

FAREHAM BOROUGH LOCAL PLAN 2011-2036

REGULATION 18 DRAFT PLAN

RESPONSE FROM PERSIMMON HOMES



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1. Introduction

1.1. This response is submitted by Persimmon Homes South Coast in response to the Regulation 18 Local Plan 2011-2036 henceforth referred to as the “Draft Plan”. The draft plan has been produce by Fareham Borough Council henceforth referred to as “the Council”.

1.2. Our representation is set out in 4 sections, including appendices;

- Section 2: setting our response to the overall housing related issues;
- Section 3: relating to our policy specific responses;
- Section 4: relating to site specific considerations of allocations with particular reference to Housing Site HA5 Land South of Rosmey Avenue and HA6: Cranleigh Road and
- Section 5: setting out our objection site submission
- Appendices: providing detailed information as referenced within our submission.

1.3. Below is a summary of actions required to address the shortcomings of the draft plan:

- Review of housing requirement figures, as detailed in Section 2, to take account of:
 - the standardised Objectively Assessed Housing Need
 - unmet need in the neighbouring authorities of Gosport, Portsmouth and Havant
 - our assessment of the Council’s housing supply assumptions on Allocations and windfall
- Production of a housing Implementation Strategy to explore every opportunity to significantly boost the delivery of housing in line with para 47 bullet point 4 of the NPPF
- Revision of the wording with regards to housing site allocation HA6 Land at Cranleigh Road, as detailed at section 4,
- Inclusion of Land South of Oakcroft Lane, Stubbington in view of additional information provided in Appendix 6 of our submission which addresses the uncertainty regarding a highways access solution.
- Revision of wording of policies detailed in section 3 of this submission.

2. HOUSING

Overall Housing need

Fareham in context

- 2.1. Fareham is located in the south of Hampshire and is a full member of the Partnership for Urban South Hampshire (PUSH). PUSH is a partnership of authorities which provides a platform for addressing strategic and cross-boundary issues through jointly commissioned evidence base documents. Its member authorities then in turn use these to inform production of their local plans.
- 2.2. PUSH produced an assessment of the housing needs across the PUSH Housing Market Area (HMA) with an initial PUSH Strategic Housing Market Assessment (SHMA) published in 2014 (Ref: EV 21), with a further update on Objectively Assessed Need (OAN) published in 2016 (Ref: EV22). The two cities of Portsmouth and Southampton form the basis of the two constituent HMAs essentially subdividing the PUSH HMA into the PUSH West HMA (Southampton HMA) and PUSH East (Portsmouth HMA). Fareham straddles the two HMAs with the Western Wards falling into the Southampton HMA and the rest of the borough in the Portsmouth HMA.
- 2.3. PUSH published a joint statement in 2016 setting out the issues and possible development options for the PUSH sub-region. The PUSH SPS (2016) (Ref: EV 08) forms an integral part of the Council's evidence base.

Draft Plan

- 2.4. The Draft plan is welcomed as it pragmatically seeks to provide over and above the current OAN for Fareham as set out in the PUSH SHMA Update 2016. Notwithstanding the draft plan's 7% uplift on OAN, Persimmon do not consider this to adequately reflect the level of housing provision required to address the housing needs of the Borough, and wider unmet needs within PUSH.
- 2.5. The full scale of this unmet need is put into perspective by paragraph 5.28 of the PUSH SPS (2016) which, for ease of reference, is reproduced below;

“The scale of housing need in the two cities cannot be fully met on the range of sites they have available. In addition, there is a very constrained supply of land in Gosport, Havant and the Totton/Waterside area of New Forest and on the Isle of Wight, which limits the ability of these areas to meet their identified housing needs in full. “(PUSH SPS (2016))

- 2.6. In addition a new draft methodology for assessing housing need published for consultation by the government sets an even higher minimum housing requirement which will exacerbate the current situation significantly.

Approach to deriving a housing requirement for Fareham

- 2.7. The Council's draft plan runs up to 2036, two years further than the PUSH SPS (2016) which provides a spatial strategy for the period 2011-2034. To address this difference in timescales the council has used an approach detailed in Table H1 of the draft plan.
- 2.8. The Council's draft plan at paragraph 5.5 also sets out an indicative quantum of housing to be delivered over the plan period to 2036. We consider the Council's approach to be problematical on a number of aspects relating primarily to; Standardised Objectively Assessed Housing Need, measures to address affordability and planning for unmet need within Fareham's immediate neighbours of Gosport, Portsmouth and Havant. Each of these issues is discussed in greater detail below.

Standardised Objectively Assessed Housing Need

- 2.9. On the 14th of September 2017 the government published a consultation on a new standardised OAN Methodology which would provide **minimum targets** for housing provision within local plans¹. Given the timescales for the production of the local plan as detailed in the LDS (July, 2017) the Council would be required to apply the new standardised methodology and consequently **plan for a minimum of 531 dwellings per annum (dpa)**.²
- 2.10. The Government figures indicate a clear direction of travel whereby Local Authorities with affordability issues, such as Fareham, need to address this via an uplift in housing provision. Given that the Government figures are expected (in some form) to be published well in advance of the adoption of the Local Plan, we expect these new figures to form the basis of the housing requirement in the Borough, subject to potential further uplifts discussed below.

Accounting for market signals and addressing affordability

- 2.11. An analysis of the PUSH SHMA 2016 (EV22) and in particular Table 53: Changes in Lower Quartile House Price to Income Ratio indicates that as at 2013 Fareham had a higher house price to income ratio than Eastleigh. This is significant in that the Inspector for Eastleigh's Examination in Public (EiP) at paragraph 41 of his report (See Appendix 1) suggested an uplift of circa 10% to account for market signals after noting that the PUSH SHMA 2014 (EV21), which whilst concluding that market signals are not significant for most of the core PUSH authorities, acknowledged that modest market pressure had been identified in Eastleigh and Fareham.
- 2.12. Elsewhere our research has revealed a robust assessment undertaken by Nathaniel Litchfield Partners (NLP) on Market Signal adjustment in SHMAs and Inspector's report. The report by NLP was a submission to the Mid- Sussex EiP (2016), Table 2 of that report is reproduced in Fig. 1 below. The full extract of the NLP Report is appended to this submission at Appendix 2.

¹ Planning for the right homes in the right places: Consultation proposals. (DCLG, 2017) Available at: <https://www.gov.uk/government/consultations/planning-for-the-right-homes-in-the-right-places-consultation-proposals>

² Based on an affordability ratio (2016) of 9.51 and an adjustment factor of 1.34

Figure 1: Table 2: Market Signal Uplifts

Appendix 3 Market Signals Uplifts being applied in Other Locations

Table 2 Market Signals Uplifts

LPA	SHMA/Inspectors Report	Market Signals Uplift	Affordability Ratio
Eastleigh	Inspectors Report	10%	8.74
Canterbury	SHMA & Inspectors Report	20%	10.80
Cambridge	SHMA	30%	13.02
South Cambridgeshire	SHMA	10%	10.98
High Peak	SHMA & Inspectors Report	5%	6.89
Braintree	SHMA	15%	9.69
Chelmsford	SHMA	20%	10.92
Sefton	Inspectors Report	0%	6.23
Uttlesford	Inspectors Report	10%	12.55
Aylesbury Vale	SHMA	10%	10.59
Chiltern	SHMA	20%	15.96
South Bucks	SHMA	20%	16.73
Wycombe	SHMA	20%	10.9
Uttlesford	SHMA	20%	12.55
East Herts	SHMA	20%	12.14
Harlow	SHMA	20%	8.97
Epping Forest	SHMA	20%	14.00
Stevenage	SHMA	10%	9.58
North Hertfordshire	SHMA	10%	10.32
Bristol	SHMA	7.5%	8.18
North Somerset	SHMA	7.5%	8.39
South Gloucestershire	SHMA	7.5%	9.00
Tamworth	Inspectors Report	5%	7.00

- 2.13. As evidenced by fig 1 above the market signals adopted elsewhere range between 5-30%. The evidence here is broadly consistent with the premise of the new Government OAN figures, whereby it is clear that there is an affordability issue in Fareham (and its neighbours), which needs to be addressed through the Local Plan.

Planning for unmet need Gosport, Portsmouth and Havant

- 2.14. The PUSH SPS (2016) (EV08) established that there is a significant shortfall in the number of homes that can be delivered across PUSH. The following mainland PUSH authorities are identified as being unable to meet their objectively assessed housing needs; Portsmouth, Southampton, Gosport, Havant and the Totton/Waterside area of New Forest and the Isle of Wight. In terms of functional connectivity and travel to work areas, Fareham is well related to the two cities of Southampton and Portsmouth

as well as Havant and Gosport (See figure 2). As such Fareham is very well placed to cater for the unmet needs of Gosport, Portsmouth and Havant.

Figure 2: Fareham neighbouring authorities in context



2.15. An analysis of the supply and identified shortfall within each of the PUSH authorities, based on Table 1 (OAN) and PUSH Position Statement H1: Housing Distribution (PUSH SPS, 2016), reveals that the neighbouring local authorities of Gosport, Portsmouth and Havant) have a total shortfall of 7,995 dwellings (see Table 1 below).

Table 1: Summary of unmet housing needs in Fareham's Neighbouring Authorities

Authority	Shortfall up to 2034 ³
Gosport	4,355
Portsmouth	2,460
Havant	1,180 ⁴
Total	7,995

2.16. As indicated by Table 1 above there is a significant shortfall of housing within the neighbouring authorities which the Council is required to take account off under the Duty to Cooperate. It is important to note that the table above and the PUSH SPS (2016) do not account for the shortfall in the period 2034-36. As such the current identified shortfall is a gross underestimation of the actual level of unmet need in Fareham's neighbouring authorities. Furthermore, recent published information by Havant Borough Council shows that there is an even higher level of unmet need in Havant of 3,383 dwellings up to 2036.

