightly lower than the average net migration projected by the ONS interim 2011-based population projections (900 to 1,000 people per annum, 2011-2021). In this context the demographic-led scenario we present here is considered to be a prudent scenario for growth.

4.17 As we have set out above, this scenario is underpinned by the 'interim' 2011-based CLG household projections which are underpinned by very low household formation rates in the younger age groups (25-44) when compared with the 2008-based CLG household projections. In this context it is considered that the number of dwellings that is generated by this scenario is a conservative projection.

4.18 However despite the conservative nature of the scenario, it shows a requirement for 475 new dwellings per annum, 2012-2026. This is a significant increase from the Council's current target (326

dpa, 2012-2026, including the Welborne Plan) and shows how the Council's target will not meet demographic led requirements based on a conservative modelling scenario.

4.19 Furthermore the demographic led scenario shows very minimal growth in the working age population (31 people per annum, 2012-2026); significantly lower than the most recent (September 2013) Experian workforce jobs growth forecast (486 new jobs per annum). In the context of this Experian projection the demographic led scenario would generate growth of approximately 150 new jobs per annum on the basis of current net out-commuting trends and unemployment.

Economic-led scenario (486 new jobs per annum, 2012-2026)

4.20 This final scenario is set in the context of the NPPF's requirements to consider the economic prospects of an area when setting a housing target, and ensuring that a lack of housing does not create a barrier to economic growth. In addition the draft National Planning Practice Guidance (28 August 2013) states that where the working age population (labour force supply) is less than the projected job growth, this will result in unsustainable commuting patterns and could

reduce the resilience of local businesses. In such circumstances, plan makers will need to consider increasing their housing numbers to address these problems.²⁷

4.21 In the absence of an updated employment forecast within the Council's evidence base, this scenario models the demographic change created; and housing growth required, to meet the most recent (September 2013) Experian 'workforce jobs' growth forecast (486 new jobs per annum, 2012-2026).

4.22 The results of this scenario are summarised in Table 4.3 (below) and set out in full in Appendix 3.

²⁷ 'How should employment projections be taken into account?', National Planning Policy Guidance, 28 August 2013, <http://planningguidance.planningportal.gov.uk/blog/guidance/assessment-of-housing-and-economic-development-needs/what-methodological-approach-should-be-used/>

Table 4.3 Economic-led POPGROUP scenario, 2011/12-2025/26

	2012	2016	2021	2026	2012-2026 (per annum)
Population	113,481	119,079	127,418	136,246	22,765 (1,626)
Net Migration	-	1,299*	1,588**	1,661**	21,440 (1,531)
Working Age Population	65,845	67,818	70,301	72,238	6,393 (457)
Labour Force	58,137	60,273	62,942	65,612	7,475 (534)
Jobs	52,921	54,865	57,295	59,725	6,804 (486)
Households	47,371	49,794	53,356	57,168	9,797 (700)
Dwellings	48,556	51,039	54,690	58,598	10,042 (717)

Source: Appendix 1

*Net-migration per annum over preceding 4-year period;

**Net-migration per annum over preceding 5-year period



4.23 As Table 4.1 (above) shows, the economic led scenario shows population growth of 1,626 people per annum, an increase to the ONS interim 2011-based sub national population (1,040 people per annum). This will be generated by average net immigration of 1,531 people per annum, again an increase to the ONS interim 2011-based net migration projection (900 to 1,000 people per annum, 2011-2021). This increase to the Central Government projections is not considered unrealistic as the projections are based on trends alone, and as the National Planning Practice Guidance states “they (the Government projections) do not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour.”²⁸.

4.24 To balance with the existing net commuting patterns and ensure they are not exacerbated, this scenario shows a requirement for 717 new dwellings per annum, 2012-2026; a significant increase of over 100% from the Council’s existing target (including Welborne). This is the level of growth required to comply with the draft National Planning Practice Guidance (see above) and the economic growth aspirations of the Council and Central Government.

Summary

4.25 The bespoke PopGroup demographic forecasting model scenarios presented in this section provide an up to date objective assessment of housing requirements in Fareham, in line with the requirements of the NPPF and the draft NPPG.

4.26 The dwelling led scenario highlights the implications of the Council’s existing housing target (138 dpa 2012-2026, and 398 dpa 2016-2026 including Welborne) which will not meet demographic led requirements in line with the most recent ONS projections and trends. Furthermore the Council’s target will only serve to weaken the economic potential of Fareham, creating a decline in working age population, the resident labour force, and jobs, conflicting with the NPPF and the draft NPPG.

4.27 The minimum level of growth considered for Fareham should be that which meets demographic change using the most up to date Government projections and estimates. The demographic-led scenario we have presented shows how 475 new dwellings per annum would be required in Fareham, 2012-2026. However this scenario would not create the resident labour force growth required to meet the most recent Experian workforce jobs growth

forecast, conflicting with the requirements of the draft NPPG and the NPPF. Furthermore the scenario is underpinned by the ‘interim’ 2011-based CLG household formation rates which themselves are underpinned by recessionary trends and considered very low. This scenario is therefore considered the minimum requirement to meet demographic change alone.

4.28 The final economic led scenario meets demographic and economic led requirements, and shows a requirement for 717 new dwellings per annum, 2012-2026, over 100% higher than the existing target of the Council. This will generate resident labour force growth to meet the most recent (September 2013) Experian ‘workforce jobs’ forecast (486 new jobs per annum, 2012-2026) and comply with the requirements of the NPPF and the draft NPPG.

4.29 It is imperative to note that the assessment set out above is exclusive of historic undersupply in Fareham.

²⁸ ‘What is the starting point to establish the need for housing?’, National Planning Policy Guidance, 28 August 2013, <http://planningguidance.planningportal.gov.uk/blog/guidance/assessment-of-housing-and-economic-development-needs/what-methodological-approach-should-be-used/>





~5~

PUSH Area Demographic Analysis

“Local planning authorities should assess their development needs working with the other local authorities in the relevant housing market area or functional economic market area in line with the duty to cooperate.” (draft NPPG, August 2013).

Introduction

5.1 This section provides an overview of the Partnership for Urban South Hampshire (PUSH) in which Fareham Borough is located, and the housing requirements forecast by official CLG projections and the individual authorities of PUSH. This is set in the context

of the NPPF’s requirements for Local Authorities to assess housing needs within the HMA, as part of a Strategic Housing Market Assessment (SHMA), and the publication of the SHMA update for the PUSH area, expected in late 2013/early 2014. The central PUSH area incorporates the local authorities of East Hampshire,

Eastleigh, Fareham, Gosport, Havant, Portsmouth, Southampton, Test Valley, and Winchester.

CLG projections and emerging/adopted housing targets

5.2 The key housing figures for the PUSH area are set out in Table 5.1 below:

Table 5.1 Comparison of CLG projections and emerging/adopted housing targets in PUSH

	Emerging/Adopted Local Plan Housing Targets	CLG Household Projections (2008 based/‘Interim’ 2011 based) 2011-2021 Per annum
East Hampshire	592	428 / 464
Eastleigh	534	604 / 537
Fareham	326	436 / 488
Gosport	150	477 / 320
Havant	315	344 / 260
Portsmouth	418-494	1,046 / 597
Southampton	815	1,139 / 779
Test Valley	557	492 / 361
Winchester	625	531 / 354
HMA	4,332 – 4,408	5,497 / 4,160

Note: Figures are rounded to the nearest 50;
Source: New Economy Manchester.



5.3 As we have summarised in Table 5.1 (above), the most recent ‘interim’ 2011-based CLG household projections show growth of 4,160 additional households per annum. In comparison the housing targets of the adopted/emerging plans of the PUSH area show a maximum of 6% higher dwelling provision (4,408 dpa).

5.4 As we have set out above the ‘interim’ 2011-based CLG projections are underpinned by recessionary trends, and are considered as a ‘starting point’ only in assessing housing requirements across the HMA and in individual authorities. This view is reinforced by the National Planning Practice Guidance (28 August 2013) which states the following:

*“The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing.”*²⁹

In this context it is considered prudent to consider the previous 2008-based CLG household projections, underpinned by pre-recessionary trends. As Table 5.1 clearly shows, the 2008-based CLG projection shows 25% higher cumulative housing growth across the PUSH area than is currently being planned for by the constituent local planning authorities.

29 ‘What is the starting point to establish the need for housing?’, National Planning Practice Guidance, 28 August 2013, <http://planningguidance.planningportal.gov.uk/blog/guidance/assessment-of-housing-and-economic-development-needs/what-methodological-approach-should-be-used/>

ONS Population Growth

5.5 The NPPF sets out (paragraph 159) how local planning authorities should set a housing target which meets population and household projections, taking account of migration and demographic change. In this context it is imperative to consider the level of population growth assumed by the most recent ‘interim’ 2011-based ONS sub national population projections (SNPP) set against the 2008-based ONS SNPP. This is set out for the HMA in Table 5.2 below.

5.6 Table 5.2 shows how population growth under the most recent ‘interim’ 2011-based SNPP is only -10% lower than the 2008-based SNPP. The household projections which are underpinned by these projections show a -25% difference, highlighting the significant influence of the recessionary household formation rates of the ‘interim’ 2011-based CLG household projections. The application of the 2008-based CLG household formation rates to the ‘interim’ 2011-based SNPP would result in significantly higher household growth in the PUSH area.

ONS Net Migration Trends

5.7 Net migration trends should also be considered when determining future housing growth, and Table 5.3 (below) sets out the significant level of net in-migration that has been experienced in the PUSH area over the past 5 and 10-year periods.

5.8 Table 5.3 shows how net in-migration over the short-term recessionary period (2007-2012) has been higher than the net in-migration experienced in the PUSH area over the longer term, which incorporated years of economic buoyancy.

5.9 In respect of net-migration projections, reference to the ONS ‘interim’ 2011-based SNPP shows projected net in-migration of only 3,650 people per annum across the PUSH area by the most recent ONS ‘interim’ 2011-based SNPP. Under the pre-recessionary 2008-based SNPP, net in-migration averaging only 5,000 people was projected across the 2011-2028 period in the PUSH area.

Table 5.2 Interim 2011-based SNPP vs. 2008-based ONS SNPP

	ONS 2008-based SNPP 2011-2021	ONS interim 2011-based SNPP 2011-2021
PUSH area	93,100	83,500

Table 5.3 Net Migration Trends: Interim 2011-based SNPP vs. 2008-based ONS SNPP

	Long-term net-migration trend: per annum (2002-2012)	Short-term net-migration trend: per annum (2007-2012)
PUSH area	5,100	5,900

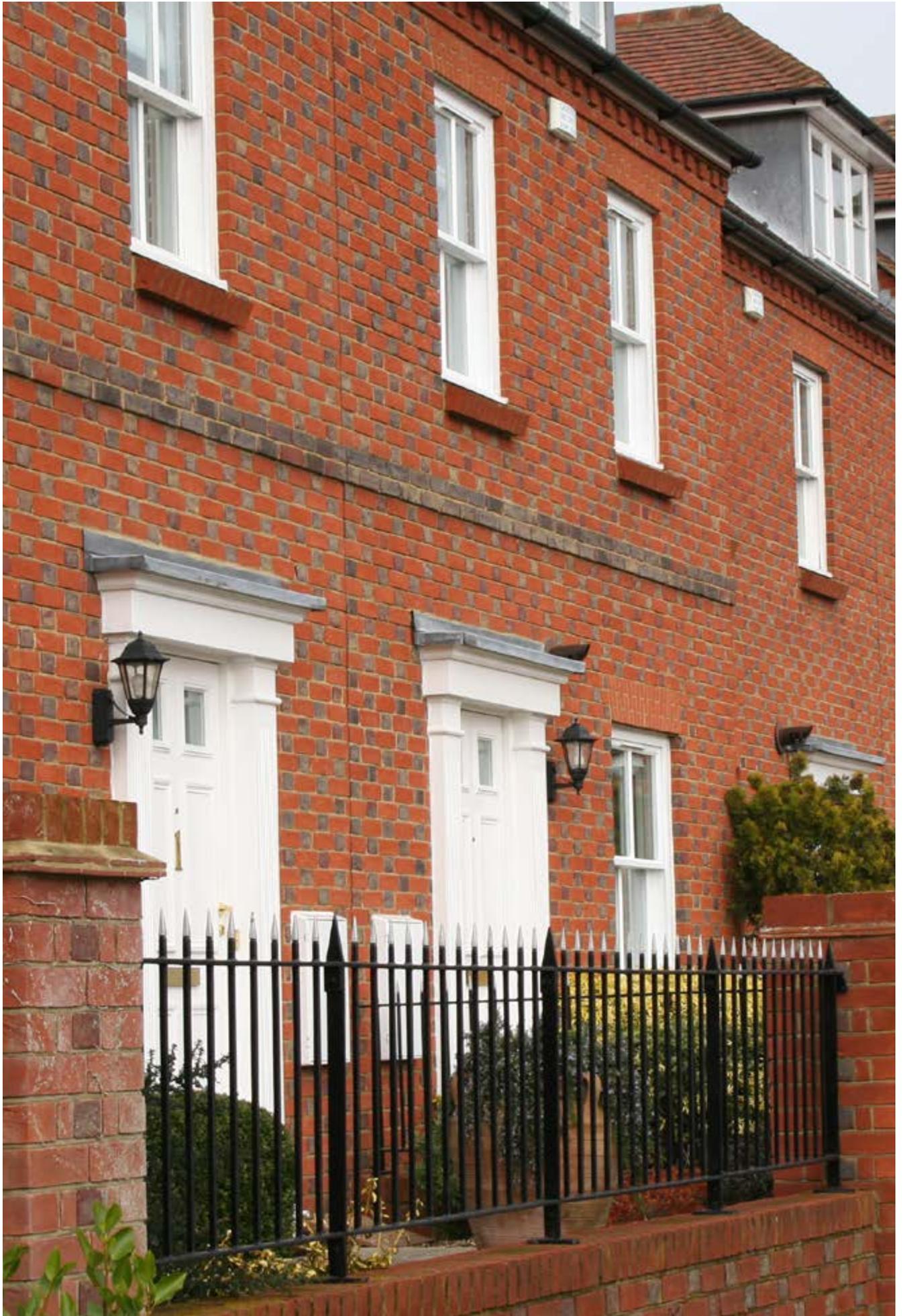


5.10 These net-migration projections underpinned the 2008-based and 'interim' 2011-based population projections and household projections we set out above, and in the context of the trends we summarise in Table 5.3, it is considered they underestimate future net migration and ultimately housing growth across the PUSH area.