³ The PUSH SPS 2016 (EV08) covers the period 2034 to 2036 while the Fareham Borough Local Plan runs up to 2036. The Council in partnership with its neighbours will need to determine a mechanism to account for the shortfall in the 2 year period 2034-36 not covered by the PUSH SPS 2016 (EV08).

⁴ Updated information from Table 4 of the Havant Borough Council Local Plan Housing Statement (December 2016) indicates a higher shortfall of 3,383 dwellings.(See Appendix 3)

2.17. Moreover, the proposed changes to the assessment of housing needs set out by the government will significantly increase the housing required for the PUSH sub-region overall. This will inevitably lead to an even higher level of unmet needs within Fareham's neighbouring authorities, which Fareham should have due consideration of.

Approaches to meeting unmet need of neighbouring authorities in local plans

2.18. As part of our analysis of the situation in Fareham, with regards to affordability issues and significant unmet need within the wider HMA, we found 3 salient and recent case studies of how similar issues have been dealt with at EiPs. The three local authorities we refer to are Mid-Sussex District Council, Waverley Borough Council⁵ and Horsham. Mid-Sussex District Council's response to the issues raised at EiP relating to the unmet needs of Crawley and equally the response of Horsham are included at Appendix 2b for ease of reference. Below is a Table summarising the key approaches applied in both cases.

Table 2: Summary of measures to meet unmet need

Waverley Borough Council	Mid – Sussex District Council	Horsham Local Plan
83 dpa uplift to meet 50% of Woking's unmet need.	88 dpa uplift to help address 30% of the unmet needs of Crawley⁶ which is located within the same HMA (North Sussex HMA). Commitment to work with West Sussex HMA to help address unmet need in the neighbouring HMA.	Additional 3,000 dwellings addressing 60% of Crawley's unmet need

2.19. Given the high level of unmet need within its closest neighbours, the Council should adopt a positive approach to helping address the shortfall. Following the approach adopted by other authorities within a similar situation as Fareham, the Council should be looking to **include uplift on its OAN in the magnitude of at least 30% of the unmet need** within its closest neighbouring authorities. This equates to 104 dpa⁷ (2,399 dwellings).

2.20. Based on the issues regarding unmet need from neighbouring authorities and the need to account for market signals our assessment indicates a full OAN for Fareham of 635 dpa.

Table 3: Full OAN for Fareham

Element	Dpa
Baseline OAN from latest Government figures	531

⁵ Both of these local plans are at Main Modification Stage following initial views by the Inspector.

⁶ Crawley has an identified unmet need of 5025 dwellings (2015-2030). The Horsham Local Plan (2011-31) makes provision for 3,000 homes to meet some of Crawley's unmet need (60%). The Mid-Sussex Plan makes provision for 1,498 dwellings to help meet the shortfall in Crawley.

⁷ 104.304dpa rounded calculation I based on meeting the shortfall within the PUSH SPS 2016 timeline of 2011-2034.

Unmet need from neighbouring authorities	104
OAHN	635

- 2.21. Based on the evidence set out above the Council should be working towards meeting as **minimum a housing requirement of 635 dwellings per annum**.

Fareham's capacity to accommodate the unmet needs of the Gosport, Portsmouth and Havant

- 2.22. In light of the acute level of unmet need already established through the PUSH Spatial Position Statement 2016, Fareham has the capacity and should be planning for the unmet needs of its neighbours in order to comply with the legal test of being '*positively prepared*'.
- 2.23. An assessment of the Council's Housing Site Selection Paper (EV13) indicates a potential capacity for 1872 -1877⁸ dwellings on sites that the Council's own SHLAA assessment considers to be developable but, as yet, have not been allocated within this draft plan.
- 2.24. The results of the Council detailed technical work including the Infrastructure Delivery Plan (Ref: EV 52) has not identified any constraints, infrastructural or ecological that constrain development neither are there any green belt designations restricting the delivery of housing within the borough. Moreover statutory undertakers have a legal obligation to deliver the infrastructure required to help deliver the development needs of Fareham and the wider PUSH region.
- 2.25. There is clear and compelling evidence that the Council has an additional developable supply of housing sites, as identified in the Fareham SHLAA 2017, which can contribute towards meeting the full OAN for Fareham as set out in Table 3. It is clear that the Borough is relatively free from constraints, especially when compared to many of its neighbours. Fareham should justify why it cannot address more of the sub-regional need in light of this evidence.

Proposed Stepped Trajectory

- 2.26. In light of the evidence it is clear that Fareham's overall housing figures fall well short of what the Borough could, and should, be delivering. There is a short term need for new housing that is not being met. This is evident by under-delivery in recent years, an increasing affordability issue and higher housing requirement figures coming out of both PUSH and Central Government.
- 2.27. The proposed stepped trajectory is unjustified and indicates that the Council's current approach is not the most appropriate strategy. There is no evidence to show that housing need is greater further down the line, and with numbers ever increasing, the

⁸ Potential dwelling range accounts for sites where there is more than one development option See Appendix 4.

Council should be doing all it can to address this issue in the short term. Whilst it is acknowledged that Welborne, which is the underlying reason for the stepped trajectory, will take time to start delivering, it is clear that the Council needs to do far more to meet its housing needs. This will inevitably necessitate addition housing allocations, and there is no reason that these cannot be delivered in the short term.

2.28. Furthermore, the Council's decision to back-date a lower housing requirement is contrary to best practice. It cannot be a sound position to artificially back-date a housing figure, seemingly to conceal/downplay significant previous under delivery rates.

2.29. The Council's overall housing requirement should be split between the remaining years of the plan to create a residual annual housing figure.

Conclusion on Overall Housing Need

2.30. There is clear and compelling evidence that the housing target the Council is to currently working to is grossly inadequate and does not represent a "*positively prepared*" strategy which would aim to improve affordability locally and meet the unmet needs of Fareham's heavily constrained neighbours of Gosport, Portsmouth and Havant. Moreover, the Council's current full objectively assessed need will increase significantly following the implementation of the standardised OAN which indicates a baseline OAN of 531 dpa Fareham.

2.31. Compounding this issue is the Council's arbitrary inclusion of a stepped trajectory which is not evidence based and is simply an attempt at justifying the Council strategy of strategic allocations which by the Council's own admission will not deliver the much needed homes of the borough in a timely manner as is required by Paragraph 47 of the NPPF.

Sources of supply

Allocations

2.32. The Council's allocations are based on a number of allocations rolled over from the Development Sites and Policies (DSP) Plan 2014. A number of these sites have not come forward as previously anticipated by the Council and in some cases since the Local Plan 2000. Table 4 provides a summary of the sites, our assessment of their realistic delivery potential and the justification for our assessment.

Table 4: Assessment of delivery supply

Ref:	Site Name	Capacity	Our Assessment	Justification
HA9	Heath Road	71	0	As part of the Local Plan Part 2: DSP Plan hearings (2014) the Council and Hampshire County Council provided the inspector with assurances

				(Examination Document DCD-24) that 70 units could be delivered before 2018/19. This was based on the premise of 20 dwellings being delivered in 2017/18 and 50 dwellings in 2018/19 ⁹ . As yet there has been no planning application on the allocation site and no evidence justifying the consideration of the site within the council's housing land supply. It is therefore our view that this site should be considered a potential windfall site.
HA11	Raley Road	49	0	The allocation has been rolled over through 2 plan with no planning application being submitted to the Council. As such without additional robust evidence as to the deliverability or developability of the site it should be considered as a potential windfall source.
HA14	Genesis Centre	35	0	The site is an allocation within the Local Plan Part 2: DSP Plan with its deliverable subject to the relocation of existing community uses with no definitive funding or timescales provided. The site should therefore be considered a potential windfall site.
Total		150		

2.33. As set out in table 4 above the Council should remove the above mentioned sites from the draft allocations as they at best constitute potential windfall sites. **Accordingly the Council's anticipated housing supply should be reduced by 150 dwellings.**

Windfall

2.34. Windfall forms an integral element of the projected housing supply over the plan period to 2036 with the Council's projected windfalls amounting to 1320 dwellings for the period 2022/23 to 2035/36. Overall this equates to 11.4% of the identified supply figure of 11,559 dwellings over the plan period.

⁹ As set out in correspondence between Fareham Borough Council and Hampshire County Council, "In calendar years this would roughly equate to 10 dwellings in 2017, 50 dwellings in 2018 and 10 dwellings in 2019." (See Appendix 5)

2.35. The council's windfall rate is comprised of a small site allowance of 37 and a large site allowance of 52 dwellings per annum. We consider the small site allowance justified. However, the large site windfall is considered unjustified for reasons set out below.

Large Site allowance

2.36. Large site windfalls form a significant part of the projected windfall rate with a projected rate of 52 dwellings per annum expected from large site windfalls.

2.37. Regulation 3 of the Town and Country Planning (Brownfield Land Register) Regulations 2017 requires local planning authorities in England to prepare, maintain and publish registers of previously developed (brownfield) land by 31 December 2017 (NPPG, Paragraph: 002 Reference ID: 59-002-20170728).

2.38. Sites to be included within the brownfield register are subject to the following criteria;

- the land has an area of at least 0.25 hectares or is capable of supporting at least 5 dwellings;
- the land is suitable for residential development;
- the land is available for residential development; and
- residential development of the land is achievable.

2.39. Given the requirement for local planning authorities to publish and regularly update brownfield registers, the Council will be in a position to readily identify a supply of available brownfield land on potential windfall sites of 5+ units. This effectively necessitates a review of the current windfall rate to take account of this change in policy as this was not a consideration of the methodology of the council's Windfall Paper (Ref: EV24).

2.40. In the interest of good planning and given this fundamental change in national policy, the council should review the windfall methodology in consultation with stakeholders and additionally publish the raw data supporting the past trends to enable a robust review of the council's approach to date. There is as such no justification for the inclusion of a large site windfall allowance.

2.41. As a minimum the Windfall Rate should be revised down to comprise only of the small site windfall allowance (4 units or less) for reasons set out above. This would result in a **windfall allowance of 37 dpa** equating to 592 dwellings over the plan period a reduction of 728 dwellings.

Conclusions on housing supply

2.42. For reasons set out above relating to the windfall rate and draft allocation sites with uncertainty over their deliverability (Table 4) the Council should discount a total of 878 dwellings from its anticipated supply. **The Council at best has a potential housing supply of 10,681 over the plan period to 2036.**

- 2.43. When considered against an estimated minimum housing requirement of 15,875 (as discussed above). **The Council has a need to find an additional 5,194 dwellings.** The sites identified in the SHLAA (October 2017) (Ref: EV 11) as being 'Developable but not preferred' (1872 -1877 dwellings) should therefore be reconsidered as a matter of urgency. Should those sites be allocated or identified for early release this would result in a residual requirement for the Council to find a further 3,312 to 3,317 dwellings over and above the sites identified as 'developable but not preferred' within the SHLAA 2017.
- 2.44. This puts the situation facing Fareham in stark contrast. In order to help ameliorate this issue there are possible mechanisms which the Council should look to initiate in order to deliver a robust plan which is '*justified*', '*positively prepared*' and '*effective*' which can provide sufficient certainty to deliver the development needs of Fareham and the unmet needs of its neighbours Gosport, Portsmouth and Havant.

Deliverability

- 2.45. Considering the seriousness of the issues facing Fareham and the wider PUSH HMA there is an urgent need for the council to initiate measures to ensure that the required housing identified.
- 2.46. We note that this is not a situation unique to Fareham and examples exist elsewhere and in Arun in particular where the local authority is facing considerable pressures in terms of OAN and unmet need from elsewhere within its housing market area. In the case of Arun the inspector adjourned the EiP to allow Arun District Council to formulate a strategy of boosting the housing supply which had been assessed as being 1.9 years of its OAHN. This is similar to Fareham's situation where the housing land supply position was deemed by the inspector at the Cranleigh Road appeal (Ref: APP/A1720/W/16/3156344) as being marginally over 2 years. This is without taking into account the significant uplift required by the new standardised OAN and affordability issues and Market Signals.
- 2.47. In addition to the proactive approach adopted by Arun, Havant Borough Council, located within the same HMA as Fareham, has also adopted a proactive strategy to help boost the delivery of much needed housing. The strategy adopted by Havant Borough Council is in the form of an early release paper which identified Greenfield sites that could be delivered ahead of the production of the local plan review to help address some of the unmet need. Following the early release of sites still left a residual requirement for the Havant Borough Council to find a further 3,383 dwellings in order to meet its OAN. Fareham is in the fortunate position of having a readily identified potential supply of 1872 -1877 dwellings from SHLAA sites which are considered to be 'developable but not preferred'. There is still a need to find further sites to meet the identified housing needs.
- 2.48. We are of the opinion that the Council should adopt a similar approach the Havant and Arun's early release strategies as they would represent a "*positive*" and "*justified*"

approach to meeting the identified development needs of the borough and its neighbours Gosport, Portsmouth and Havant.

- 2.49. This would not initially necessitate additional work as the Council has already completed the Housing Land Availability Assessment 2017 in support of the draft Plan with an assessment of those sites which while having development potential were not preferred by the council. These sites form the logical starting point for the additional sites required to meet emerging housing requirement as set out in the standardised OAHN and the wider issues within the PUSH Housing market as discussed above.

Other Types of Housing

Meeting affordable housing need

- 2.50. We welcome the Council's review of the affordable housing requirement based on updated viability evidence and we hope the requirement for affordable housing to continue to be subject to viability to reflect vagrancies of the market and in particular cases where the complexity of sites may necessitate a departure from policy.
- 2.51. The Council commissioned a Housing Needs Study (Ref: EV23) which at Fig 2.1 sets out the net affordable housing need for the borough over the plan period based on the outputs of the PUSH SHMA 2014. From the Council's evidence there is a net need for affordable housing of 302 dwellings per annum. This reinforces our views regarding the requirement for an upwards adjustment of 10% on the baseline OAN to help address affordability.
- 2.52. The Council at paragraph 5.10 of the draft plan asset that families are likely to spend more than 30% of their household income on rental costs. This is seemingly used by the Council as justification for not adequately planning for the levels of affordable housing identified in the PUSH SHMA 2016 and the Council's Housing needs Study (EV23). This is a similar argument used elsewhere within the PUSH area by Eastleigh Borough Council at its EiP for its local Plan in 2014 which was found unsound due to significant shortcomings relating to the assessment of housing need. For ease of reference the Inspector's report for the Eastleigh Local plan EiP is appended to our submission (Appendix 1). The Inspector for the EiP at paragraph 33 of his report stated that;
- “...I see no justification for the Council assuming that more than 30% of income could reasonably be spent on housing. Some households may be forced to do so, but that does not make it a justified approach to assessing need.”
- 2.53. It is therefore our view that the approach of the Council in this instance is equally unjustified and as such the council should be exploring more effective methods of securing much needed affordable housing such as an upward adjust of 10% on the baseline OAN to help improve affordability.

Self and Custom Build Need

Need

- 2.54. In line with the NPPG the Council has commissioned and produced an assessment of the self and custom build needs within the borough. Government guidance sets out a requirement to meet any identified need within a 3-year period from the corresponding base date. In response to this rising need for self and custom build plots the Council has set out a requirement under draft policy H7 - Self and Custom Build Homes for sites over 100 dwellings to deliver 5% of the dwellings as self and custom build plots.
- 2.55. Based on the Council's draft allocations this would result in a potential delivery of 119 custom and self build plots. Additionally, assuming a 1% delivery as per the policy requirement set out in the Welborne Plan there is a potential further supply of 38 units resulting in a potential supply of 157 self build plots by 2036. Set against the current identified need of 23 net plots this is excessive and would result in significant over provision of a product for which there is no clear market demand.
- 2.56. The Council points to approaches adopted by local authorities elsewhere as part of the justification for the seemingly arbitrary policy requirement of 5% of the total number of units on sites with a capacity of 100 or more dwellings. This is in stark contrast to the Self and Custom Housebuilding in Fareham Report (Ref: EV 26) which only identifies 1 council (Gosport Borough Council) out of 6 neighbouring councils as supporting opportunities for custom and self build plots. The Council's approach therefore fails to take account of, or set out, the evidence underpinning those approaches and as such this is not justified. As there is no established trend as to the future demand there is no justification for the application of a seemingly arbitrary policy requirement which has not been adequately viability tested (para 2.2.24 of the Local Plan Viability Assessment (EV25)).

Practical considerations

- 2.57. Persimmon Homes are of the view that it is not appropriate to provide self build plots on new build development sites of 100 or more because this has impacts on:
- Design and layout requirements of the Design and Access Statement.
 - Phasing and completion of the wider site.
 - Section 106 contributions due to the exemption that applies to self-build housing.
 - Delivery of housing in accordance with paragraph 47 of the NPPF to boost significantly housing supply, where supply on an ad hoc basis by self builders is likely to be slow compared with the remainder of the site or even not take place at all.
- 2.58. This results in practical and management problems as follows:
- the reserve matters period running out and needing to be extended.

- Ad-hoc builders turning up outside specified hours of work.
- Storage of materials as there is limited room on plot and storage spills onto the market housing part of the site.
- Purchasers having to stop building due to unemployment/lack of funds.
- Purchaser dissatisfaction where building continues on a site which was expected to finish when they moved in.

Delivering self and custom build plots

2.59. Below is a reproduction of Table 1 – Base Periods for Fareham’s Self and Custom Build Register and the deadline for Granting Suitable Planning Permissions of the Self and Custom Build Need Background Paper (EV27).

2.60. As set out in the Self and Custom Build background paper, this 1st base period is (21/03/16 – start of register to 31/10/16) and as such there is a requirement for the council to meet the identified net need for 23 serviced plots by the 31st October 2019.

Base Period for the council’s Self and Custom Build Register	Deadline for granting ‘suitable planning permission’ for self-build plots for the base Period
Base Period 1 (21/03/16 – start of register to 31/10/16)	31/10/19
Base Period 2 (01/11/16 to 31/10/17)	31/10/20
Base Period 3 (01/11/17 to 31/10/18) (and continuing on this rolling annual basis)	31/10/21 (and continuing on this rolling annual basis)

2.61. The current adopted Local Plan Part 2: Development Sites and Policies (DSP) Plan (2015) allocates 2 sites for custom and self build plots namely, Land at Stubbington Lane (12 units) and Land at Sea Lane (8 units). As the two sites are existing allocations for self-build within the Local Plan Part 2: DSP Plan, there is every opportunity for the Council to meet the identified current demand within the timescales set out in government guidance. Moreover, both these sites are in the ownership of the Council¹⁰ and as such offer the most effective and justified approach to the delivery of the self and custom build plots required.

2.62. Notwithstanding the above, should the Council still be minded to seek alternative procurement routes this should be through specific allocations within the plan and or a Self and Custom Build exceptions policy. Either approach offers an alternative more dynamic and “justified” approach to meeting the aims of the Council with regard to the provision of self and custom build to plots to meet the identified demand.