Summary

5.11 In summary this section provides a brief summary of demographics across the PUSH area, the main points of which are as follows:

- The recessionary 'interim' 2011-based household projections for the PUSH area are broadly in line with the housing provision proposed by the emerging/adopted Local Plans of the PUSH area;
- However the draft National Planning Practice Guidance (NPPG) warns against projecting housing growth based on recessionary trends;
- The pre-recessionary 2008-based CLG household projections show 25% higher cumulative housing growth across the PUSH area than is currently being planned for by the constituent local planning authorities;
- The 2008-based ONS SNPP is 10% higher than the most recent 'interim' 2011-based SNPP, compared with 25% difference in the 2008 and 'interim' 2011-based CLG household projections they underpin, highlighting the low household formation rates underpinning the latest 'interim' CLG household projection;
- The short-term (2007-2012) net migration trend shows higher net in-migration to the PUSH area over the recessionary period than over the long-term (2002-2012) period. Furthermore the trend is higher than average projected net in-migration, suggesting the ONS 'interim' 2011-based SNPP, and ultimately the CLG household projection it underpins underestimates housing growth in the PUSH area.





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Summary and Conclusions

This report provides a borough-wide assessment of the future housing requirement within Fareham Borough, utilising the most recent Central Government population and household projections, in addition to scenarios generated by the Chelmer Population and Housing Model.

Introduction

6.1 This report provides a Borough-wide assessment of housing requirements within Fareham and the surrounding 'Partnership for Urban South Hampshire' (PUSH) area.

6.2 The NPPF requires Local Planning Authorities (LPAs) to provide a full, objective assessment of need for market and affordable housing (paragraph 47) based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area (paragraph 158). Furthermore the NPPF requires LPAs housing targets to meet household and population projections, taking account of migration and demographic change (paragraph 159).

Fareham Borough

6.3 As we have set out above the Fareham Core Strategy was adopted on 4 August 2011, and policy CS2: 'Housing Provision' planned for growth of 3,729 new dwellings, 2006-2026 (186 dpa), excluding the Fareham Strategic Development Area (SDA), for which 10,000 new dwellings (2006-2026) were planned in the (revoked) South East Plan (SEP). However the Borough-wide figure was revised to 138 dpa, 2012-2026, in the Council's Local Plan Part 2 (October 2012).

6.4 The SEP allocation of 10,000 new dwellings at the Fareham SDA, 2006-2026, was revised to 6,500 new dwellings as part of the Council's Welborne Plan, to be provided over 25 years starting from 2016/17 (260 dpa). Due to the slow delivery of the Welborne Plan, now scheduled to begin in 2016/17, in total the Council are therefore planning for growth of approximately 4,570 new dwellings, 2011/12 to 2025/26 (326 dpa).

6.5 In the context of the NPPF's requirements the most recent 'interim' 2011-based CLG household projection shows growth of 488 new households per annum in Fareham Borough (2011-2021) which represents a significant increase from the 2008-based CLG projection (436 hpa, 2011-2021), despite the 'interim' 2011-based CLG household projections being underpinned by very low recessionary household formation rates. Both figures significantly exceed the Council's current housing target of 326 dpa, including the Welborne Plan.



6.6 However as the draft National Planning Practice Guidance (NPPG) sets out, “household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need.”³⁰ The starting point in Fareham should therefore be 488 new households per annum.

6.7 To provide a full objective assessment of housing requirements in Fareham we have utilised the PopGroup Demographic Forecasting Model to run three forecast scenarios.

The dwelling led scenario highlights the implications of the Council’s existing housing target (326 dpa, including the Welborne Plan) and shows how the target will fail to meet demographic led requirements in line with the most recent ONS projections and trends, and only serve to weaken the economic potential of Fareham, creating a decline in working age population, the resident labour force, and jobs, conflicting with the NPPF and the draft NPPG.

6.8 The minimum level of growth considered for Fareham should be that which meets demographic change using the most up to date Government projections and estimates. The demographic-led scenario we have presented shows how 475 new dwellings per annum would be required in Fareham, 2012-2026. However this scenario would not create the resident labour force growth required to meet the most recent Experian workforce jobs growth forecast, conflicting with the requirements of the draft NPPG and the NPPF. Furthermore the scenario is underpinned by the ‘interim’ 2011-based CLG household formation rates which themselves are underpinned by recessionary trends and considered very low. This scenario is therefore considered the minimum requirement to meet demographic change alone.

6.9 Finally the economic led scenario meets demographic and economic led requirements, and shows a requirement for 717 new dwellings per annum, 2012-2026, over 100% higher than the existing target of the Council. This will generate resident labour force growth to meet the most recent (September 2013) Experian ‘workforce jobs’ forecast (486 new jobs per annum, 2012-2026) and comply with the requirements of the NPPF and the draft NPPG.

6.10 In this context to meet the requirements of the NPPF and the draft NPPG there is a requirement to provide 717 new dwellings per annum in Fareham between 2012 and 2026.

6.11 This should also be considered in the context of the acute affordability problem evident in the Borough, highlighted by CLG’s live tables on the number of households on the Council housing waiting list. This source shows a 187% increase in the number of households (735 to 2,113 households) on the waiting list over the past seven years (2005-2012).

PUSH area

6.12 In addition to our assessment of Fareham Borough we have provided an analysis of housing need across the PUSH area within which Fareham is located. This set in the context of the NPPF’s requirements to consider housing need within the Housing Market Area (HMA).

6.13 Our analysis has shown how the combined housing targets of the PUSH LPAs (4,332 to 4,408 new dwellings per annum) slightly exceeds the most recent ‘interim’ 2011-based CLG household projections (4,160 households per annum). However allowing for vacant dwellings at an average of 3% though this would equate to broadly similar dwelling need (4,284 dwellings per annum).

6.14 However as we have set out above the ‘interim’ 2011-based CLG household projections are underpinned by recessionary trends and should therefore be treated with caution and as a starting point only as part of an objective assessment of housing need. In this context the pre-recessionary 2008-based CLG household projections show 25% higher household growth (5,497 households per annum) than the number of dwellings planned for in the PUSH area.

³⁰ ‘With whom do local planning authorities need to work?’, National Planning Policy Guidance, 28 August 2013, <http://planningguidance.planningportal.gov.uk/blog/guidance/assessment-of-housing-and-economic-development-needs/what-methodological-approach-should-be-used/>



6.15 The range of housing growth in the PUSH area should therefore be considered as between 4,160 and 5,497 new households per annum.

6.16 Furthermore to support the requirement for significantly higher dwelling provision across the PUSH area, net migration trends over the recessionary period (2007-2012) exceed the net migration projections which have underpinned the pre recessionary 2008-based, and 'interim' 2011-based population and household projections, suggesting that growth of 4,160 to 5,497 new households per annum is a conservative projection of household growth for the PUSH area.

Summary

6.17 In summary this report shows a minimum requirement for 475 new dwellings per annum in Fareham Borough, 2012-2026, particularly in respect of the slow delivery of the Welborne Plan. However to meet the requirements of the NPPF, the draft NPPG, and local economic aspirations, growth of 717 new dwellings per annum 2012-2026 is required.

6.18 It should be noted that this assessment is exclusive of historic undersupply in Fareham or indeed in the PUSH area.





Addendum
Housing Need Assessment



NEWLANDS



LAND SOUTH OF LONGFIELD AVENUE, FAREHAM

January 2014



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Open House
The Local Housing Toolkit



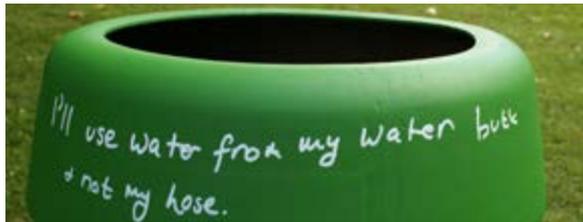
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“We have a simple choice. We can decide to ignore the misery of young families forced to grow up in tiny flats with no outside space. We can pass by on the other side while working men and women in their twenties and thirties have to live with their parents or share bedrooms with friends. We can shrug our shoulders as home ownership reverts to what it was in the 19th century: a privilege, the exclusive preserve of people with large incomes or wealthy parents...”





"...Or we can accept that we are going to have to build on previously undeveloped land and resolve that we will make these decisions locally and build beautiful places like we used to."(Nick Boles MP, January 2013)





~1~

PUSH Area Assessment Of Housing Need

“It is inappropriate and perverse for a strategy which seeks to increase jobs to be accompanied by a low level of housing based on demographic projections with low migration trends. This is because the ambition for new jobs is only likely to be achieved by the immigration of economically active people.”

(Planning Advisory Service, 2013)

Introduction

1.1 This addendum supports the Open House report produced by Barton Willmore in autumn 2013, and provides an assessment of economic led housing requirements in the core Partnership for Urban South Hampshire (PUSH) area. The assessment has been produced using the PopGroup demographic forecasting model to provide consistency with the modelling scenarios included in the Open House report for Fareham Borough.

1.2 We provide two scenarios in this addendum as follows:

- **Economic-led**, balancing working age (16-68 years of age) population growth with the most recent (September 2013) Experian workforce jobs growth forecast.
- **Dwelling-led**, to show the change in working age population growth generated by the existing housing targets of the PUSH local authorities.





~2~

Economic Led PopGroup Forecasting

“Plan makers should make an assessment of the likely growth in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area.”

(Draft National Planning Practice Guidance, August 2013)

2.1 Table 1 (below) sets out change in dwellings by local authority and core PUSH area, required to ensure a balance between working age population (16-68 years) and Experian job growth.

2.2 The modelling shows how Experian forecast ‘workforce jobs’ growth of 92,120 new jobs, 2011-2031 (4,606 new jobs per annum) across the PUSH core area. The economic led model has therefore

been constrained to grow the working age (16-68 years) by the same number as the workforce jobs growth number in each of the authorities.

Table 2.1 Table 1: Dwelling growth required to balance working age (16-68) population growth with Experian job growth forecasts in the PUSH core area, 2011-2031

	Experian Jobs Growth (per Annum)	Total Dwellings in 2011	Total Dwellings in 2031	Change in total dwellings (per annum)
Eastleigh	13,920 (696)	53,895	69,670	15,775 (789)
Fareham	11,180 (559)	47,870	61,866	13,996 (700)
Gosport	3,400 (170)	37,010	45,392	8,382 (419)
Havant	7,900 (395)	52,934	66,554	13,621 (681)
Isle of Wight	11,420 (571)	67,007	89,369	22,362 (1,118)
Portsmouth	21,540 (1,077)	89,310	108,673	19,363 (968)
Southampton	22,760 (1,138)	102,101	123,073	20,971 (1,049)
PUSH CORE	92,120 (4,606)	450,128	564,597	114,470 (5,724)

*This scenario is underpinned by recessionary ‘interim’ 2011-based CLG household formation rates between 2011 and 2021, and a return to the pre recessionary 2008-based household formation rates between 2021 and 2031. A return to pre recessionary household formation rates prior to 2021 will result in an increase to these figures.



2.3 The individual dwelling need in each authority is set out in Table 1 (above), and shows a total PUSH area requirement for 114,470 new dwellings, 2011-2031 (5,724 dwellings per annum) to ensure that working age population growth balances with the job growth forecast of Experian.

2.4 This is set in the context of the draft National Planning Practice Guidance which states the following:

“Where the supply of working age population (labour force supply) is less than the projected job growth, this will result in unsustainable commuting patterns and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider increasing their housing numbers to address these problems.”

2.5 The number of dwellings required by this scenario is an 81% increase from the dwellings planned for by the local authorities of the core PUSH area (3,169 dwellings per annum). In the following section we use the PopGroup model to assess the implications of the existing planned level of housing provision across the core PUSH area.





~ 3 ~

Dwelling Led PopGroup Forecasting

“Where the supply of working age population (labour force supply) is less than the projected job growth, this will result in unsustainable commuting patterns and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider increasing their housing numbers to address these problems.”

(Draft National Planning Practice Guidance, August 2013)

Table 3.1 Local Plan led change in working age (16-68 years of age) population in the PUSH core area local authorities

	Local Plan Dwellings (Per Annum)	Total Working Age Population (16-68) 2011	Total Working Age Population (16-68) 2031	Change in Working Age (16-68 years) Population 2011-2031 (per annum)
Eastleigh	11,260 (563)	85,973	92,017	6,044 (302)
Fareham	6,460 (323)	75,059	72,753	-2,306 (-115)
Gosport	3,000 (150)	55,636	50,776	-4,860 (-243)
Havant	6,300 (315)	79,252	75,348	-3,904 (-195)
Isle of Wight	10,400 (520)	90,728	85,435	-5,293 (-265)
Portsmouth	10,060 (503)	146,483	150,154	3,671 (184)
Southampton	15,900 (795)	170,689	183,335	12,646 (632)
PUSH CORE	63,380 (3,169)	703,820	709,818	5,998 (300)

*This scenario is underpinned by recessionary ‘interim’ 2011-based CLG household formation rates between 2011 and 2021, and a return to the pre recessionary 2008-based household formation rates between 2021 and 2031. A return to pre recessionary household formation rates prior to 2021 will result in an increase to these figures.



3.1 In the context of the growth required to meet economic led need, this section models the implications of the planned level of housing provision across the PUSH area.

3.2 At the present time, 3,169 new dwellings per annum are planned for in the adopted/emerging development plans of the PUSH local authorities.

3.3 Specifically, Table 2 (below) sets out the implications for the working age population of the PUSH area in the context of the draft NPPG requirement for local authorities to balance working age population growth with job growth forecasts.

3.4 As Table 2 shows (column 5), the existing housing targets of Fareham, Gosport, Havant, and the Isle of Wight will result in a decline of the working age population, in stark contrast to the Experian job growth forecasts set out in Table 1 (column 2).

3.5 The remaining local authorities (Eastleigh, Southampton, and Portsmouth) will experience an increase in the working age, but significantly lower than the Experian job growth forecasts.

3.6 Overall, the PUSH area will experience working age population growth of 6,000 people (300 per annum), 2011-2031; a significant deficit from the growth of 92,120 people of working age (4,606 people per annum) required to balance forecast job growth with working age population growth.





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Comparison Of Dwelling & Economic Led Scenarios

The existing Local Plans of the PUSH core area plan for 3,169 new dwellings per annum; a significant deficit from the 5,724 new dwellings per annum required to accommodate forecast job growth.

4.1 Table 3 (below) provides a comparison of the information we have set out in tables 1 and 2 (above). The two columns illustrate the significant deficit in both working age population change, and overall dwelling need across the PUSH area, when the economic and dwelling led scenarios are compared.

Table 4.1 Comparison of working age population change and dwelling requirements in the PUSH core area (local plan dwelling led scenario vs. Experian economic led scenario)

	Dwelling Led vs. Economic Led Working Age Population Change, 2011-2031 (per annum)	Dwelling Led vs. Economic Led Overall Housing Need change, 2011-2031 (per annum)
Eastleigh	-7,876 (-394)	-4,515 (-226)
Fareham	-13,486 (-674)	-7,536 (-377)
Gosport	-8,260 (-413)	-5,382 (-269)
Havant	-11,804 (590)	-7,321 (-366)
Isle of Wight	-16,713 (-836)	-11,962 (-598)
Portsmouth	-17,869 (-893)	-9,303 (-465)
Southampton	-10,114 (-506)	-5,071 (-254)
PUSH CORE	-86,122 (-4,306)	-51,090 (-2,555)

*This scenario is underpinned by recessionary 'interim' 2011-based CLG household formation rates between 2011 and 2021, and a return to the pre recessionary 2008-based household formation rates between 2021 and 2031. A return to pre recessionary household formation rates prior to 2021 will result in an increase to these figures.



4.2 Column 2 of Table 3 (above) compares the working age population change, 2011-2031, of the dwelling led scenario (Table 2, column 5) with the working age population change, 2011-2031, required in order to balance working age population with the Experian job growth forecasts.

4.3 Column 2 shows how the housing targets of all seven local authorities of the PUSH area will generate a deficit in the required working age population growth when compared with the growth required by the economic led scenario (Table 1). Across the PUSH area, the deficit in working age population will be approximately 86,000 people.

4.4 Secondly, column 3 of Table 3 shows the deficit of dwelling growth currently planned for by the local authorities of the PUSH area, against the dwelling provision required to support the Experian led working age population growth.

4.5 As with the working age comparison, there is a significant deficit across all seven local authorities in respect of the dwelling growth required to meet economic led need, ranging from a deficit of -4,515 dwellings (2011-2031) in Eastleigh to -11,962 dwellings on the Isle of Wight. Cumulatively the deficit will be -51,090 dwellings, 2011-2031 (-2,555 dwellings per annum).

4.6 In the following section we assess the economic implications of the deficit in housing need.



~5~

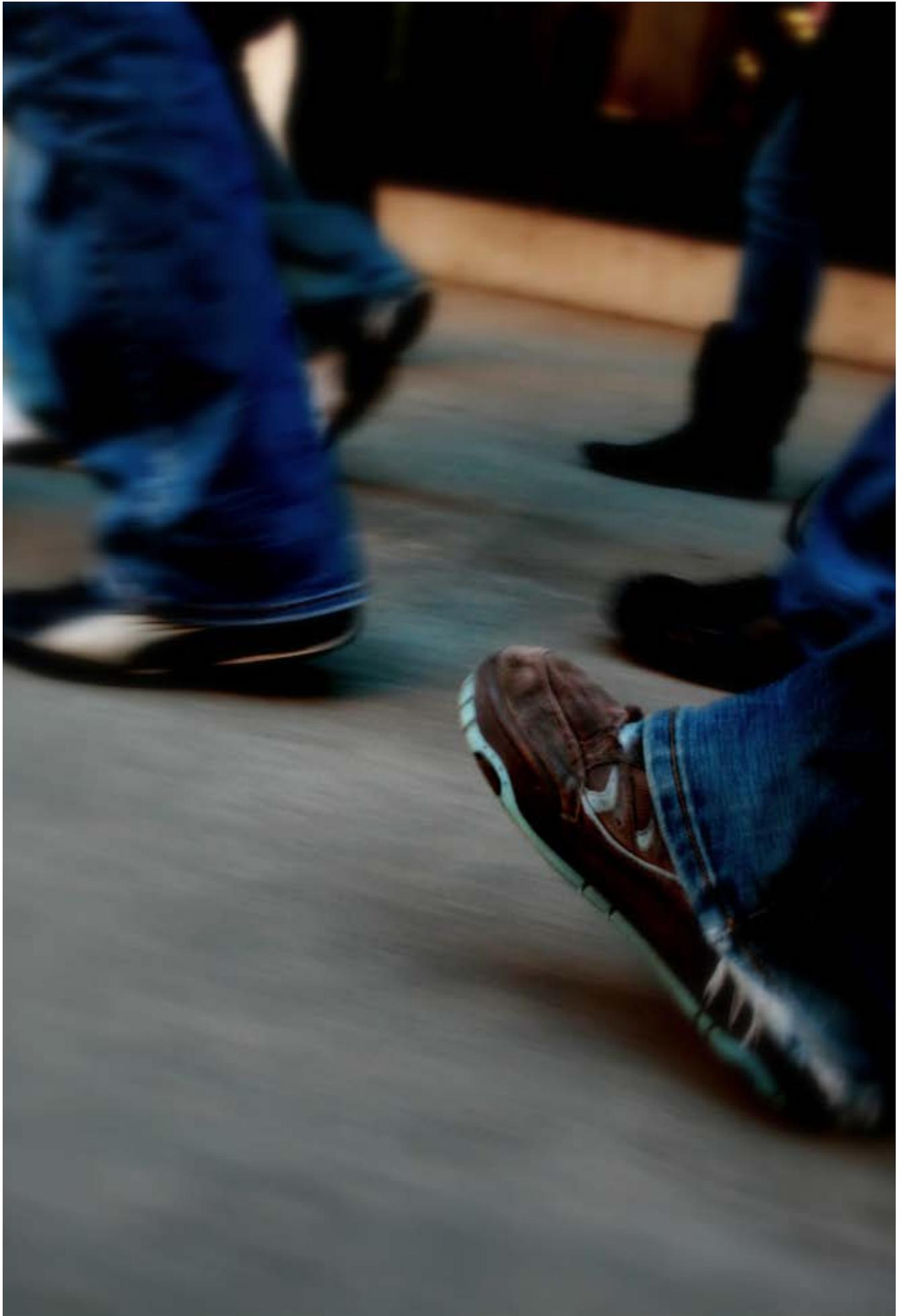
PUSH Area – Key Economic Headline Figures

The existing Local Plan housing targets have the potential to create significant economic loss to the PUSH core area.

Introduction

5.1 This section provides a headline economic appraisal of the economic implications of the PUSH area authorities providing the existing local plan housing targets. This is set against the economic output that will result from the economic led housing targets we have set out above. The main headlines are as follows:

- If Local Authorities within PUSH continue with their respective housing targets, this could lead to a total loss of £3.2bn to the PUSH economy between 2011-2031;
- The PUSH economy could lose up to £800m in expected household retail and leisure expenditure, if the current PUSH LPA's housing targets stay the same.





~6~

PUSH Area – GVA Contribution

Existing Local Plan targets will lead to a loss of £3.2billion in lost GVA between 2011 and 2031.

Table 6.1 PUSH'S economic contribution (GVA) to the UK economy generated by change in working age population (local plan dwelling led scenario vs. Experian economic led scenario), 2011-2031

	Dwelling-Led Total Economic Output (GVA) (2011-2031)	Economic-Led Total Economic Output (GVA) (2011-2031)
Eastleigh	£227,777,866	£524,597,600
Fareham	-£86,905,321	£421,336,291
Gosport	-£183,156,921	£128,134,471
Havant	-£147,128,522	£297,724,213
Isle of Wight	-£199,475,223	£430,381,077
Portsmouth	£138,347,542	£811,769,563
Southampton	£476,584,860	£857,747,226
PUSH CORE	£226,044,282	£3,471,690,442



6.1 Gross Value Added (GVA) data can be used to provide an estimate of a local area's contribution towards the UK economy. New homes accommodate a growing workforce which delivers economic output.

6.2 Table 4 shows the economic contribution generated by the change in the number of working age population with the latest (September 2013) Experian workforce jobs forecast)

6.3 Experian Labour Market Statistics provide data on total GVA output and workforce jobs at a district level. By using the latest data it has been established that within the PUSH area, GVA per worker is £37,687 per annum (Experian Labour Market Statistics, 2006 – 2010). GVA per worker is the economic contribution an individual worker in the PUSH area contributes to the UK economy.

i) Economic-Led Need

6.4 Based on the latest (September 2013) Experian Job Growth forecasts for the PUSH area, an additional 92,120 jobs will be created, 2011-2031, contributing an estimated £3.5bn between 2011 and 2031 (based on current values). This is assuming all new people work within the PUSH area and take up the new jobs, and assumes a 1:1 ratio between working age (16-68) population growth and job growth as set out in the draft National Planning Practice Guidance (NPPG).

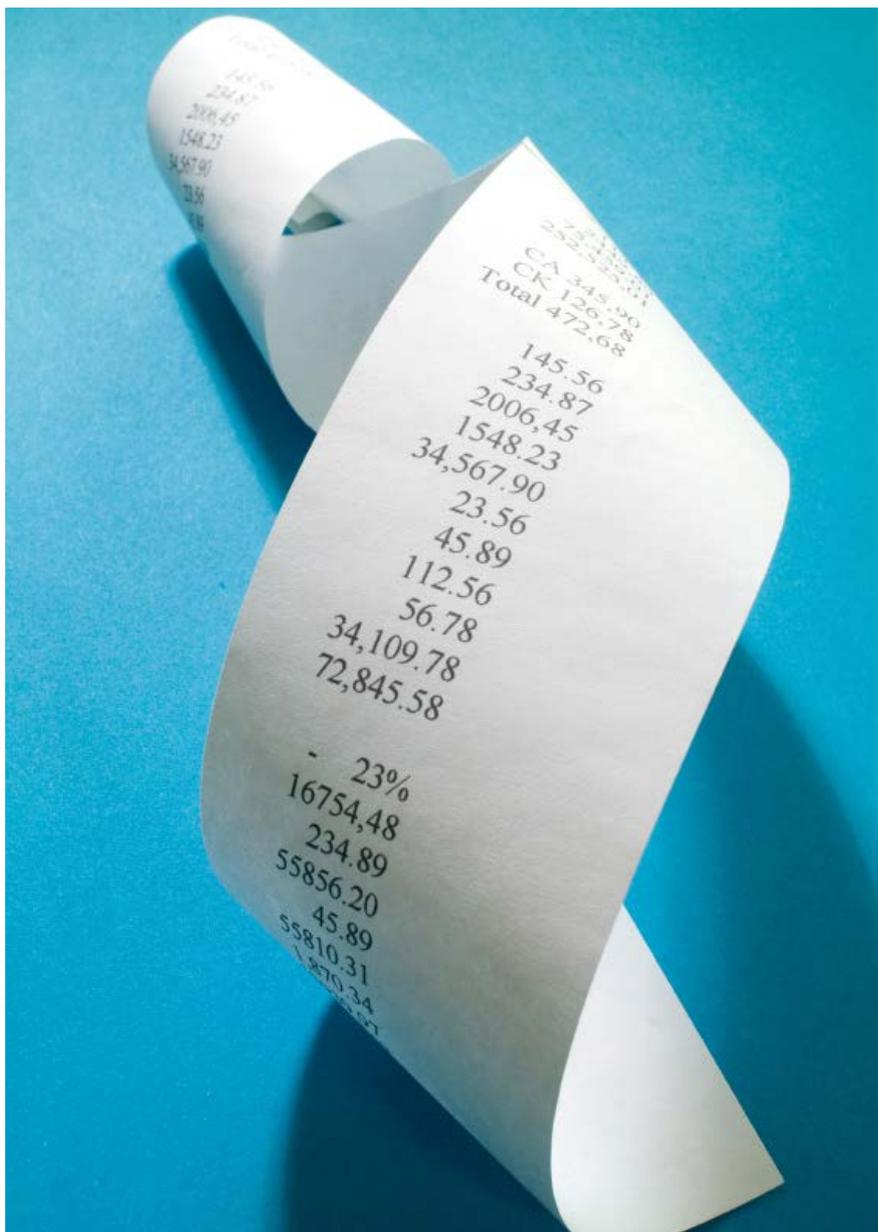
ii) Dwelling-Led (Local Plan) growth

6.5 In contrast, the change to the working age population generated by the existing Local Plan Targets set cumulatively by the PUSH area Local Authorities is 5,998 people of working age (16-68 years), 2011-2031, as set out in Table 2 (above).