¹⁰ FBC Land Ownership as indicated by the Council’s Local View Web Viewer. Available at: https://maps.fareham.gov.uk/LocalViewWeb_External/Sites/inmyarea/# Accessed: 05/12/2017

Adaptable and Accessible Homes

- 2.63. Citing a projected increase in older persons and greater levels of disability, the Council has placed a requirement for adaptable and accessible home to be delivered on sites of 100 or more dwellings in line with draft Policy H4. We consider this to be an incorrect approach to the projected need. This is because the Council's own evidence, set out in the Housing Needs Assessment (Ref: EV23), indicates high levels of owner occupation in the 65+ age bracket from which the rising need will emanate. As the Council correctly identifies, a large proportion of these occupiers will seek to remain within their own homes with care provided in situ. This is reflective of the analysis set out in the PUSH SHMA (2014) (Ref: EV21) at paragraph 10.28. Bearing in mind that should these owner occupiers need to downsize or relocate they will go to the market as they will be able to utilise the equity built up within their dwellings to access products which meet their specific needs (Paragraph 10.28, PUSH SHMA, 2014 (Ref: EV21). This may be sheltered or extra care accommodation. Within recent years as this market has developed the industry has responded with a number of private sheltered accommodation schemes approved within Fareham.
- 2.64. Moreover these specialist types of accommodation are best located in accessible locations (Paragraph 11.38, PUSH SHMA, 2014 (Ref: EV21)). Given the mobility challenges which may face some older persons, town and district centres, with their conveniently located services such as shops and health facilities are ideal locations for older persons housing. Fareham town centre is a highly accessible location where a significant quantum of flatted housing is proposed with the benefit of a reduced affordable housing policy requirement. District Centres are also highly accessible locations where there is a potential for older persons housing could be delivered. The Council should therefore explore opportunities to focus the need for adaptable and accessible dwellings in Fareham Town Centre.
- 2.65. Additionally, the greater need is likely to be within older persons' housing is likely to be in the affordable housing sector (Paragraph 10.23, PUSH SHMA, 2014 (Ref: EV21) where there is demonstrable need for adaptable housing as also indicated by the Council's Housing Needs Assessment (Ref: EV23). In response to this growing need the Council has historically embarked on an extra care housing building programme which has delivered 76 sheltered units¹¹ since 2015.
- 2.66. It is however surprising and disappointing that while the Council has placed great weight in the emerging need within older persons housing it has not seen it fit to make specific older persons housing allocations. The Council has the evidence base and local knowledge to know the best locations for this type of development, it should not be the responsibility of individual developers and landowners to provide a specialist type of housing, especially where these may be in wholly unsuitable locations. On the contrary, the Council has removed references to older persons housing on the following sites resulting in a potential loss of 115 units¹² of much needed older persons housing.

¹¹ Collingwood Court (40 units) completed in 2015 and Sylvan Court (36 units) completed 2016.

¹² Fareham Station West, Fareham (80 units) and Genesis Centre, Locks Heath (35 units).

3. POLICY SPECIFIC RESPONSE

- 3.1. This section of our submission relates to specific policies.
Design

National Described Space Standards

- 3.2. The housing standards review introduced the optional space standards which local authorities could adopt by way of reference in their local plans. The Council, at paragraph 10.15 of the Draft plan, sets out a requirement for, “New developments with habitable rooms should secure adequate internal space to comply with the national described space standards”.
- 3.3. A prerequisite to the adoption of the space standards are the following tests set out in the planning practice guidance (Paragraph: 020 Reference ID: 56-020-20150327).

“Where a need for internal space standards is identified, local planning authorities should provide justification for requiring internal space policies. Local planning authorities should take account of the following areas:

- **need** – evidence should be provided on the size and type of dwellings currently being built in the area, to ensure the impacts of adopting space standards can be properly assessed, for example, to consider any potential impact on meeting demand for starter homes.
- **viability** – the impact of adopting the space standard should be considered as part of a plan’s viability assessment with account taken of the impact of potentially larger dwellings on land supply. Local planning authorities will also need to consider impacts on affordability where a space standard is to be adopted.
- **timing** – there may need to be a reasonable transitional period following adoption of a new policy on space standards to enable developers to factor the cost of space standards into future land acquisitions.”

Test 1: Establishing need

- 3.4. In order to meet the policy test for the inclusion of the space standards there is a requirement for the council to establish the need for the adoption of the national space standard. To this end the Council has submitted evidence in the form of a Housing Needs Study (Ref: EV23) which provides an assessment of housing needs in general and policy recommendations in relation to national space standards. Key findings and policy recommendation of the study are set out below;
- Overall, the vast majority of dwellings in Fareham, as represented by properties on the market for sale, meet or exceed the new nationally described space standards in terms of GIA. (Para 5.22)

- Amongst new build properties (developed in the last 10 years) there is no clear evidence that these homes are falling below the new standards on a consistent basis. (Para 5.22)
 - In relation to affordable housing, THHP suggest Fareham Borough Council seek that all homes comply with the new nationally described space standards. (Para. 5.33)
 - At present, THHP would see limited value in requiring space standards on market houses and larger flats. (Para 5.35)
 - Given current evidence of some 1 bedroom flats falling below nationally described space standards, there is a case for applying a minimum dwelling size for all dwellings of 39 sq m. This is the minimum size for a 1 bedroom flat in the 'nationally described space standards' guidance. The standards set out in paragraph 10 of the nationally described space standards would apply in terms of the measurement of the property. (Para. 5.36)
- 3.5. The Council's own evidence confirms that (para 5.22) the "vast majority of dwellings" already meet space standards, and there is no evidence that new dwellings are consistently falling below the standards. Given that there seems to be no current problem, we question why intervention in the market is being proposed.

Test 2: Viability

- 3.6. The second policy test set out in the NPPG has 2 parts. The first part relates to requirement for a viability assessment to demonstrate that there are no adverse implications on development viability resulting from the introduction of the nationally described space standards. The second part of the Viability test requires an assessment of the impact of the adoption of the space standard on affordability.
- 3.7. In fulfilment of the first part of the Viability policy test the Council commissioned a Viability Study (Ref: EV25) which indicates that development viability would not be negatively impacted by the introduction of the standards. This has been done at a relatively high level, and the level of detail makes it difficult to conclude whether this part of the test has been complied with.
- 3.8. The Council's viability assessment fundamentally failed the second part of the PPG test in relation to viability. No assessment has been done to demonstrate that the requirement for new development will not negatively impact affordability within the market. Furthermore, paragraph 4.37 of the PUSH SHMA 2014 (Ref: EV21) states that, "... prescribing unit sizes ...could increase entry level prices leading to some buyers (particularly first time buyers) being priced out of the market." (Paragraph 4.37).
- 3.9. Persimmon Homes work on a model that provides a substantial offer towards first time buyers looking at 2 and 3 bed family homes. The Council has failed to understand that by including space standards they would be increasing the cost of small units, potentially putting them out of reach of first time buyers.

3.10. For reasons stated above, the proposals fail the Viability test.

Test 3: Timing

3.11. The Council has not set put a transition period for the adoption of the space standard and as such fails on this policy test.

Conclusion on justification for the requirement of space standards

3.12. The Council has failed to demonstrate a need for the adoption of space standards for market houses. As the Council may well be aware, the space standards are to be adopted based on demonstrable need and are not a 'nice to have' policy requirement. Furthermore, the requirement for new development to meet national Space standards fails the Viability policy test as the PUSH SHMA 2014 (EV 21) indicates that the introduction of the standard would impact affordability for first time buyers. Moreover the Council's Viability Assessment (EV 25) fails to provide an assessment of the impact on affordability.

3.13. In view of the above, for the avoidance of doubt and in order to reflect the outcomes of the Council's own housing needs evidence we suggest the removal of any reference to space standards in the draft plan.

4. SITE SPECIFIC CONSIDERATIONS

Housing Site HA6: Cranleigh Road

- 4.1. We welcome the allocation of the Land at Cranleigh Road in the Council's draft plan. This recognises that the site has gained planning permission on a highly suitable site which will help contribute to the delivery of much needed housing in Fareham.
- 4.2. Notwithstanding our comments above, we would like to draw the council's attention to the fact that the site already has the benefit of a planning permission. There is, however a Reserved matters application still to be determined and as such its success can not be guaranteed at this point in time. Persimmon Homes remain committed to delivering this proposal and are working with the authority to achieve this, however the success of the reserved matters application is not guaranteed. It is with this in mind that we are requesting that the Council amend the wording of the policy to reflect the principles of the outline permission. We have included below some suggested revisions to the wording followed by our reasoned justification for the proposed changes.

Development should be built in accordance with outline planning permission, however any subsequent planning application will be granted provided that detailed proposals accord with the policies in the Local Plan and meet the following site specific requirements:

- a) The quantum of housing proposed shall be broadly consistent with the indicative site capacity; and
- b) Primary highway access shall be focused on Cranleigh Road; and
- c) Building heights shall be limited to a maximum of 2 storeys eaves height; and
- d) The creation of ~~a loop road on the site~~, safe pedestrian and cycle crossing points to Cranleigh Road and explore opportunities of extending pedestrian and cycle access to the adjoining Romsey Avenue housing allocation (HA5); and
- e) ~~Retention and strengthening of the existing tree and hedgerow boundary located around the perimeter of the site in contributing to the provision of a buffer for nearby SAC habitats and retain the north / south hedgerow which dissects the site except where~~
~~access points may be required in relation to criterion a; and~~
- f) A new badger corridor and mitigation for the closure of the existing badger sett within the eastern field by providing for a replacement artificial badger sett in the western field, to the satisfaction of the Council; and
- g) Maintaining a 12 metre sewer easement running parallel to the eastern and southern boundaries of the site, with the exception of driveways and private gardens.
- h) ~~Proposals shall either provide directly, or provide a financial contribution towards the delivery (and maintenance where deemed necessary) of the following infrastructure, in line with the Council's Planning Obligations SPD:~~
 - ~~• Off-site highway improvement and mitigations works; and~~
 - ~~• Local schools and early years childcare infrastructure (as identified by the Local Education Authority); and~~
 - ~~• Open space on-site (to be considered in conjunction with the open space proposed at HA5: Romsey Avenue)~~



- 4.3. Proposed changes to the wording of bullet point **c** is to reflect the parameters established through the consented scheme.
- 4.4. Proposed changes to bullet point **d** are required in order to reflect the extant planning permission which concluded that there is no requirement for a loop road.
- 4.5. Proposed removal of bullet point **e** reflects the resolution of any potential impacts through the outline permission in which the mitigation measures set out in bullet point **e** were not identified or required.
- 4.6. The proposed removal of bullet point **h** is to reflect the Council's current CIL Regulation 123 List and the extant planning permission which did not identify a need for any infrastructure above and beyond the CIL contribution.
- 4.7. Subject to the above modifications we support the inclusion of the Cranleigh Road site in the draft plan.