6.6 Taking into account the annual GVA per worker (£37,687 per annum) and the extra 5,988 working age population generated through the Local Plan housing targets of the PUSH local authorities, we estimate the additional working age population will contribute £226m over 20 years (2011-2031) to the local economy. Similarly to the Economic-led scenario, this is if we assume all new working age (16-68 years) people work within the PUSH area and take up the new jobs.

iii) Dwelling-Led v Economic-Led growth

6.7 When comparing the economic outputs (GVA) from both the economic-led and dwelling-led scenarios, we have calculated a deficit of £3.2bn over 20 years (2011-2031) if the Councils pursue their existing housing targets.





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PUSH Area – Commercial Expenditure

Existing Local Plan targets will lead to a loss of £800m in commercial household expenditure, 2011-2031

7.1 Experian provides up to date retail and leisure expenditure data for all local authorities across the UK. Experian report (Experian Retail Planner Data, 2012) that the average annual household expenditure within the PUSH area on convenience (food), comparison (non-food), and leisure goods and services is as follows:

- Convenience - £4,350 per household per annum
- Comparison - £6,440 per household per annum
- Leisure - £5,710 per household per annum

Table 7.1 Total Commercial Expenditure Generated by Future Dwelling Requirements in the PUSH area, 2011-2031

	Dwelling-Led Total Commercial Expenditure (2011-2031)	Economic-Led Total Commercial Expenditure (2011-2031)
Eastleigh	£185,886,514	£260,422,714
Fareham	£106,645,371	£231,053,966
Gosport	£49,525,714	£138,374,846
Havant	£104,004,000	£224,863,251
Isle of Wight	£171,689,143	£369,164,674
Portsmouth	£166,076,229	£319,655,469
Southampton	£262,486,286	£346,201,251
PUSH CORE	£1,046,313,257	£1,889,736,171



7.2 Column 2 of Table 5 (above) shows the total commercial (leisure/retail) expenditure (£) generated by each local authority of the PUSH core area. The totals are provided under the two scenarios (dwelling led and economic led) we have presented earlier in this report.

7.3 Table 5 shows how the existing housing targets of the PUSH core area local authorities will generate a total of £1.1bn through retail and leisure expenditure. In comparison, the working age population created by the economic led scenario will generate expenditure of £1.9bn, almost double the dwelling led figure.





~8~

Summary

8.1 In summary this addendum shows the significant deficit in planned housing provision (-50,000 dwellings, 2011-2031) across the PUSH area when compared with the level of housing provision needed to support the latest job growth forecasts from Experian.

8.2 This deficit will have severe economic implications for the PUSH area, resulting in lost GVA of £3.2bn and lost commercial expenditure of approximately £800m, 2011-2031.

8.3 This should also be considered a prudent level of economic growth, as the Experian forecasts do not take into account the impact of central Government's Local Enterprise Partnerships (LEPs).



Technical Note
South Hampshire Strategic Housing
Market Assessment (SHMA)



NEWLANDS



LAND SOUTH OF LONGFIELD AVENUE, FAREHAM

January 2014



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Date:	30/01/14
Prepared by:	Dan Usher
Checked by:	Gemma Care



Open House
The Local Housing Toolkit



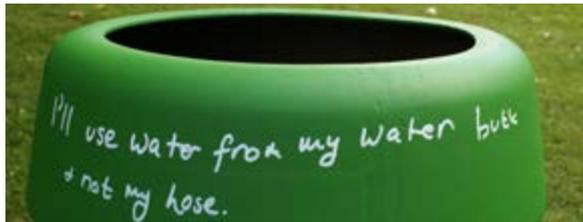
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3. Summary Of PUSH Shma Results For Fareham Borough	8



“We have a simple choice. We can decide to ignore the misery of young families forced to grow up in tiny flats with no outside space. We can pass by on the other side while working men and women in their twenties and thirties have to live with their parents or share bedrooms with friends. We can shrug our shoulders as home ownership reverts to what it was in the 19th century: a privilege, the exclusive preserve of people with large incomes or wealthy parents...”





"...Or we can accept that we are going to have to build on previously undeveloped land and resolve that we will make these decisions locally and build beautiful places like we used to."(Nick Boles MP, January 2013)





~1~

Introduction

This addendum has been prepared in response to the publication (January 2014) by GL Hearn of the ‘South Hampshire Strategic Housing Market Assessment’ (SHMA).

1.1 The SHMA covers a range of topics related to the housing market in the South Hampshire area, covering a number of local authorities. However this addendum refers to the objective assessment of overall housing need for Fareham Borough.

1.2 Below we summarise the methodology used in the SHMA to determine overall housing need in Fareham based on a range of demographic and economic led scenarios. We then move on to summarise the results of the SHMA scenarios in the context of our own PopGroup scenarios presented in the Barton Willmore Open House report (November 2013).





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PUSH SHMA Methodology

The methodology used in the PUSH SHMA is explained as follows by GL Hearn:

“Our methodology used to determine population and household growth and housing needs is based on fairly standard population projection methodology consistent with the methodology used by ONS and CLG in their population and household projections. Essentially the method establishes the current population and how will this change in the period from 2011 to 2036.

This requires us to work out how likely it is that women will give birth (the fertility rate); how likely it is that people will die (the death rate) and how likely it is that people will move into or out of each District. These are the principal components of population change and are used to construct our principal trend-based population projections.”¹

2.1 It should be noted that GL Hearn’s methodology is similar to that of demographic forecasting models such as PopGroup, which has been utilised in the Barton Willmore Open House report (November 2013). It is considered to incorporate a logical approach to determining overall housing need in an area..

¹ Page 21, South Hampshire Strategic Housing Market Assessment, Version 1: January 2014; Appendices





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Summary Of PUSH Shma Results For Fareham Borough

The PUSH SHMA recommends overall housing need for Fareham Borough of 395 new dwellings per annum. The SHMA shows how this would create growth of 80 jobs per annum.

3.1 This level of growth is drawn from an average of the scenarios the PUSH SHMA terms 'PROJ2' and 'PROJ2A', the first of which uses the household formation rates of the recessionary based 'interim' 2011-based CLG household projections; and the second which provides a sensitivity scenario using the pre recessionary 2008-based CLG household formation rates.

3.2 As discussed in our Open House report, the household formation rates of the 'interim' 2011-based CLG household projections should be treated with caution, as they are underpinned by recessionary trends in household formation, particularly in the younger age groups (25-44 years of age). These trends are not expected to continue over a 20-year Plan horizon as the economy moves out of recession. Notwithstanding this all of the PUSH SHMA scenarios use these recessionary household formation rates, with the exception of scenario 'PROJ2A' referred to above.

3.3 The housing growth scenario (PROJ2/PROJ2A) recommended by the PUSH SHMA would only create growth of only 1,600 new jobs 2011-2031 (80 new jobs per annum); an 85% deficit from the Experian forecasts reported by the PUSH SHMA (504 to 584 jobs per annum), and the Open House report (486 new jobs per annum).

3.4 The PUSH SHMA also incorporates economic led scenarios for growth in Fareham, based on a range of job growth (504-584 jobs per annum), and showing a requirement for between 650 and 704 new dwellings per annum, significantly higher than the SHMA's recommendation (395 dwellings per annum).



Table 3.1 Fareham Borough: Key Housing Figures

SOURCE	Dwellings per annum
Local Plan	323
PUSH recommendation (demographic led)	395
Open House demographic led	475
PUSH economic led	650-704
Open House economic led	717

3.5 However it is a key point that the economic led scenarios of the PUSH SHMA are underpinned by the household formation rates of the recessionary based 'interim' 2011-based CLG household projections only. In the event of a sensitivity scenario using pre recessionary 2008 based household formation rates, as with PROJ 2/ PROJ 2A, a significantly higher number of dwellings would be required.

3.6 The economic led growth of 650-704 new dwellings per annum in Fareham as set out in the PUSH SHMA is therefore the minimum level of economic led growth that can be expected, as the scenarios are underpinned by the 2011 based recessionary household formation rates only; there is no sensitivity scenario using pre-recessionary rates as with the PROJ2A scenario recommended by the SHMA.

3.7 The Barton Willmore Open House report we have produced provides the economic led sensitivity scenario the PUSH SHMA fails to include, albeit we incorporate the recessionary household formation rates of the 'interim' 2011-based CLG household projections up to 2021, with a return to the pre recessionary trend after 2021.

3.8 The Barton Willmore Open House economic led scenario is therefore considered prudent, particularly in the context of the PUSH SHMA's 'PROJ2A' scenario which applies the pre recessionary 2008-based CLG household formation rates from 2011 onwards. Notwithstanding this the Open House economic led scenario shows overall economic led need of 717 new dwellings per annum, a significant increase from the recommendation of the PUSH SHMA, but broadly consistent with the SHMA's own economic led conclusions.

3.9 Table 3.1 sets out the key figures to be considered in Fareham:

3.10 In short, the recommended target of the PUSH SHMA is demographic led, and fails to take account of the clear economic growth aspirations of the Council and Central Government. Limiting provision to 395 dwellings per annum will stymie economic growth in Fareham and the surrounding area, as set out in the Open House addendum (December 2013).

APPENDIX 3

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21743/A3/GC/dw

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30th April, 2014

Dear Mr. Jolley,

FAREHAM LOCAL PLAN - SHAPING FAREHAM'S FUTURE
LOCAL PLAN PART 2
DEVELOPMENT SITES AND POLICIES - PUBLICATION PLAN
FEBRUARY 2014

We write on behalf of our client, Hallam Land Management Ltd. (HLM) in response to the above public consultation on the Council's Development Sites and Policies Plan (DSP). We are grateful for the opportunity to submit late representations and would appreciate your confirmation that, as per discussions with the Planning Policy department at the Council, these representations will be regarded as duly made and forwarded to the Planning Inspectorate for consideration.

We confirm our desire to participate in the forthcoming Examination, as indicated within our previous submissions. HLM have significant land interests in the Borough and are keen to ensure that their case is heard in full by the Inspector given the potential implications for the Plan and the relative complexity of the issues at hand.

Within this submission we consider the key issue of housing requirements for Fareham and how this impacts upon the soundness of the DSP as a whole. This is followed by a consideration of the approach taken within the DSP to settlement boundaries, strategic gaps, housing supply and economic growth.

ROLE OF THE DSP & THE STRATEGIC APPROACH TO HOUSING DELIVERY

Paragraph 1.6 of the DSP explains that the document has been prepared in accordance with the adopted Core Strategy (CS). The CS was formally adopted in 2011 and sets out the development strategy for the Borough from 2006 to 2026. The DSP follows the same timescale. Paragraph 1.7 states that the CS sets out a Vision for Fareham, key elements of which are the provision of **3,729 new dwellings** across the Plan period, with priority given to previously developed land and the provision of affordable housing. The role of the DSP is to identify development sites and development management policies for the Borough, excluding the planned new community to the north of Fareham, Welborne, and help deliver the Vision and Strategic Objectives of the CS.



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HLM are concerned that the DSP is fundamentally unsound given that it is not based on an objective assessment of housing need, and seeks to implement an outdated spatial strategy (the CS) which we suggest is in need of review.

It is important to note from the very outset that HLM fully support the principle of the additional housing growth in the Fareham Borough. That said, HLM wish to highlight the requirement placed upon the Council by Central Government to identify housing requirements which are based upon an up to date and robust objective assessment of housing need. The recently published Planning Policy Guidance (PPG), (6th March, 2014), states that:

"The assessment of development needs is an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints. However, these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans".¹

The PPG is clear that the objective assessment of need should not be constrained. The consideration of whether need can be supplied in the area should be addressed only once the full objective assessment of need has been determined. The PPG goes on to highlight the requirement to assess need across local authority boundaries and not just within an individual authority.

HLM are gravely concerned that in respect of development needs the DSP fails to meet the requirements of the NPPF or the PPG and that the Plan is unsound on this basis. Our representations largely relate to the need for the Council to plan appropriately to meet the shortfall of housing against its objectively assessed housing requirements in line with the requirements of the NPPF. The Council must provide sufficient housing to support future population growth - as it stands, HLM have significant concerns that the Council is not planning for sufficient new housing to meet objectively assessed needs and suggest that the development strategy for the Borough, as it stands, needs to be reconsidered.

It is in this context that the following comments are made.

Objectively Assessed Needs

Barton Willmore has produced a Borough wide assessment of the future housing requirement within the Fareham Borough (Fareham Housing Need Assessment) which utilises the most recent Central Government population and household projections, in addition to scenarios generated by the Chelmer Population and Housing Model. A full copy of the report is provided at **Appendix 1** to this submission. The report is accompanied by a Technical Note at **Appendix 2**, which was prepared in response to the publication of the South Hampshire Strategic Housing Market Assessment (SHMA) by GL Hearn in January 2014.

The work that has been undertaken by Barton Willmore demonstrates that there is a very substantial shortfall in the number of dwellings currently being planned for in this area – it is clear that the proposed allocations within the DSP and the proposed development at north Fareham (Welborne) are simply not enough to meet the Borough's acute housing need. We consider the implications of this in greater detail further on in this submission.

¹ PPG, Paragraph 004 Reference 2a-004-20140306

The Housing Need Assessment at Appendix 1 is set in the context of the requirements of the NPPF, focussing on the Borough of Fareham, alongside a summary of the official ONS and CLG projections for the Partnership for Urban South Hampshire (PUSH) area (incorporating the authorities of Test Valley, Southampton, Eastleigh, Gosport, Portsmouth, Havant and East Hampshire) which forms the surrounding Housing Market Area (HMA).

In respect of housing requirements the NPPF confirms, at paragraph 47, the need for local authorities to significantly boost the supply of housing and in doing so, confirms that local planning authorities should use their evidence base to ensure that their Local Plan meets the **full, objectively assessed needs for market and affordable housing**. The NPPF is clear (paragraph 159) that local authorities should have a clear understanding of housing need, through the preparation of a SHMA - the SHMA must identify the scale and mix of housing that the local population is likely to need. The NPPF confirms the need for local authorities to present a coherent strategy that is aspirational and positively prepared. The extent to which Fareham Borough Council has met these requirements is considered below.

Fareham Borough Housing Need Assessment (January 2014)

Policy CS2: Housing Provision of the adopted CS plans for growth of 3,729 new dwellings 2006 - 2026 (186 dpa), excluding the Fareham Strategic Development Area (SDA) for which 10,000 new dwellings (2006-2026) were planned in the (revoked) South East Plan (SEP). The Borough wide figure was revised to 138 dpa, 2012-2026, in the Council's Local Plan Part 2 (October 2012).

The SEP allocation of 10,000 new dwellings at Fareham SDA, 2006-2026, was revised to 6,500 new dwellings as part of the Council's Local Plan Part 3: Welborne Plan, to be provided over 25 years starting 2016/17 (260 dpa). The Council are now planning for growth of approximately 4,750 new dwellings in the period 2011/12 - 2025/26 (326 dpa). Despite the reduction in the scale of Welborne from the SEP and the delays to the delivery of Welborne, the Borough Council is proposing to merely increase the supply of housing per annum by 20% and extend its delivery beyond 2026, resulting in a shortfall in housing that needs to be found elsewhere, notwithstanding the shortfall against identified objectively assessed needs. We would direct the reader to our recent representations on the draft Welborne Plan, which should be read in conjunction with this submission. For ease of reference a copy is enclosed at **Appendix 3**.

In the context of the NPPF's requirements the most recent 'interim' 2011 based CLG household projection shows growth of 488 new households per annum in the Fareham Borough (2011-2012) which represents a significant increase from the 2008 CLG based projection (436 households per annum (hhpa), 2011-2021) despite the 'interim' 2011 based CLG household projections being underpinned by very low recessionary household formation rates. Both figures significantly exceed the Council's current housing target.

However, as the PPG prescribes, "household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need." The **starting point** in Fareham should therefore be at least **488** new households per annum.

To provide a full objective assessment of housing requirements in Fareham, Barton Willmore has utilised the PopGroup Demographic Forecasting Model to run three forecast scenarios. The dwelling led scenario highlights the implications of the Council's existing housing target (326 dpa, including the Welborne Plan) and shows how the target will fail to meet demographic led requirements in line with the most recent ONS projections and trends. In addition, the implications of insufficient housing supply upon the economy are now well accepted. The significant under-supply of housing proposed by the Borough Council will only serve to weaken the economic potential of Fareham, creating a decline in working age population, the resident labour force and jobs, conflicting with the requirements of both the NPPF and PPG.

The **minimum** level of growth considered for Fareham should be that which meets demographic change using the most up to date Government projections and estimates. The demographic led scenario presented by Barton Willmore shows how 475 new dwellings per annum would be required in Fareham, 2012 -2026. However this scenario would still not create the resident labour force growth required to meet the most recent Experian workforce jobs growth forecast, conflicting with the requirements of the PPG and the NPPF. Furthermore this scenario is underpinned by the 'interim' 2011 based CLG household formation rates which themselves are underpinned by recessionary trends and considered to be very low. This scenario is therefore considered to be the bare minimum requirement to meet demographic change alone.

The economic led scenario outlined in Appendix 1 identifies the level of housing required to meet both demographic and economic led requirements, and shows a requirement for **717 new dwellings per annum**, 2012 - 2026, over 100% higher than the existing target of the Council. This will generate resident labour force growth to meet the most recent (September 2013) Experian 'workforce jobs' forecast (486 new jobs per annum, 2012-2026) and comply with the requirements of the NPPF and PPG. In this context, to meet the requirements of the NPPF and PPG there is a requirement to provide 717 new dwellings per annum in Fareham between 2012 and 2026.

The role of housing in delivering economic growth is widely acknowledged; housing availability and affordability should not become serious constraints on the future growth of the economy. Delivery of sufficient housing to meet objectively assessed needs is critical to achieving the Council's own ambitions for economic growth – paragraph 2.15 of the CS refers to the PUSH vision for economic led growth to make the South Hampshire area more prosperous, attractive and sustainable, offering everyone a better quality of life, and CS states clearly that part of the overriding vision for Fareham is that it:

"...will accommodate significant levels of development. It will take into account climate change and the key regional objective of increasing economic prosperity within South Hampshire and the need to strengthen Fareham's key role within it."²

and that the Borough

"...will have a strong and diverse economy and the highly skilled workforce will have well-paid and permanent jobs..."³

The role of housing in stimulating economic growth is further reinforced by the Solent LEP, whose vision is to

"...create an environment that will bring about sustainable economic growth and private sector investment in the Solent."

Chapter 2.2 of the LEP's recently published Strategy for Growth⁴ further recognises that the public sector needs to better understand the needs of business, giving local authorities the insight to respond positively and create the transport infrastructure, development sites and housing to support business growth. In failing to plan positively for economic growth, the Council is failing to deliver the vision of the adopted CS and failing to proactively address the need to stimulate and maintain sustainable economic growth in Fareham.

² Paragraph 3.3, adopted Fareham Core Strategy (2011)

<http://www.fareham.gov.uk/pdf/planning/CoreStrategyAdopted.pdf>

³ Paragraph 3.4, adopted Fareham Core Strategy (2011)

<http://www.fareham.gov.uk/pdf/planning/CoreStrategyAdopted.pdf>

⁴ Solent Local Enterprise Partnership 'A Strategy for Growth' (December 2012)

This should all be considered in the context of the acute affordability problem evident in Borough, highlighted by CLG's live tables on the number of households on the Council waiting list. This source shows a 187% increase in the number of households (735 to 2,113 households) on the waiting list over the past seven years (2005-2012). In failing to plan properly for objectively assessed needs and in continuing to progress a spatial strategy based on wholly inadequate housing requirements, there is no ability to comprehensively address this very notable shortfall in affordable housing and accordingly deliver on national policy objectives to provide quality housing for all sections of the community.

The report therefore concludes that there is a **minimum** requirement for 475 dpa in Fareham Borough 2012 -2012, particularly in respect of the slow delivery of the Welborne Plan. However, to comply with the requirements of the NPPF and the PPG, and local economic aspirations, growth of **717 dpa** 2012-2026 is required.⁵ The full report at Appendix 1 explains the methodology and technical assumptions contained therein in greater detail.

Housing Need Assessment - PUSH Area (January 2014)

In addition to the assessment of the Fareham Borough, Barton Willmore has provided an analysis of housing need across the wider PUSH area within which Fareham is located. This analysis is included as an addendum within the full report at Appendix 1. It provides an assessment of economic led housing requirements in the core PUSH area - the assessment has been produced using the PopGroup demographic forecasting model to provide consistency with the modelling in the Housing Need Assessment for the Fareham Borough.

Two scenarios are provided: (a) economic led, balancing working age (16-68 years of age) population growth with the most recent (September 2013) Experian workforce jobs growth forecast and (b) dwelling led, to show the change in working age population growth generated by the existing housing targets of the PUSH local authorities.

The addendum reveals that there is a significant deficit in planned housing provision (**-50,000 dwellings, 2011 - 2031**) across the PUSH area when compared with the level of housing provision needed to support the latest job growth forecasts from Experian. This deficit will have severe economic implications for the PUSH area, resulting in lost GVA of approximately £3.2bn and lost commercial expenditure of approximately £800m, 2011-2031.

Technical Note - South Hampshire Strategic Market Assessment (SHMA) (February 2014)

As indicated in the preliminary paragraphs the Housing Need Assessment is also supported by a Technical Note that considers the findings of the South Hampshire SHMA. The SHMA covers a range of topics related to the housing market in the South Hampshire area, covering a number of local authorities; however the Technical Note specifically addresses the objective assessment of overall housing need for the Fareham Borough. The note summarises the methodology used in the SHMA before moving on to analyse the results of the SHMA scenarios in the context of the PopGroup scenarios presented in the Fareham Housing Needs Assessment at Appendix 1.

The PUSH SHMA concludes that the overall housing need for Fareham is 395 dpa, which it suggests would result in the creation of 80 jobs per annum. However, the PUSH SHMA recognises that an economic led approach would result in the provision of 650-704 dpa. The BW Technical Note concludes that the recommended target of the PUSH SHMA is demographic led and fails to take account of the clear economic growth aspirations of the Council and Central Government. Limiting provision to 395 dpa will stymie economic growth in Fareham and the surrounding area.

⁵ It should be noted that this assessment is exclusive of historic undersupply in Fareham or indeed the PUSH area.

Key Housing Figures

For ease of reference, Table 3.1 below sets out the Key Housing Figures for the Fareham Borough, as informed by the various documents that have been reviewed as part of our evidence. Plainly, there is a stark contrast between the level of housing growth being promoted by the Council(s) and the results of the objective assessment conducted by Barton Willmore on behalf of HLM.

Source	Dwellings per annum (dpa)
Local Plan	323
PUSH recommendation (demographic led)	395
BW Housing Needs Assessment (demographic led)	475
PUSH economic led	650 - 704
BW Housing Needs Assessment (economic led)	717

SOUNDNESS OF THE DSP - HOUSING REQUIREMENTS AND OVERALL APPROACH

Clearly, HLM's principal concern with the emerging DSP is with the level of planned housing growth, enshrined within policy CS2 of the CS, and whether the figure upon which the allocations within the DSP are based represent an accurate reflection of a full and objective assessment of housing need. HLM suggest that the DSP is unsound on this basis. The Council must plan appropriately for housing growth in accordance with paragraph 14 of the NPPF, which states that Local Plans should meet objectively assessed needs, with 'sufficient flexibility to adapt to rapid change.' As it stands, HLM are of the view that compliance with the NPPF and PPG is in serious doubt.

The tests of soundness are set out in the NPPF at paragraph 182: for a Plan to be found sound, it must be positively prepared; justified; effective and consistent with national policy. The following paragraphs look at each element in turn.

Is the Plan Positively Prepared?

HLM suggest that the Plan is **not positively prepared** given that it is not based on a strategy that seeks to meet objectively assessed development and infrastructure requirements, including any unmet requirements from neighbouring authorities. The Plan seeks to implement the CS and the South Hampshire Strategy (SHS) - however there is no objective assessment underpinning these documents and hence the DSP rests upon an uncertain, untested and out of date spatial framework in the form of a CS requiring prompt revision. It must be emphasised that since the adoption of the CS, there have been some notable changes in circumstance, namely:

- Publication of the NPPF and PPG, which replaced the vast majority of all previous national The planning policy and guidance upon which the CS was based;
- South Hampshire SHMA has been published, albeit this fails to take account of economic growth aspirations and is demographic led;
- The Solent LEP Strategic Economic Strategy (SEP) has been published - this emphasises the need for additional housing to stimulate the economy;
- The delivery of the New Community North of Fareham (Welborne) has been delayed; and
- As a consequence of the above, a significant shortfall in both market and affordable housing supply has emerged, entirely contrary to the requirements of the NPPF and the PPG.

Importantly, paragraph 7.5 of the CS states that a review of the Plan will be undertaken if it is found to be inconsistent with national planning policy; however despite all of the above, and despite its own commitment within the CS to doing so, the Council has still not instigated a review of the CS and the prevailing spatial strategy for the Borough. Subsequently the soundness and overall usefulness of the DSP is put into question.