5. ALTERNATIVE SITES

- 5.1. In view of our assessment on the level of housing the Council should be working to deliver, as set out at section 2 of this submission, we are of the opinion that the land at Oakcroft Lane, Stubbington (SHLAA REF: 1341) should be allocated within this plan. The site has an indicative capacity of 275 dwellings and the Council's SHLAA assessment considered the site to be developable subject to a workable highway solution.
- 5.2. The site is located in a sustainable location and is well related to the existing settlement. Further to this, the site is free of constraints and had the benefit of an ecological assessment which was undertaken as part of our preliminary assessment. The above mentioned attributes of the site are reflected in the Council's own assessment.
- 5.3. The site was only discounted on the grounds of lacking an 'identified highway solution' (Housing Site Selection Paper (Ref: EV13)). Appendix 6 of this submission provides a detailed access plan which demonstrates a 'workable highway solution', as such the site offers a viable potential allocation which is "*suitable*", "*available*" and "*achievable*" with a realistic prospect of being delivered within the first 5-years of the remaining plan period.
- 5.4. In view of the level of housing requirement required to meet the needs of Fareham, address affordability issues and market signals as well as unmet need from the neighbouring authorities, the council should allocate the above mentioned site as it offers a viable and realistic delivery prospect to help meet the high level of much needed housing within Fareham and the wider PUSH HMA.



6. APPENDICES (See Attachments)

Report to Eastleigh Borough Council

by Simon Emerson BSc DipTP MRTPI

an Inspector appointed by the Secretary of State for Communities and Local Government

Date: 11th February 2015

PLANNING AND COMPULSORY PURCHASE ACT 2004 (AS AMENDED)

SECTION 20

REPORT ON THE EXAMINATION INTO EASTLEIGH BOROUGH COUNCIL'S EASTLEIGH BOROUGH LOCAL PLAN 2011 - 2029

Document submitted for examination on 15 July 2014

Examination hearings held between 10 and 13 November 2014

File Ref: PINS/W1715/429/4

Abbreviations Used in this Report

HMA	Housing Market Area
HRA	Habitat Regulations Assessment
DPA	Dwellings per annum
LDS	Local Development Scheme
LHA	Local housing allowance
PRS	Private rented sector
ONS	Office for National Statistics
PUSH	Partnership for Urban South Hampshire
SA	Sustainability Appraisal
SCI	Statement of Community Involvement
SCS	Sustainable Community Strategy
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
UPC	Unattributable Population Change

Non-Technical Summary

This report concludes that the Eastleigh Borough Local Plan has a number of shortcomings in relation to housing need, the identified housing requirement and housing supply which are sufficient on their own to recommend non-adoption of the Plan.

I have found that the Council has not recognised the full extent of affordable housing need in the Borough and, as a consequence, has not considered all options to seek to better address that need. There are also market signals which indicate that some additional market housing is required in any case. The five year land supply position is inadequate, even for the housing requirement identified in the submitted plan, because a 20% buffer is required and the overall supply position is tight, with no flexibility to respond to changing circumstances.

Introduction

1. This report contains my assessment of the Eastleigh Borough Local Plan 2011-2029 in terms of Section 20(5) of the Planning & Compulsory Purchase Act 2004 (as amended). It considers whether the Plan is sound and whether it is compliant with the legal requirements. The National Planning Policy Framework (the *Framework*, paragraph 182) makes clear that to be sound, a local plan should be positively prepared; justified; effective and consistent with national policy.
2. The starting point for the examination is the assumption that the local authority has submitted what it considers to be a sound plan. The basis for my Examination is the draft plan submitted in July 2014 which is the same as the document published for consultation in February 2014.
3. This report addresses only the most significant issues arising from the hearings held in November 2014. Those hearings primarily considered matters relating to housing and employment needs, the Plan's requirements for the provision of housing and employment land and housing delivery and supply. Following those hearings, I published *Preliminary Conclusions* (Examination Document, ID/4) 26 November 2014 in which I identified a number of shortcomings relating to the identification of housing needs, the housing requirement and land supply. The Council raised various questions of clarification on those conclusions (EBC/10) which I addressed in ID/6, although this did not change my reasoning in my *Preliminary Conclusions*.
4. Given the shortcomings I had identified in my *Preliminary Conclusions* I decided that it was not a cost-effective or efficient use of all parties' time to continue with further hearings which had been planned for January/February 2015, which would have considered site-specific allocations, amongst other matters. I had further exchanges with the Council about whether the Examination could be suspended for further work or should be stopped at this stage (EBC/11 and /12 and ID/7 and /8). Eastleigh Borough Council decided on 18th December 2014 that, among other matters, work should begin on a new local plan for the period 2011-2036 and that I be requested to submit my report on the Examination to date. That request was made by the letter of 22 December 2014 (EBC/13).
5. This report is produced in response to the Council's request. It incorporates the greater part of my *Preliminary Conclusions* so far as relevant in relation to housing needs, the requirement and supply. The report does not change the reasoning previously set out and I have made only minor amendments and corrections to the previous text for clarity and to reflect the passage of time. I do not reproduce in this report the previous discussion of possible ways forward, since that is no longer relevant. Reflecting its chosen way forward and the difficulties of making potentially significant changes to the submitted Plan, the Council has, rightly, not made a request for me to recommend modifications to remedy the Plan's deficiencies and thus my report is confined to recommending non-adoption of the Plan.
6. Following the November hearings I also issued some conclusions and comments on a few other, less significant, matters (*Post Hearing Note 3* -

Other Matters ID/5). The problems I identified in that Note appeared capable of being addressed by modifications without requiring substantial further work. Other than in relation to the Habitat Regulations (see below) I do not refer to these other matters further in this report as they do not relate to main issues I am addressing here.

Assessment of Soundness

Main Issues

7. Taking account of all matters discussed at the hearings in November 2014 and all relevant related representations and written evidence I have identified two main issues on which I have assessed the soundness of the Plan.

Issue 1 – Whether the plan makes adequate provision for housing and economic growth

Derivation of the housing requirement in the Plan

8. The Framework (paragraphs 47 and 159) requires Councils to assess their area's housing needs and to meet those needs in full in their local plans. Those needs should be established by a Strategic Housing Market Assessment (SHMA) based on an objective assessment of housing needs involving neighbouring authorities where housing market areas (HMA) cross administrative boundaries. The only provision in the Framework (paragraph 14) for not fully meeting needs is if any adverse impacts of doing so would significantly and demonstrably outweigh the benefits or the specific policies in the Framework which indicate that development should be restricted.
9. This Local Plan has a protracted history with the original draft plan being published three years ago. Since then there have been significant changes in the planning context: publication of the Partnership for Urban South Hampshire (PUSH) South Hampshire Strategy 2012; publication of the Framework; and revocation of the South East Plan. The submitted Plan proposes in policy S2 a minimum of 10,140 new dwellings in the plan period of 2011 - 2029 which equates to 564 dwelling per annum (dpa). How this figure has been derived and justified is summarised in the *Housing Background Paper* EBC/H1 (July 2014) and in the *Sustainability Appraisal* EBC/G2 (10.2.3 - 10.2.9). The figure of 10,140 is derived from the apportionment made to Eastleigh Borough in the PUSH SHS 2012, increased by 5%. The South Hampshire Strategy was not based on an objective assessment of housing need in an up to date SHMA and thus, whilst reflecting a positive co-operative approach by all authorities in the sub-region, was not compliant with the Framework.
10. Irrespective of how the 10,140 was originally derived, I consider that the relevant test now is whether, in practice, in the light of all the evidence available it meets the requirements of the Framework. The Council's position is somewhat ambiguous as to whether it considers there is an objective assessment appropriate for Eastleigh Borough to inform this Plan.

The PUSH SHMA and PUSH Strategy

11. The South Hampshire Strategic Housing Market Assessment (SHMA) January 2014 (EBC/H4A) was published just before the publication of the pre-submission Plan. It was produced on behalf of all the PUSH authorities in the South Hampshire sub-region and covers needs in the period 2011-2036. It identifies two HMAs within the PUSH area. Eastleigh Borough is wholly within the Southampton HMA. I have seen no evidence to justify a different definition of an HMA for Eastleigh. The SHMA includes nine different projections to explore objectively assessed needs. Some, such as zero net migration or zero employment growth are so at odds with Framework as to not be worth putting forward, but they have not been used to determine the recommended outcome. I note that many local residents support much lower projections of housing need, but these would not be consistent with national policy.
12. In relation to household/population projections, the methodology used in the SHMA is not fundamentally criticised. Its conclusion is that needs amount to 2,115 dpa in the Portsmouth HMA and 2,045 in the Southampton HMA (11.24). Appendices to the SHMA set out all nine projections individually for the local authorities (or parts thereof) within the PUSH area. For Eastleigh Borough, applying the report's recommended projection at a Borough level amounts to 615 dpa (SHMA, Appendix U, Table 19). This equates to 11,070 dwellings for the Local Plan period to 2029 (EBC/H1 paragraph 4.68), 930 more than the Plan proposes.
13. The SHMA focuses on assessing needs on the basis of the two identified HMAs. This is consistent with the approach to preparing SHMAs in the Framework. However, to progress a local plan a Council needs to determine the needs within its area. The SHMA states that the figures it provides for individual Boroughs should be used with caution. The Council highlights this cautionary approach in resisting the use of the 615 dpa figure referred to above in determining its housing need/requirement. However, there needs to be some basis to do so and, in my view, the PUSH SHMA and the JGC Study (see below) provide a reasonable starting point. If the Council considered that the Borough-based assessments were fundamentally inadequate then it should have withdrawn this Plan and undertaken what further work it considered necessary.
14. The Council see the PUSH Spatial Strategies as the tool to derive the requirements for each Borough in a manner which meets the Duty to Co-operate. But as I have already noted, the 2012 Strategy was not based on an objective assessment of need compliant with the Framework, which weakens its suitability for this purpose. The PUSH authorities have agreed a programme of work to prepare a new PUSH Spatial Strategy. This envisages public consultation on options in summer 2015 and consultation on a final strategy early in 2016.
15. The Borough Council see this new Strategy as the appropriate means to address the spatial response to the PUSH SHMA 2014 and to determine housing needs and requirements at a Borough level. Accordingly, it has already included in its Local Development Scheme (LDS) a review of the Local Plan to be published in 2016 to respond to the new Strategy. This intention

shows a commendable commitment to co-operative working in the future. I recognise that a planned review can be a relevant consideration in assessing the soundness of a plan. However, the planned review is at least two years away and the timetable for the finalisation of the new PUSH Strategy could easily slip, given the number of authorities involved and the complex and potentially controversial issues it needs to address. Similarly, the long gestation period of the current Local Plan inevitably raises uncertainty over the Council's ability to deliver a review so tightly aligned to the finalisation of the new PUSH Strategy.