HLM has submitted representations to the Local Plan Part 3: Welborne Plan throughout each stage of the consultation process. The principle of growth at Welborne is supported as are the vision and objectives, however there is concern that the proposed delivery of 6,000 dwellings (2,860 dwellings by 2026), with the associated employment and infrastructure is overly ambitious and not compatible with the assertion at paragraph 1.41 of the draft Welborne Plan that a cautious approach to build out rates has been adopted. It is not HLM's intention to record criticism of the Welborne proposals per se, but it is necessary to highlight the reality of delivery rates for a proposal of that scale, which, we submit, will take very much longer than the current trajectory indicates.

Notwithstanding the above, even if the trajectories within the Welborne Plan are to be achieved, only 2,860 dwellings will be delivered by 2026, which is approximately half that sought in the CS, which suggests 5,350 dwellings by 2026 - this leaves approximately 2,500 dwellings to be found from other sources within the Fareham Borough in order to achieve the CS requirement and considerably more again in meeting the full objectively assessed needs.

These figures do of course exclude outstanding CS housing requirements for the Borough required to be delivered outside Welborne: paragraph 5.173 of the DSP explains that a total of 2,514 dwellings have been delivered between 1st April, 2006 and 31st March, 2013, which apparently leaves a residual balance of 1,215 dwellings during the remaining part of the Plan period. Coupled with the estimated 2,500 dwelling shortfall which has arisen as a result of the slow delivery at Welborne, some 3,715 new dwellings need to be delivered elsewhere in Fareham in order to achieve the CS requirement; again, however, this does not account for objectively assessed needs, which serve only to exacerbate the problems further.

The DSP identifies specific sites for housing allocation (totalling only 1,225 dwellings)⁶ in order to help meet the Borough's housing requirements; however the level of necessary housing growth is far greater than that which is currently being planned for. As such the Council needs to carefully consider (a) a review of the CS given its clear incompatibility with national guidance and (b) the allocation of additional sites elsewhere in the Borough to absorb a very significant shortfall in proposed housing growth. We would also note that if it transpires Welborne is partially fulfilling a sub-regional role, the housing requirements for the Borough will obviously be much greater - the Council must provide evidence that defines the local/sub-regional split without delay otherwise it risks failing in its duty to plan properly for the current and future local and sub-regional population.

Is the Plan Justified?

For a Plan to be justified, it must represent the most appropriate strategy when considered against reasonable alternatives, based on proportionate evidence. Essentially this means that the Plan should be based on a robust and credible evidence base.⁷

HLM submit that the DSP as it stands is **unjustified and therefore unsound**. The evidence base underpinning DSP is considered insufficiently robust (i.e. failure to be informed by an objective assessment of need and failure of the Council to undertake a review of the CS as the overarching spatial framework). As a consequence there are serious concerns over its overall credibility. The spatial strategy as a whole - i.e. that contained within the CS - is not considered to be the most appropriate strategy when considered against the findings of a full and objective assessment of housing need such as that provided at Appendix 1.

Furthermore, paragraph 3.9 of the DSP notes that:

⁶ Appendix C: Housing Allocations, p.219 – Fareham Local Plan Part 2: Development Sites and Policies (February 2014)

⁷ Soundness Self Assessment Checklist, January 2013 – Planning Advisory Service (PAS)

“Evidence studies, including the Strategic Housing Land Availability Assessment and Employment Land Review, have concluded that there are sufficient identified sites within the existing Defined Urban Settlement Boundaries to meet the Borough’s development requirements. In light of this it has not been necessary to review the DUSBs in the Development Sites and Policies and Plan.”

Notwithstanding the wider issue of the reality of Fareham’s development requirements and the fact that the scale of the identified deficit warrants, in our view, the release of additional land for development, we are seriously concerned that the decision not to review settlement boundaries is flawed in that it does not represent a robust way for planning the future development of the Borough - it risks excluding sites that are more suitable and more capable of delivery than others that happened to be contained within a defined boundary from many years ago. The Council’s approach to defining settlement boundaries is at odds with the NPPF requirement for Local Plans to be prepared positively and proactively in order to meet the objectively assessed needs of the area.

HLM submit that a full review of settlement boundaries is required to ensure conformity with the CS and to accommodate identified housing and employment needs. Prior to restricting development in specific areas the Council needs to focus on ensuring that it has conducted a thorough assessment of need rather than persisting on pursuing an arbitrary housing target that is not consistent with national planning guidance.

The plan is not justified on the basis that is not based on an objective assessment of housing need. The DSP is unsound.

Is the Plan Effective?

As a result of the outdated foundations on which it is based, the DSP in its entirety is at odds with the NPPF and PPG HLM suggest that it will not deliver the required quantum of housing within Fareham based on an objective assessment of need. It is informed by an outdated CS that is in need of review, and will fail to secure the economic growth aspirations of the Council, PUSH, the LEP and indeed Central Government. The DSP is not positively prepared, unjustified and as a direct consequence it is entirely ineffective and therefore **unsound**.

The DSP not only fails to make provision for adequate housing to meet objectively assessed needs, but there is no apparent flexibility in the Plan for alternative sites to come forward should the intended sites not be delivered and if Welborne does not deliver in line with its trajectory (and as already noted, we have serious concerns that it will not, given the scale and complexity of the scheme). As consequence, it cannot be considered effective as fails to deliver CS and DSP objectives in terms of stimulating and maintaining economic growth.

Is the Plan Consistent with National Policy?

As already highlighted in this submission, the Council has failed to undertake a review of the CS for NPPF compliance despite a commitment within the document to do so. There is no indication of any planned future review. The Council is premature in its decision to publish the DSP ahead of such a review; it is considered perverse to pursue a DSP that is based on a clearly inappropriate housing requirement.

A review of the quantum of new housing to be delivered in the DSP is required in order to identify the location for new housing in Fareham that will meet identified needs, and which will comply with the stipulations of paragraph 17 of the NPPF, which states:

“Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth.”

SOUNDNESS OF THE PLAN - OTHER MATTERS

CHAPTER 3 - THE EXISTING SETTLEMENTS

HLM recognise the role of settlement boundaries in providing geographic boundaries for the Borough's respective communities, however in light of the housing requirement issue we consider that there are an insufficient number of identified sites to meet the Borough's needs, as explained in the preceding paragraphs. We emphasise our position that a full review of the CS and the settlement boundaries should be undertaken in order to identify and allocate additional land for housing.

Paragraph 3.9 of the DSP states that it has not been necessary to review settlement boundaries as part of the Plan, despite the contents of the adopted CS, which states throughout that the DSP will be the mechanism for undertaking a review of such boundaries. Policy CS6 of the CS - The Development Strategy - is clear that a review will be undertaken:

"...through the Site Allocations and Development Management DPD, taking into consideration biodiversity/potential community value, the character, accessibility, infrastructure and services of the settlement and impacts on the historic and natural environment."

No such review appears to have been undertaken. In addition to contradicting the contents of the adopted CS, we also submit that the Council's approach to settlement boundaries directly conflicts with paragraph 14 of the NPPF which requires Local Plans to exhibit sufficient flexibility to respond to rapid change.

Chapter 3 and the approach to settlement boundaries is considered **unsound** - it is unjustified, ineffective and inconsistent with national policy.

CHAPTER 3 - STRATEGIC GAPS

HLM is of the view that a comprehensive assessment of gaps within the Borough and their capacity to accommodate development in the Borough is required.

The Council will be aware that HLM are currently progressing a planning application (application ref. P/14/0222/OA) on land to the south of Fareham (known as 'Newlands') - the appraisal work submitted as part of the application material concludes that the land provides a minimal role in defining the settlement character of the area as a result of its urban fringe character and the existing dominance of urban elements within views from and across the Site. The submitted proposals ensure that there would still be a physical gap retained between Stubbington and Fareham. A copy of the landscape and visual appraisal is enclosed for reference at **Appendix 4**.

Although in physical terms this land, as with any land between two settlements, assists in providing separation, HLM suggest that it does not provide or contribute to the clear visual break, sense of openness, or sense of leaving a place. Development on the Site would be contained by the existing vegetation along its northern, eastern, and western boundaries, which would be reinforced by additional planting and as a result it would have no visual impact on the gap between Fareham and Stubbington. Furthermore, development on the Site would include landscape enhancements and planting which would strengthen the existing landscape structure of hedgerows and woodland, thus improving green infrastructure, landscape and ecological diversity.

PARAGRAPHS 5.172 - 5.184 - MEETING THE BOROUGH'S HOUSING REQUIREMENTS

In addition to the notable deficit that exists in terms of the housing requirements for the Borough, we also have serious concerns in relation to the level of housing supply. Appendix C to the DSP sets out in Table 8: Housing Allocations those sites which are envisaged to come forward within the remaining Plan period. This includes seven sites which have been rolled forward from the existing Local Plan Review (2000)⁸. The sites are estimated to provide circa 370 new dwellings.

HLM question the likelihood of these sites coming forward within the remaining Plan period, considering they have remained undeveloped since the Local Plan Review was adopted over ten years ago. The Council must consider whether these sites can realistically deliver much needed development in the Borough in the coming years and whether they genuinely represent a reliable source of supply.

Essentially HLM consider the Council's position in respect of housing supply to be questionable. Paragraph 5.178 of the DSP states that "...Fareham [can] demonstrate a supply of deliverable sites sufficient to provide five years' worth of housing against its housing requirements with an additional buffer of 5%, to ensure choice and competition in the market for land. The significant over delivery in the early stages of the Plan compensates for a projected undersupply in the later periods and ensures that Fareham will be capable of meeting its overall housing requirements across the whole plan period." The Council's position is considered to be unrealistic in delivering the **objectively assessed requirements and not reflecting the objectively assessed needs for the Borough, resulting in a shortfall in housing supply.**

CHAPTER 4 - ECONOMIC DEVELOPMENT

HLM suggest that the Council should acknowledge the inherent link between employment and the amount of homes needed in the area when developing its evidences base and planning for the area. NPPF paragraph 158 states that:

"LPAs should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals"

We would emphasise the point that the employment development figure promoted within the DSP is simply not justified as it has no relation to the most up-to-date evidence base and to the revised housing figure. It therefore considered to be entirely unsound.

CONCLUSIONS

HLM quite patently has serious concerns with the DSP and as a whole consider the document to be **unsound** on the basis that it seeks to implement an outdated strategy that is in need of a review. The Plan fails to represent positive and proactive planning and is entirely ineffectual in seeking to deliver the requisite level of housing growth established by a thorough and objective assessment of housing need. HLM suggest that the Council prioritises a review of the adopted CS and that progression of the DSP to this stage is premature.

HLM suggest that significant areas of additional land are required in order to accommodate the level of growth realistically required within the Fareham Borough, and that land to the south of Fareham, known as Newlands, should be considered as a suitable and sustainable location for doing so in a coherent and comprehensive manner. A Site Location Plan is contained for reference at **Appendix 5** hereto along with a copy of an Overview Document at **Appendix 6**, which summarises the need and the benefits of introducing strategic new housing in this location.

⁸ Peters Road, Sarisbury; East of Raley Road; Land at Fleet End Road; Land off Church Road, Warsash; Land to rear of 347-411 Hunts Pond Road; 33 Lodge Road, Locks Heath; Hinton Hotel, Catisfield Lane

We would be grateful for confirmation that these representations have been received, that they have been registered as duly made and that they will be passed to the Planning Inspectorate for consideration by the Inspector. HLM wish to record their desire to participate in the Examination later this year in order to be given the opportunity to present and discuss their case in full.

We trust this submission is clear and helpful but should there be any queries in relation to any element of the above and attached, please do not hesitate to contact the writer.

Yours sincerely,



GEMMA CARE
Associate

Encs.

cc. R. McKeown - Hallam Land Management
C. Penny - Hallam Land Management

APPENDIX 4

Site Name	Remaining net capacity as per planning permission (Source: Local Plan Part 2 - Development Sites and Policies (March 2014))	Likely contribution towards 5 year supply (2014 - 2019) Council view	Likely contribution towards 5 year supply (2014 - 2019) BW view	BW Comments
Sites with planning permission where development is currently in progress (data correct as at 31st March 2013) Source. Local Plan Part 2 - Development Sites and Policies (March 2014)				
St Christopher's Hospital, Wickham Road, Fareham	36		0	If data is correct as at 31st March 2013 and work had already started it is very likely that the dwellings would have already been built by time of publication of Local Plan Part 2 (February 2014) so would unlikely count towards 5 year supply for 2014 - 2019.
40-42 Westley Grove	13		0	If data is correct as at 31st March 2013 and work had already started it is very likely that the dwellings would have already been built by time of publication of Local Plan Part 2 (February 2014) so would unlikely count towards 5 year supply for 2014 - 2019.
Collingwood House, Gibraltar Close	6		0	Application for 40 unit elderly persons sheltered home (12/0470/FP). Barton Willmore consider that this type of housing should not be included within housing figures.
Land South of Palmerston Avenue	16		0	If data is correct as at 31st March 2013 and work had already started it is very likely that the dwellings would have already been built by time of publication of Local Plan Part 2 (February 2014) so would unlikely count towards 5 year supply for 2014 - 2019.
Land to rear 347-411 Hunts Pond Road	40		0	If data is correct as at 31st March 2013 and work had already started it is very likely that the dwellings would have already been built by time of publication of Local Plan Part 2 (February 2014) so would unlikely count towards 5 year supply for 2014 - 2019.
Coldeast Hospital	118		0	If data is correct as at 31st March 2013 and work had already started it is very likely that the 118 dwellings would have already been built by time of publication of Local Plan Part 2 (February 2014).
Swanwick Marina, Bridge Road, Swanwick	49		0	If data is correct as at 31st March 2013 and work had already started it is very likely that the dwellings would have already been built by time of publication of Local Plan Part 2 (February 2014) so would unlikely count towards 5 year supply for 2014 - 2019.
324-326 Brook Lane	4		0	If data is correct as at 31st March 2013 and work had already started it is very likely that the dwellings would have already been built by time of publication of Local Plan Part 2 (February 2014) so would unlikely count towards 5 year supply for 2014 - 2019.
Land North of Whiteley (Northern Portion)	29		0	If data is correct as at 31st March 2013 and work had already started it is very likely that the dwellings would have already been built by time of publication of Local Plan Part 2 (February 2014) so would unlikely count towards 5 year supply for 2014 - 2019.
122 Leydene Nursery, Segensworth Road	3		0	If data is correct as at 31st March 2013 and work had already started it is very likely that the 3 dwellings would have already been built by time of publication of Local Plan Part 2 (February 2014) so would unlikely count towards 5 year supply for 2014 - 2019.
East of Lower Duncan Road, Park Gate	18		0	If data is correct as at 31st March 2013 and work had already started it is very likely that the 18 dwellings would have already been built by time of publication of Local Plan Part 2 (February 2014) so would unlikely count towards 5 year supply for 2014 - 2019.
Newpark Garage, Station Road	14		0	If data is correct as at 31st March 2013 and work had already started it is very likely that the dwellings would have already been built by time of publication of Local Plan Part 2 (February 2014) so would unlikely count towards 5 year supply for 2014 - 2019.
69 Botley Road	5		0	If data is correct as at 31st March 2013 and work had already started it is very likely that the dwellings would have already been built by time of publication of Local Plan Part 2 (February 2014) so would unlikely count towards 5 year supply for 2014 - 2019.
Linden Lea, The Leaway	8		0	If data is correct as at 31st March 2013 and work had already started it is very likely that the dwellings would have already been built by time of publication of Local Plan Part 2 (February 2014) so would unlikely count towards 5 year supply for 2014 - 2019.
Total	359		0	
Housing allocations with extant planning permission, where no material start has been made (data correct as at 31 March 2013)				
45-47 West Street	9		9	Considered deliverable in 5 year period.
East of Northway, Southway and Westway	14		14	Considered deliverable in 5 year period.
ATC Site Farm Road	34		34	Considered deliverable in 5 year period.
21 Bridge Road	9		9	Considered deliverable in 5 year period.
38 Columbus Drive	12		12	Considered deliverable in 5 year period.
Peter's Road (Highwood)	49		49	Considered deliverable in 5 year period.
157 White Hart Lane and Land to Rear	5		5	Considered deliverable in 5 year period.
Catholic Church of our Lady	7		7	Considered deliverable in 5 year period.
Total	139		139	
Small sites (fewer than 5 dwellings) with planning permission				
Total net permissions	109		0	If data is correct as at 31st March 2013 and work had already started it is very likely that the dwellings would have already been built by time of publication of Local Plan Part 2 (February 2014) so would unlikely count towards 5 year supply for 2014 - 2019.
Housing allocations				
Rolled forward existing Local Plan Review (2000) Allocations				
Peter's Road, Sarisbury	230		230	Hybrid planning application for 307 dwellings. Renewal of hybrid application sought but not yet determined. A development brief for residential development at Peters Road was adopted by Fareham Borough Council on 15 November 2007. Detailed planning consent granted for 49 units on part of the site to the northwest corner submitted in 2012 and approved 2013. Application for alternative scheme comprising of 206 dwellings on part of the site, excluding the area with detailed consent and a number of smaller land parcels. Proposal refused in 2013, appeal allowed. The predicted capacity is dependent on the development mix in terms of the number and size of dwellings. The level of flats is anticipated to be lower than the hybrid approval totalling 307 dwellings; as this capacity has an extant consent and therefore represents the upper end of the capacity range for this site. Planning consent has been granted for 49 dwellings on 1.35 ha to the northwest corner of the site; this included a proportion of flats and public open space. This part of the site, including the public open space, had a density of 36 dwellings per hectare. Excluding the open space (approximately 0.2ha), the built form density is approximately 42 dph. A scheme for 206 dwellings was refused in 2013 (appeal pending), which represents an average density across the site of 32 dph. The application boundary excluded the land consented for 49 dwellings and a number of smaller parcels along the site's periphery which, together represent a total area of approximately 1.27ha. higher than predicted because of appeal decision being allowed (207 dwellings) + 49 dwellings permitted via application ref. P12/0974/FP. Discharge of condition application currently awaiting determination (P12/0717/DP/A)

East of Raley Road	50	30	Due to land ownership fragmentation, the site may not come forward as a single proposal and could cause a delay in housing being delivered. There does not appear to be an application for this site to date therefore the delivery of 50 units at this stage is considered over optimistic.
Land at Fleet End Road	10	10	Due to land ownership, the site may not come forward as a single proposal but it is considered that 10 dwellings in 5 year period is still achievable. There does not appear to be an application for this site to date.
Land off Church Road, Warsash	20	20	Historic land-use records indicate that there is the possibility of contamination at the site. The site is adjacent to former scrap yard and within 250m of an historic landfill site but it is considered that 20 dwellings in 5 year period is still achievable. There does not appear to be an application for this site to date.
Land to rear of 347-411 Hunts Pond Road	20	20	A number of trees with TPOs are present on the site. The site is adjacent to The Wilderness SINC, designated for ancient woodland and a significant population of dormice but it is considered that 20 dwellings in 5 year period is still achievable. There does not appear to be an application for this site to date.
33 Lodge Road, Locks Heath	10	10	Bats have been recorded within the locality. Potential for previously unknown heritage assets but it is considered that 10 dwellings in 5 year period is still achievable. There does not appear to be an application for this site to date.
Hinton Hotel, Catisfield Lane	30	30	Planning permission granted for 82 dwellings on 26/04/13 (P/12/0644/FP) however 50 of these dwellings consist of a care home.
Total (a)	370	350	
Rolled forward existing Core Strategy (2010) Allocations			
Coldeast LOT 2	210	210	Full Planning permission (as part of a Hybrid application) granted for 168 dwellings on 30/04/13 (P/12/0299/FP).
PCT Land Cold East	30	30	Considered deliverable in 5 year period.
Total (b)	240	240	
New Allocations			
Croft House, Redlands Lane	15	15	The site is used as a day centre. It is currently operated by Hampshire County Council, but has been deemed surplus to requirements. Whilst there may be delays in the day centre relocating or closing, given the relatively small scale of the scheme (15 units) it is still considered deliverable.
Hope Lodge, Fareham Park Road	5	5	Historical land-use records indicate that the site contamination could potentially be present. Potential for previously unknown heritage assets but development site history may have removed some archaeological potential. Hope Lodge building found to support low-level non-breeding seasonal roosts of Common Pipistrelle and Brown Long-eared bats. Some potentially significant issues to developing this site but given that the sites capacity is only 5 this is still likely to be delivered within 5 years.
Former Community Facilities, Wynton Way	10	10	Current use deemed surplus to requirements by Hampshire County Council. Historical land-use records indicate that site contamination could be present. Site development may result in loss of general local biodiversity interests, and may have impact on protected species. Whilst some potential issues may arise it is likely that 10 dwellings will be delivered.
Land between 335 and 357 Gosport Road	10	0	Hampshire County Council has indicated that part of this site may be required as a temporary construction works compound associated with the BRT. The site is therefore considered to be a medium to long term development ambition depending on the timescale for the construction of the final phases of the BRT route. In view of the above it is unlikely that this site will be developed in 5 years.
Fareham College Site	110	50	Mixed use site. Limited detail in Local Plan Part 2. No application to date therefore consider delivery of 50 dwellings by 2019 more realistic.
Land at Heath Road, Locks Heath	70	30	There is insufficient sewerage (the underground pipes that convey wastewater to the works for treatment) capacity in the network, closest to the site, to accommodate the anticipated domestic demand from this site. The development must provide a connection to the sewerage system at the nearest point of adequate capacity, as advised by Southern Water. Ownership of the site is split between two parties but 70 dwellings in 5 year period still considered deliverable. No application to date. It is likely that the issues above will need to be dealt with prior to submission of application therefore considered delivery of 30 dwellings by 2019 more realistic.
Land at Stubbington Lane	10	10	Considered deliverable in 5 year period.
Land at Sea Lane	5	5	The site is located within 500m of 4 'uncertain' wading bird sites. It is considered that 10 dwellings in 5 year period is still achievable.
Genesis Centre	35	35	Considered deliverable in 5 year period.
Rear of Coldeast Close	5	5	Considered deliverable in 5 year period.
Land to rear of 123 Bridge Road	5	5	Considered deliverable in 5 year period.
Total (c)	280	170	
Fareham Town Centre Development Opportunity Areas			
Civic Area	90	0	Does not appear to be an application to date and 90 dwellings unlikely to be delivered in 5 year period.
Market Quay	60	0	Does not appear to be an application to date and 90 dwellings unlikely to be delivered in 5 year period.
Fareham Station West	110	0	Proposed use and indicative capacity: Residential (30 flats and 80 unit Extra Care Home or 75 flats). Barton Willmore consider that this type of housing should not be included within housing figures.
Land to the rear of Red Lion Hotel, East Street and Bath Lane Car Park	55	55	Application (P/13/0408/FP) for 55 dwellings approved 05/06/14. Likely to be delivered.
Maytree Road	20	20	Development of the site may potentially result in significant effects on European sites during the construction and/or operational phase of a development proposal. It is considered that 20 dwellings in 5 year period is still achievable.
Total (d)	335	75	
974			
Other planning permissions granted for dwellings (net) since 31st March 2014 (up to 25th September 2014)			
P/12/0951/FP			4
P11/0334/DP/B			9
N/13/0002			5
N/13/0003			23
P/13/0210/FP			1
P/13/0168/FP			2
P/13/0105/FP			1
P/13/0140/FP			1
P/13/0122/FP			1
P/13/0133/FP			2
P/13/0062/FP			4
P/13/0065/FP			3
P/12/0927/FP			2
P/13/0400/FR			1
P/13/0262/FP			4

P/13/0255/FP			1	
P/13/0556/FP			3	
P/13/0435/FR			1	
P/13/0278/FP			1	
P/13/0149/FP			2	
P/13/0730/OA			1	
P/13/0688/FP			1	
P/13/0670/CU			1	
P/13/0624/FP			1	
P/13/0524/FP			1	
P/13/0807/FP			4	
P/13/0742/OA			1	
P/13/0947/OA			1	
P/13/0800/FP			5	
P/13/1049/FP			2	
P/13/1108/FP			1	
P/13/0988/FP			1	
P/14/0236/FP			1	
P/14/0202/CU			1	
P/14/0142/FP			1	
P/13/1080/FP			2	
P/11/0386/DP/E			19	
P/13/1031/FP			2	
P/13/0967/VC			10	
P/14/0340/FP			2	PROPOSED BUILDING OF TWO THREE BEDROOM CHALET BUNGALOWS TO THE REAR OF 63 BRIDGE ROAD USING THE EXISTING SITE ENTRANCE. 63 BRIDGE ROAD PARK GATE SOUTHAMPTON SO31 7GG
P/14/0404/FP			1	ERECT NEW DETACHED DWELLING ON LAND ADJACENT TO 133 WARSASH ROAD
P/14/0220/FP			6	CONSTRUCTION OF 6 TWO BEDROOM HOUSES WITH ASSOCIATED LANDSCAPING, CAR PARKING, BIN AND CYCLE STORAGE. COLDEAST CLOSE - LAND TO REAR OF 19 - 22 - SARISBURY GREEN SO31 7AN
P/14/0409/OA			1	DEMOLITION OF EXISTING DETACHED BUNGALOW & GARAGE AND ERECTION OF A PAIR OF SEMI-DETACHED 3-BED HOUSES, ONE DETACHED CHALET 4-BED BUNGALOW AND A 3-BED BUNGALOW
P/14/0404/FP			1	ERECT NEW DETACHED DWELLING ON LAND ADJACENT TO 133 WARSASH ROAD
P/14/0220/FP			6	CONSTRUCTION OF 6 TWO BEDROOM HOUSES WITH ASSOCIATED LANDSCAPING, CAR PARKING, BIN AND CYCLE STORAGE.
P/13/0965/OA			4	PROPOSED 4NO. 4-BED DETACHED AND 2NO. 3-BED SEMI-DETACHED HOUSES (OUTLINE APPLICATION FOR ACCESS AND LAYOUT). 411 HUNTS POND ROAD TITCHFIELD COMMON FAREHAM PO14 4PA
P/13/0832/FP			3	ERECTION OF THREE 4-BED HOUSES WITH INTEGRAL GARAGES. 22 PETERS ROAD LOCKS HEATH SOUTHAMPTON SO31 6EQ
P/14/0197/FP			1	CHANGE OF USE AND ALTERATIONS TO BARN TO FORM SINGLE DWELLING AND CONSTRUCTION OF DETACHED GARAGE
P/14/0509/OA			17	OUTLINE PLANNING PERMISSION FOR 17 RESIDENTIAL FLATS AND TWO RETAIL UNITS (ACCESS, LAYOUT & SCALE TO BE CONSIDERED)
P/13/1055/DP/A			120	OUTLINE PLANNING APPLICATION FOR 3.25 HECTARES OF NEW HOUSING (UP TO 120 NEW DWELLINGS)
Windfall			289	Other planning permissions granted for dwellings (net) since 31st March 2014 (up to 26th August 2014)
			100	Windfall allowance (in accordance with Sites and Policies Plan)
Council Expected Supply excluding Welbourn			1101	Expected supply (according to Sites and Policies Plan)
Welbourn Supply	6000	500	380	It is expected that 380 dwellings will come forward between the period 2014/15-2018/19 in line with the projection in the Welborne Plan Part 3.
Sub-total	7832	1701	1643	