16. Accordingly, I consider that for the short/medium term at least, this Local Plan should seek to meet the expectations of the Framework and any significant shortcomings should be addressed now and not be postponed to the review. A planned review cannot make an unsound plan sound.
17. The Council estimates (EBC/H1 Table 5.1) that existing local plans covering the Southampton HMA are proposing to deliver nearly enough housing to meet the SHMA's recommended need for the period 2011-2026, with a shortfall averaging 50 dpa (750 dwellings overall). Of the Councils covering at least part of this area, only Test Valley has not got an adopted plan in place for this period. Southampton City is the largest single provider of housing within the HMA and Eastleigh Borough is second. The contributions from the other authorities are much smaller, reflecting that only parts of those authorities are in the PUSH area and the Southampton HMA. The current shortfall estimated by the Council for the Portsmouth HMA is much greater at nearly 500 dpa (EBC/H1 Table 5.2).
18. No Councils within PUSH object to the scale of housing provision proposed in this Local Plan and none have requested Eastleigh Borough to accommodate any of their housing needs. In this context, I do not see the Duty to Co-operate as requiring Eastleigh Borough to anticipate whether or not other authorities in PUSH will be able to meet their housing needs. To do so would involve drawing conclusions about the ability of those authorities to deliver housing which neither the Council nor I are in a position to do. Such assumptions would not reflect a co-operative approach.
19. It is a legitimate role for the PUSH strategy, as an expression of the Duty to Co-operate, to assign all unmet needs within the HMA beyond 2026 and, if required, between the 2 HMAs. Provided that a new PUSH Strategy is finalised in 2016 there would be sufficient time for all plan reviews to roll forward provision on the agreed basis from 2026. The difficulty is with the modest shortfall emerging in the short/medium term, as the timing of the PUSH Strategy and subsequent reviews of plans will unacceptably delay that shortfall being addressed. I consider this further below after considering the JGC Study.
20. The PUSH authorities clearly have the structure in place and a commitment to working together in the future as they have done in the past. The PUSH structure and the work it has produced and intends to produce demonstrate an admirable co-operative approach. But the process is time-consuming and there is a danger of building-in delay to local plans. This is why it is essential that this Plan responds as fully as possible to the identified needs of Eastleigh Borough.

The JGC Study

21. Subsequent to the publication of the Local Plan and the PUSH SHMA, the Council commissioned further work on population projections - the JGC Study *An Analysis of Objectively Assessed Needs in the light of the 2012 based Sub-national Population Projections* (EBC/H1A) June 2014. As its name implies, this took account of the recent publication of the 2012- based SNPP which were not available for the PUSH SMHA. The JGC Study produces a new household projection for Eastleigh Borough and the Southampton HMA. Fig 8.3 shows a need for 549 dpa for Eastleigh Borough when calculated for the plan period to 2029. This equates to a need for 9,882 dwellings for Eastleigh Borough (see EBC/H1, 4.90). For the Southampton HMA, the Study projects need for each 5 year period to 2036 (Figure 8.2, EBC/H1A) and the annual requirement varies slightly for different periods. The need is 2,027 dpa between 2011-2026; 2,019 dpa 2011-2029; and 2,005 dpa 2011 -2036. On the basis of these figures the deficit on delivery in the HMA to 2026 would range from only 10 dpa using the required rate to 2036 to 32 dpa using the rate up to 2026. Given that the Eastleigh Plan covers the period to 2029 it seems appropriate to use the rate for that period which results in the deficit in the HMA being 24 dpa.

22. There are three important points to note about the difference between the projection in the JGC Study and the projection favoured in the PUSH SHMA. Firstly, the Study was published after the consultation period on the Local Plan. There is no indication that other planning authorities within Southampton HMA agree with its analysis. Whilst the figure for Eastleigh Borough is materially lower than that in the PUSH SHMA, the figure for the whole HMA is only slightly lower, indicating that Eastleigh is generating a lower proportion of the housing needs in the HMA. If these figures are used for the housing requirement in Eastleigh, a greater proportion of needs would be met in the rest of the HMA than suggested in the SHMA. My understanding is that it is the PUSH SHMA that will primarily inform the work on the revised PUSH Strategy and it is not clear whether there will be any general updating of projections on a PUSH-wide basis. Accordingly, it would not be wise to rely solely on the JGC Study.

23. Secondly, the SHMA had included within the projection of future migration the Office for National Statistics' (ONS) Unattributable Population Change (UPC) factor which had to be added (or subtracted) to the ONS's Mid-Year Estimates to ensure that there is alignment in all the data across the country between the 2001 and 2011 Censuses. For Eastleigh, the UPC is a significant positive figure suggesting likely under-recording of past in-migration. However, ONS has not included the UPC component in the 2012 SNPP, hence the population projections for Eastleigh are lower than before. ONS consider that the UPC should not be attributed to migration because, as its name implies, the reasons for the adjustment is unknown. Given this advice and ONS' approach to its own projections, it is reasonable for the JGC study to follow the same approach. Over time, the significance of the UPC will decline and ONS has improved its methodology for assigning international migration. Nevertheless, UPC may represent higher than accounted for migration into Eastleigh in the past, which may continue in the future. This is not reflected in the 2012- based SNPP and thus not in the JGC Study's outputs. The higher figure for the recommended projection in the SHMA represents, at least in

part, this possibility.

24. Thirdly, the JGC Study carried out a more detailed analysis than the SHMA on the local reasons behind the slowing of the trend of household formation (headship rates) revealed in the 2011 Census. In the light of this analysis, it recommends a part return to the underlying long term trend to reach 73% of the 2008-based rate by the end of the projection period. I consider that this is a well-informed analysis consistent with the evidence and with other Inspectors' conclusions on this issue. The recommended projection in the SHMA had not assumed such a high degree of convergence and so the application of this analysis to its population projection would result in more new households, particularly towards the end of the projection period.
25. In relation to the starting point of a demographic projection, I consider that whilst the JGC Study is a robust piece of work in this regard, the projection in the PUSH SHMA should not be ignored. Thus demographic evidence indicates that Eastleigh should be providing between about 550 - 615 dpa. For the reasons given above, the most robust approach would be a figure toward the upper end of the range. The proposed rate in the Local Plan of 564 dpa sits within this range, but I consider that it is marginally too low in relation to the most appropriate demographic projection.
26. On the Council's evidence, there is a shortfall in housing supply of between 360-750 dwellings between 2011 -2026 in the Southampton HMA, depending on whether the PUSH SHMA or the JGC Study is used. Considered in isolation, Eastleigh Borough does not have to accommodate all this shortfall, but it should seek to accommodate some of it so as to reduce the extent to which any PUSH Review has to address a backlog of provision. More importantly, in the light of my conclusion in relation to affordable housing below, this shortfall in the HMA suggests that on demographic projections alone there is some scope to increase the provision of market housing to deliver more affordable housing. The shortfall in the HMA clearly provides an opportunity for housing provision in Eastleigh to be increased without any wider impact on the HMA, although I see no reason why any such uplift would need to be capped at this shortfall figure.
27. The demographic projections are only the starting point for determining housing need and ultimately the housing requirement. I thus turn below to these other relevant matters.

Affordable Housing

28. Affordable housing for planning purposes is defined in the Framework's Glossary.
29. The PUSH SHMA was not published until close to the publication date of the Plan. Whilst the Council was aware of its preliminary findings prior to publication, it is clear that much of the early preparatory work for this Plan was not informed by an up-to-date understanding of the need for affordable housing in the district. This is a significant shortcoming.
30. The PUSH SHMA identifies 1,661 households pa in the Southampton HMA in need of affordable housing, of which the need in Eastleigh Borough is 509 pa (SHMA Appendices, Table 34, p79). The SHMA notes (8.78) that

accommodation in the private rented sector (PRS), where households are in receipt of the local housing allowance (LHA, also termed *housing benefit*), is not a recognised form of affordable housing. It suggests that the extent to which Councils wish to see the PRS being used to make up for shortages of affordable housing is ultimately a local policy decision. Nevertheless, the SHMA goes on to assume that the current role of the PRS continues. On that basis, the SHMA reduces the need for affordable housing by discounting from assessed need an estimate for future lettings in the PRS to households in receipt of the LHA (SHMA, Appendices, Table 36, p81). Accordingly, it substantially reduces overall affordable housing needs in the Southampton HMA to 400 dwellings, of which the need in Eastleigh Borough is 310.