Core Strategy and Welborne Plan Housing Requirement: Scenarios 1 - 2

South Hampshire Strategy and Welborne Plan Housing Requirement: Scenarios 3 - 4

**Scenario 1a: Agree with Council's supply assumptions
(inclusive of 5% buffer)**

**Scenario 2a: Disagree with Council's supply assumptions
(inclusive of 5% buffer)**

**Scenario 3a: Agree with Council's supply assumptions
(inclusive of 5% buffer)**

**Scenario 4a: Disagree with Council's supply
assumptions (inclusive of 5% buffer)**

Total Annual Housing Requirement	486
5 Year Baseline Requirement	2430
5 Year Baseline Requirement + 5% Buffer	2551.5
Annual requirement for the next 5 years inclusive of 5% buffer	510.3
Expected Supply 2014 - 2019	1701
Surplus (+) / Shortfall (-) 2014 - 2019	-850.5
Housing Land Supply 2014 - 2019 (in years)	3.3

Annual Housing Requirement	486
5 Year Baseline Requirement	2430
5 Year Baseline Requirement + 5% Buffer	2551.5
Annual requirement for the next 5 years inclusive of 5% buffer	510.3
Expected Supply 2014 - 2019	1643
Surplus (+) / Shortfall (-) 2014 - 2019	-909
Housing Land Supply 2014 - 2019 (in years)	3.2

Total Annual Housing Requirement	447
5 Year Baseline Requirement	2235
5 Year Baseline Requirement + 5% Buffer	2346.75
Annual requirement for the next 5 years inclusive of 5% buffer	469.35
Expected Supply 2014 - 2019	1701
Surplus (+) / Shortfall (-) 2014 - 2019	-645.75
Housing Land Supply 2014 - 2019 (in years)	3.6

Annual Housing Requirement	447
5 Year Baseline Requirement	2235
5 Year Baseline Requirement + 5% Buffer	2346.75
Annual requirement for the next 5 years inclusive of 5% buffer	469.35
Expected Supply 2014 - 2019	1643
Surplus (+) / Shortfall (-) 2014 - 2019	-704
Housing Land Supply 2014 - 2019 (in years)	3.5

**Scenario 1b: Agree with Council's supply assumptions
(inclusive of 20% buffer)**

**Scenario 2b: Disagree with Council's supply assumptions
(inclusive of 20% buffer)**

**Scenario 3b: Agree with Council's supply assumptions
(inclusive of 20% buffer)**

**Scenario 4b: Disagree with Council's supply
assumptions (inclusive of 20% buffer)**

Total Annual Housing Requirement	486
5 Year Baseline Requirement	2430
5 Year Baseline Requirement + 20% Buffer	2916
Annual requirement for the next 5 years inclusive of 5% buffer	583.2
Expected Supply 2014 - 2019	1701
Surplus (+) / Shortfall (-) 2014 - 2019	-1215
Housing Land Supply 2014 - 2019 (in years)	2.9

Annual Housing Requirement	486
5 Year Baseline Requirement	2430
5 Year Baseline Requirement + 20% Buffer	2916
Annual requirement for the next 5 years inclusive of 5% buffer	583.2
Expected Supply 2014 - 2019	1643
Surplus (+) / Shortfall (-) 2014 - 2019	-1273
Housing Land Supply 2014 - 2019 (in years)	2.8

Total Annual Housing Requirement	447
5 Year Baseline Requirement	2235
5 Year Baseline Requirement + 20% Buffer	2682
Annual requirement for the next 5 years inclusive of 5% buffer	536.4
Expected Supply 2014 - 2019	1701
Surplus (+) / Shortfall (-) 2014 - 2019	-981
Housing Land Supply 2014 - 2019 (in years)	3.2

Annual Housing Requirement	447
5 Year Baseline Requirement	2235
5 Year Baseline Requirement + 20% Buffer	2682
Annual requirement for the next 5 years inclusive of 5% buffer	536.4
Expected Supply 2014 - 2019	1643
Surplus (+) / Shortfall (-) 2014 - 2019	-1039
Housing Land Supply 2014 - 2019 (in years)	3.1



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PUSH SHMA (demographic led) Housing Requirement: Scenarios 5 - 6

Open House - Demographic Led Evidence (Interim 2011-Based Household Projection: Scenarios 7 - 8

Scenario 5a: Agree with Council's supply assumptions (inclusive of 5% buffer)

Scenario 6a: Disagree with Council's supply assumptions (inclusive of 5% buffer)

Scenario 7a: Agree with Council's supply assumptions (inclusive of 5% buffer)

Scenario 8a: Disagree with Council's supply assumptions (inclusive of 5% buffer)

Total Annual Housing Requirement	395
5 Year Baseline Requirement	1975
5 Year Baseline Requirement + 5% Buffer	2073.75
Annual requirement for the next 5 years inclusive of 5% buffer	414.75
Expected Supply 2014 - 2019	1701
Surplus (+) / Shortfall (-) 2014 - 2019	-372.75
Housing Land Supply 2014 - 2019 (in years)	4.1

Annual Housing Requirement	395
5 Year Baseline Requirement	1975
5 Year Baseline Requirement + 5% Buffer	2073.75
Annual requirement for the next 5 years inclusive of 5% buffer	414.75
Expected Supply 2014 - 2019	1643
Surplus (+) / Shortfall (-) 2014 - 2019	-431
Housing Land Supply 2014 - 2019 (in years)	4.0

Total Annual Housing Requirement	475
5 Year Baseline Requirement	2375
5 Year Baseline Requirement + 5% Buffer	2493.75
Annual requirement for the next 5 years inclusive of 5% buffer	498.75
Expected Supply 2014 - 2019	1701
Surplus (+) / Shortfall (-) 2014 - 2019	-792.75
Housing Land Supply 2014 - 2019 (in years)	3.4

Annual Housing Requirement	475
5 Year Baseline Requirement	2375
5 Year Baseline Requirement + 5% Buffer	2493.75
Annual requirement for the next 5 years inclusive of 5% buffer	498.75
Expected Supply 2014 - 2019	1643
Surplus (+) / Shortfall (-) 2014 - 2019	-851
Housing Land Supply 2014 - 2019 (in years)	3.3

Scenario 5b: Agree with Council's supply assumptions (inclusive of 20% buffer)

Scenario 6b: Disagree with Council's supply assumptions (inclusive of 20% buffer)

Scenario 7b: Agree with Council's supply assumptions (inclusive of 20% buffer)

Scenario 8b: Disagree with Council's supply assumptions (inclusive of 20% buffer)

Total Annual Housing Requirement	395
5 Year Baseline Requirement	1975
5 Year Baseline Requirement + 20% Buffer	2370
Annual requirement for the next 5 years inclusive of 5% buffer	474
Expected Supply 2014 - 2019	1701
Surplus (+) / Shortfall (-) 2014 - 2019	-669
Housing Land Supply 2014 - 2019 (in years)	3.6

Annual Housing Requirement	395
5 Year Baseline Requirement	1975
5 Year Baseline Requirement + 20% Buffer	2370
Annual requirement for the next 5 years inclusive of 5% buffer	474
Expected Supply 2014 - 2019	1643
Surplus (+) / Shortfall (-) 2014 - 2019	-727
Housing Land Supply 2014 - 2019 (in years)	3.5

Total Annual Housing Requirement	475
5 Year Baseline Requirement	2375
5 Year Baseline Requirement + 20% Buffer	2850
Annual requirement for the next 5 years inclusive of 5% buffer	570
Expected Supply 2014 - 2019	1701
Surplus (+) / Shortfall (-) 2014 - 2019	-1149
Housing Land Supply 2014 - 2019 (in years)	3.0

Annual Housing Requirement	475
5 Year Baseline Requirement	2375
5 Year Baseline Requirement + 20% Buffer	2850
Annual requirement for the next 5 years inclusive of 5% buffer	570
Expected Supply 2014 - 2019	1643
Surplus (+) / Shortfall (-) 2014 - 2019	-1207
Housing Land Supply 2014 - 2019 (in years)	2.9

PUSH Economic Led Projections 704 p/a: Scenarios 9 - 10

Open House - Economic Led Evidence (Interim 2011-Based Household Projections (2011 - 2026) & Experian forecast): Scenarios 11 - 12

Scenario 9a: Agree with Council's supply assumptions (inclusive of 5% buffer)

Scenario 10a: Disagree with Council's supply assumptions (inclusive of 5% buffer)

Scenario 11a: Agree with Council's supply assumptions (inclusive of 5% buffer)

Scenario 12a: Disagree with Council's supply assumptions (inclusive of 5% buffer)

Total Annual Housing Requirement	704
5 Year Baseline Requirement	3520
5 Year Baseline Requirement + 5% Buffer	3696
Annual requirement for the next 5 years inclusive of 5% buffer	739.2
Expected Supply 2014 - 2019	1701
Surplus (+) / Shortfall (-) 2014 - 2019	-1995
Housing Land Supply 2014 - 2019 (in years)	2.3

Annual Housing Requirement	704
5 Year Baseline Requirement	3520
5 Year Baseline Requirement + 5% Buffer	3696
Annual requirement for the next 5 years inclusive of 5% buffer	739.2
Expected Supply 2014 - 2019	1643
Surplus (+) / Shortfall (-) 2014 - 2019	-2053
Housing Land Supply 2014 - 2019 (in years)	2.2

Total Annual Housing Requirement	717
5 Year Baseline Requirement	3585
5 Year Baseline Requirement + 5% Buffer	3764.25
Annual requirement for the next 5 years inclusive of 5% buffer	752.85
Expected Supply 2014 - 2019	1701
Surplus (+) / Shortfall (-) 2014 - 2019	-2063.25
Housing Land Supply 2014 - 2019 (in years)	2.3

Annual Housing Requirement	717
5 Year Baseline Requirement	3585
5 Year Baseline Requirement + 5% Buffer	3764.25
Annual requirement for the next 5 years inclusive of 5% buffer	752.85
Expected Supply 2014 - 2019	1643
Surplus (+) / Shortfall (-) 2014 - 2019	-2121
Housing Land Supply 2014 - 2019 (in years)	2.2

Scenario 9b: Agree with Council's supply assumptions (inclusive of 20% buffer)

Scenario 10b: Disagree with Council's supply assumptions (inclusive of 20% buffer)

Scenario 11b: Agree with Council's supply assumptions (inclusive of 20% buffer)

Scenario 12b: Disagree with Council's supply assumptions (inclusive of 20% buffer)

Total Annual Housing Requirement	704
5 Year Baseline Requirement	3520
5 Year Baseline Requirement + 20% Buffer	4224
Annual requirement for the next 5 years inclusive of 5% buffer	844.8
Expected Supply 2014 - 2019	1701
Surplus (+) / Shortfall (-) 2014 - 2019	-2523
Housing Land Supply 2014 - 2019 (in years)	2.0

Annual Housing Requirement	704
5 Year Baseline Requirement	3520
5 Year Baseline Requirement + 20% Buffer	4224
Annual requirement for the next 5 years inclusive of 5% buffer	844.8
Expected Supply 2014 - 2019	1643
Surplus (+) / Shortfall (-) 2014 - 2019	-2581
Housing Land Supply 2014 - 2019 (in years)	1.9

Total Annual Housing Requirement	717
5 Year Baseline Requirement	3585
5 Year Baseline Requirement + 20% Buffer	4302
Annual requirement for the next 5 years inclusive of 5% buffer	860.4
Expected Supply 2014 - 2019	1701
Surplus (+) / Shortfall (-) 2014 - 2019	-2601
Housing Land Supply 2014 - 2019 (in years)	2.0

Annual Housing Requirement	717
5 Year Baseline Requirement	3585
5 Year Baseline Requirement + 20% Buffer	4302
Annual requirement for the next 5 years inclusive of 5% buffer	860.4
Expected Supply 2014 - 2019	1643
Surplus (+) / Shortfall (-) 2014 - 2019	-2659
Housing Land Supply 2014 - 2019 (in years)	1.9

Fareham District 5 Year Housing Land Supply Calculation: Summary Sheet

Scenario	1	2	3	4	5	6	7	8	9	10	11	12
Housing Requirement Figure	Core Strategy (486 p/a)		South Hampshire Strategy (447 p/a)		PUSH SHMA recommended demographic led scenario (395 p/a)		Recessionary Interim 2011-based Household Formation Rates (475 p/a)		PUSH SHMA recommended economic led scenario (704 p/a)		Pre-recessionary 2008-based Household Formation Rates (717 p/a)	
LPA Supply Calculation	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree
Housing land supply in years with 5% buffer	3.3	3.2	3.6	3.5	4.1	4.0	3.4	3.3	2.3	2.2	2.3	2.2
Housing land supply in years with 20% buffer	2.9	2.8	3.2	3.1	3.6	3.5	3.0	2.9	2.0	1.9	2.0	1.9



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