31. On the basis of these reduced figures, it concludes that there is no PUSH-wide need to increase housing provision to meet affordable housing needs (paragraph 11.9), but for Eastleigh Borough it comments (8.79): *even assuming the current role of the private rented sector continues we identify a need to deliver around 310 affordable homes pa which would require overall housing provision in the region of 1,000 to 1,100 dpa*. The Council, however, does not consider that any increase in housing provision to meet affordable needs is justified in this Plan. I consider below the three key assumptions leading to these conclusions.
32. Firstly, the PUSH SHMA assumes (EBC/H4A, 8.6) 30% of gross income spent on housing is the threshold for households in need of affordable housing. Many developer interests consider that this is too high and highlight the reference to a 25% threshold in the 2007 DCLG SHMA Guidance. But that document has been cancelled. National Policy Guidance (the *Guidance*) does not specify a threshold. I note that 30% of the estimated income required to access market housing in Eastleigh would be (just) insufficient to rent an entry level two bedroom property. Three bedrooms would be out of reach. Thus a proportion of families would not be able to secure accommodation of adequate size when spending 30% of income on housing (SHMA Appendices, Table 23, p73 and Figure 18, p70). A 30% threshold should thus be seen as the upper end of a possible range.
33. Using the SHMA methodology, a 25% income threshold would increase the identified need for affordable housing to about 624 dpa for Eastleigh (prior to any role assigned to the PRS). This highlights the sensitivity of the threshold used. Accordingly, the figure in the SHMA of 509 dpa should be seen as a baseline, with actual needs recognised as potentially greater. In this context, I see no justification for the Council assuming that more than 30% of income could reasonably be spent on housing. Some households may be forced to do so, but that does not make it a justified approach to assessing need.
34. Secondly, there is no justification in the Framework or Guidance for reducing the identified need for affordable housing by the assumed continued role of the PRS with LHA. This category of housing does not come within the definition of affordable housing in the Framework. There is not the same security of tenure as with affordable housing and at the lower-priced end of the PRS the standard of accommodation may well be poor (see for example: *Can't complain: why poor conditions prevail in the private rented sector*, Shelter March 2014, provided by Tetlow King on behalf of Landhold Capital).

35. The Framework requires planning authorities to meet the housing needs of their area including affordable housing needs. The availability of accommodation within the PRS where households are in receipt of the LHA is outside the control of the Council, being determined by the willingness of private landlords to let to tenants in receipt of the LHA. The operation of the LHA is determined by the government. I have no doubt that households in need of affordable housing readily perceive a substantial difference between these two types of housing for the reasons already given. Accordingly, affordable housing needs in Eastleigh Borough are at least 509 dpa and would be higher if a more cautious approach were to be taken to the proportion of income which it is assumed is reasonable to spend on housing.
36. Most of this need for 509 dpa is not additional to the 550 - 615 dpa arising from the demographic projections. It is a requirement for a distinct type of housing. I recognise that much of the need may be households in accommodation which is inadequate for their needs, but which may be adequate for other households. The SHMA's assessment takes account of the release of affordable units for those needing to move who are already in affordable housing (EBC/H4A, 8.32). Similarly, a move of a household from an unsuitable private rented unit to a suitable affordable unit would free-up that private rented unit, but such moves cannot happen unless affordable homes are available.
37. In relation to affordable housing provision over the plan period, the Council notes that 323 affordable units had been delivered between 2011-2014; existing planning permissions have secured a further 686 units; and on the basis of the percentages in policy DM28, a further 2,000 could be secured from future permissions, resulting in about 3,000 new affordable housing units over the plan period. This is the maximum likely to be delivered. Actual delivery might be less as it depends on the viability of specific sites to deliver at 35%. The Council's estimate equates to an average of 167 pa, substantially below the need for affordable housing and below even the SHMA's figure of 310 pa where the role of the PRS with LHA was assumed to be meeting part of the need.
38. The failure of the Council to recognise the true scale of need for affordable housing and therefore the consequential failure to consider how it might be addressed is a serious shortcoming.

Market signals

39. The Framework and Guidance indicate that household projections should be adjusted to take into account market signals. The Guidance refers to appropriate comparison of indicators both in absolute levels and rates of change. The SHMA (EBC/H4A, 6.90-6.97) highlights Eastleigh and Fareham among the core PUSH authorities as experiencing the highest median prices for most property types and where affordability issues are more acute. Overall, it concludes that market signals are not significant for most of the core authorities, but identifies modest market pressure in Eastleigh and Fareham.
40. Developer interests highlight a range of market signals (see, for example, Table 5.3 in Nathaniel Lichfield and Partners work for Gladman

Developments). Not all signals demonstrate that Eastleigh is worse than the national or regional/sub regional averages. But on some crucial indicators it is. Between 1997 and 2012, the affordability ratio for Eastleigh worsened by 97%. For the Southampton HMA and England the figures are 92% and 85% respectively (Barton Wilmore, Open House October 2014, Table 6.4, for Hallam Land). Time series rental data from the Valuation Office Agency is available only between 2011 and 2013, but indicates rents rising by 7.4% in Eastleigh compared with 4.4% nationally and 6.9% in Hampshire (Open House, paragraph 5.12). Overall, market signals do justify an upward adjustment above the housing need derived from demographic projections only.

41. It is very difficult to judge the appropriate scale of such an uplift. I consider a cautious approach is reasonable bearing in mind that any practical benefit is likely to be very limited because Eastleigh is only a part of a much larger HMA. Exploration of an uplift of, say, 10% would be compatible with the "modest" pressure of market signals recognised in the SHMA itself.

Accommodating economic growth

42. Local Economic Partnerships (LEPs) are the lead body for promoting local economic development. In this case, it is the Solent LEP, which covers a similar geographic area to PUSH. I consider that a key test of the economic strategy of the Plan is compatibility with the intentions of the LEP, given its role, which includes control of substantial public funds to support economic development. The LEP's current strategy is the *Solent Economic Plan 2014-2020* (EBC/G1) published in March 2014. This sets out a number of economic aspirations, including job growth, drawn from economic projections provided by Oxford Economics (*Solent LEP Economic Outlook*, March 2014). This included a baseline forecast and preferred growth scenario. The LEP's Economic Plan mostly seeks to achieve the headline indicators of the preferred scenario (comparing p6 of EBC/G15 with 4.1 of the Economic Outlook).
43. An important element of the LEP strategy is the promotion of various key sites for economic development. There are seven key sites identified for 2015-2017. None are in Eastleigh Borough. There are a further five sites identified as *Future Pipeline Sites*. One of these, described as: *Ford site, Eastleigh Riverside and Southampton Airport* extends over a large area which straddles the boundary between Southampton City and Eastleigh Borough. The Ford factory which closed in 2013 is not in Eastleigh and its redevelopment is not dependent on any proposals within Eastleigh. The submitted Local Plan includes proposals for facilitating various types of economic development in this area: at Eastleigh Riverside (policy E9, mainly business areas for redevelopment), adjoining Eastleigh Riverside side (policy E10, 9.60 ha of greenfield land) and Southampton Airport (policy E12, including 21 ha of undeveloped land north east of the runway).
44. The site-specific merits of these three allocations and the requirements of each policy were not explored at the hearings in November. The main area of dispute/uncertainty concerns achieving a new access road to facilitate major greenfield development and the requirements to accommodate such a potential future road in any redevelopment of other areas. Because of the current uncertainty, the Council has not included the allocated greenfield

employment land as part of its employment land supply for the plan period, but sees it as an opportunity for more economic development if economic circumstances are favourable. Given the scope for redevelopment on the Ford site and parts of the allocations in Eastleigh, I see nothing at odds between the intentions of the LEP in identifying Ford/Airport/Riverside and this Plan.

45. In the summer of 2014, the LEP received substantial public funding to help bring forward a number of its identified key sites. But there was no such funding for the Ford/Airport/Riverside area. Delivery of the LEP's preferred growth scenario will therefore depend on delivery on sites outside Eastleigh and on various generic measures. The LEP has not commented on the Plan. (It did comment on the adjoining Test Valley Local Plan which was published at a similar time, so I do not regard this lack of comment as an omission). I conclude that the LEP is content with the economic intentions of the Plan and that in the short-medium term, the most likely opportunities for achieving aspirational growth in the LEP area are largely outside Eastleigh Borough.
46. The Plan proposes a minimum of 133,000 sq m of employment development (which is largely intended to be within the B use class). Table 3 in the Plan indicates that total anticipated new floorspace exceeds this minimum at about 148,000 sq m. (Appendix 5 of EBC/2 gives details of the sites which make up this figure.) The Council has taken into account a wide variety of evidence in initially identifying and subsequently justifying this level of provision in the Plan (see, in particular, *Employment Land Strategy Report* July 2014 EC1c). The minimum floorspace figure in the Plan is made up of two components. The *Employment Land Requirements Study* January 2012 (EC1b) identified a need for about 92,500 sq m net additional employment floorspace. The Council identified a need for an additional 40,700 sq m of B class floorspace to replace anticipated losses of existing major employment sites (over and above the past trends for such losses - see section 3.3, EC1c).
47. An *Employment Land Requirements Study Update* was published in May 2014 (EC1b1), after the publication of the Plan. This took into account an updated job growth forecast from Experian of March 2014. This economic forecast resulted in a much higher figure for additional B class floorspace of nearly 228,000 sq m (Table 2.13). However, whilst being mindful that this new evidence may point to greater economic potential of the Borough, I largely accept the Council's reasons, summarised below, for not seeking to increase employment floorspace to match this new forecast.
48. Economic forecasts have a high degree of uncertainty and, in isolation, do not provide a robust basis for planning land use requirements. The floorspace projections based on this most recent forecast seem particularly out of step with a range of other forecasts and methods of assessing future floorspace needs (as illustrated in Table 3.9, reproduced in EC1c, p20). It is also preferable for economic forecasts to be based on the functional economic area rather than an individual district and the LEP/PUSH best reflect this approach.
49. In addition, the scale and type of new employment provision proposed in the Plan (not including the replacement floorspace) broadly aligns with what Eastleigh Borough is expected to deliver in the PUSH South Hampshire Strategy 2012 (90,000 sq m for manufacturing and distribution and only 2,000 sq m for offices - Policy 6, EBC/G7). That strategy envisaged substantial

office development in Southampton and Portsmouth, with notable large scale office and other B1 development also at: the new community north of Fareham, at Whiteley (Winchester District), Havant and Gosport. This strategy reflects a "city-first" priority and existing or emerging commitments at the time. Even if little weight were to be given to the 2012 Strategy as a policy document, the scale of provision envisaged in Policy 6 is now largely embedded in the adopted Core Strategies of other PUSH authorities and, in some places, is being taken forward in greater detail in local plans such as that for Welborne (the new community north of Fareham), currently at Examination. The key sites for economic development being targeted by the LEP with public financial support also largely reflect the PUSH strategy and these development plans.

50. Given that Eastleigh Borough is part of this wider functional economic area, if employment floorspace in Eastleigh Borough were to be substantially increased it could well undermine the delivery of these other sites for economic development. This would also undermine the wider strategies of which these employment sites form part. Such a potential consequence is highly undesirable.

51. This context is also why I am not persuaded by the desire of Hampshire Chamber of Commerce for more employment land to be allocated in this Plan, particularly land close to the motorway for offices or logistics. Offices are a use which should first be accommodated in town centres and this is reflected in the PUSH Strategy. I accept that demand for major office development in Southampton City appears weak, but such demand is only likely to be undermined further by greenfield allocations on the edge of the City in Eastleigh Borough. Development plans outside Eastleigh Borough appear to be making substantial provision for manufacturing and distribution/logistics close to the motorway to respond to the needs of these sectors within this economic area.

52. Accordingly, I consider that the scale of new employment floorspace is justified bearing in mind that: it is expressed as a minimum; there are further opportunities for intensification and redevelopment of existing employment premises supported by other policies in the Plan; and longer term opportunities may exist for additional employment development on parts of the Eastleigh Riverside allocations.

53. I am also satisfied on the basis of the Council's calculations (EBC/G12) that the proposed level of housing provision would provide more than enough workers to support employment development of the scale proposed in the Plan. Such calculations are however fraught with uncertainty and can only be a broad guide. The close economic relationship between Eastleigh Borough and adjoining parts of the economic area are reflected in high daily flows of residents to work outside the Borough and inflows of workers to Eastleigh from elsewhere. In these circumstances, I do not see a pressing need for job growth and population growth to necessarily be closely matched. Some increase in the overall housing requirement in the Plan arising from my conclusions in relation to affordable housing and market signals would not undermine the economic strategy for the area and may help to support it.

Overall conclusion on issue 1

54. I have found that the Council has failed to recognise the true scale of need for affordable housing. There is also the consequential failure to consider how that need might be addressed. The Framework (paragraph 17, 3rd bullet) requires every effort to be made to meet needs. I see no justification for delaying this consideration for 2-3 years pending a review of the Plan.
55. The Guidance states that: *an increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.* Increasing market housing to meet all the identified affordable housing need would require a threefold increase in overall provision. I do not consider that this a realistic option to explore. In addition to the inevitable difficulties of securing delivery of such a scale of development, particularly in the short term and of providing sufficient infrastructure, such a scale of provision is much greater than even the most optimistic demographic projection. It would also result in the release back into the market of many dwellings in the PRS currently occupied by tenants in receipt of the LHA. Thus the cumulative effect of such provision over and above underlying demographic change would be very substantial and the consequences for the housing market are difficult to anticipate.
56. However, there is evidence which strongly suggests that some increase in delivery of market housing is achievable and could deliver a significant proportion of affordable housing. The developers of the major sites allocated in the Plan and included in the five year supply are keen to start delivering (see below) and where planning permission has not already been granted they are intending to submit planning applications very shortly. There is also clearly strong interest from other developers for additional housing sites to be allocated in the Plan and some of these appear likely also to be progressed as planning applications soon.
57. I have indicated that the PUSH SHMA's preferred projection (which equates to 615 dpa for Eastleigh) should not be ignored and that the demographic requirement is best seen as a range. I have also noted that on the basis of that projection, the Council calculates a shortfall in delivery in the HMA of about 750 dwellings to 2026. This background strongly indicates the opportunity for Eastleigh to deliver more housing with no adverse impact on delivery in the rest of the HMA. Market signals also point to both a need to provide more housing and the market's strength to do so.
58. If the Plan was being progressed, the Council would have to identify a possible range for what is practical in terms of increased delivery. That range would then have needed to be tested through Sustainability Appraisal in relation to the environmental impact of development on various sites in order to identify the appropriate requirement to be included in the Plan. I note that the *Sustainability Appraisal* (EBC/G2) submitted with the Plan includes in Appendix II an assessment of alternative growth options including 11,628-12,060 dwellings, which had been assessed in the SA accompanying the draft Plan published in October 2013. Whilst that assessment concluded that this higher level of growth would be *difficult to accommodate without threatening the environmental integrity of the Borough* it is difficult to understand the evidential basis for that conclusion. Equally importantly, that testing did not

weigh in the balance the substantial unmet need for affordable housing. Paragraph 14 of the Framework requires an explicit balancing exercise in the terms it sets out. This has not been done on the basis of the most appropriate and up to date evidence.

Issue 2 – Would the plan ensure an adequate supply of housing land to meet identified needs.

59. A housing trajectory is included as an Appendix to the Plan. Table 2 in the Plan sets out expected delivery of housing by Parish from different categories of supply: completions, specific urban sites, broad areas (also urban); and greenfield allocations. The figures in the Plan are now out of date. More detail on the sites and sources contributing to these categories is in the Strategic Housing Land Availability Assessment (SHLAA) (EBC/G4 July 2014) which updates the position to 1 April 2014. Detail on how the Council has been calculating the five year supply and a trajectory for the delivery of the allocated sites is in the Council's paper: *Five Year Land Supply Position/Housing Implementation Strategy September 2014* (H15). For sites allocated in the Plan a year-by-year trajectory for the first five years is included as an Appendix to the Council's pre-hearing statement on this matter. I comment below only on those sources of supply where I consider that the Council's approach is not justified.
60. The category of *broad areas* includes additional dwellings from the redevelopment of sites in Eastleigh town centre and three district centres: Fair Oak, Hedge End and West End. The total supply relied on by the Council from these sources is 300 for the former and 226 for the latter group. None of this supply is included in the five year supply calculation (SHLAA, EBC/G4 paragraph 4.38 and Table 4.8). More detail on these centres is in SHLAA Appendices 7 and 8. In relation to Eastleigh town centre, the SHLAA refers to the challenge to be overcome, including a degree of inertia demonstrated by the fact that private owners have been reluctant or unable to bring schemes forward, particularly within the central block, during the last 25 years. Given this context, the only evidence that there are reasonable prospects (the relevant test in the Framework, paragraph 47, Footnote 12) of some delivery coming forward here is the Council's ownership (or intended acquisition) of sites, given the Council's commitment to change in the town centre. Accordingly, delivery from sites 5, 6, 7, 8 in the table in Appendix 7 is justified (and does not need discounting), but not from any others. The supply is thus 137, not 300.
61. Similarly, the assessment of the supply from the three district centres is too focused on physical capacity rather than providing evidence of reasonable prospects. There is nothing to indicate why redevelopment, which was not triggered by the previous economic boom, will happen in the future. The need for land assembly or the existing nature of the premises on some of the sites suggests that delivery is very uncertain. Rather than assess each parcel individually, I have increased the Council's discount on delivery from 25% to 50% to be more realistic. Supply thus falls from 226 to about 150.
62. The Council acknowledges (hearing statement, 3.9-3.10) the potential for overlap between the site-size threshold in the SHLAA of 0.2 ha (which might be for less than 10 dwellings) and the calculation of the small site windfall

allowance of less than 10 dwellings and identifies three such sites. Once the Council's discount is applied, the assumed contribution to supply appears very small, but for accuracy should be removed.

63. The Council has included small site windfalls in years 3-5 of the five year supply and from year six onwards. The inclusion of the contribution from windfalls from year three is justified given the Council's evidence on the time within which planning permissions are normally implemented and thus avoids double counting. A 10% discount is applied to the average past supply of small site windfalls. Given that there is no change in the policies in the submitted Plan compared with policies in the adopted Plan, this continuation is realistic in the short term. However, to reflect uncertainty and the possibility of fewer such sites in the future, I consider that from year six the discount should be increased to 25%.
64. Contrary to the definition of windfalls in the Framework, the Council had included garden land sites in the windfall assessment for years 6-15. These should be removed (amounting to eight dwellings pa). The Council needs to recalculate the windfall contribution for years 6-15 taking into account the above two points, but it is likely to reduce the assumed 700 to about 520.
65. The Council calculated that at 30 September 2014 there was a total supply of 10,746 dwellings, including the Hamble Lane appeal site (see Council's hearing statement on this matter, EBC/4/3, Appendix 3). In the light of the required reductions, the supply figure is about 10,200, only marginally above the overall requirement identified in the Plan. This is not a robust position. But in any case, I have identified a need for a higher housing requirement and there is not an identified supply to meet any such higher figure.
66. For completeness, I consider below the five year supply position based on the housing requirement identified in the Plan. The five year supply is primarily dependent on whether the anticipated start date and expected annual rate of delivery from the allocated greenfield sites is justified. In general, the Council is showing a clear commitment to working effectively and speedily with landowners/developers to progress planning applications on allocated sites and to encourage speedy commencement (through various conditions). Accordingly, background evidence on the slow delivery of strategic sites elsewhere in the country is not particularly relevant.
67. There is conflicting evidence about delivery rates. Developer interests put the rate at between 40-60 dwellings per site per developer, including the delivery of affordable housing. The Council highlights three large sites in Eastleigh Borough where delivery, including during the recession, was much higher. It thus considers that its assumption of 150 dwellings per annum on the three largest allocations with two developers is reasonable. There is clearly considerable uncertainty about market conditions in the future and what developers will want to achieve from their sites. The landowners and promoters of the three largest allocations in the Plan were at the hearing for this matter and I have given particular weight to their estimates for delivery.
68. Allocation BO1 Boorley Green has planning permission. The landowner confirms there are now three developers committed to this scheme who expect to start on site in October 2015. I consider that the Council's

expectation of 35 units within 2015/16 is rather tight and thus uncertain, but given the three developers involved, the 150 units for each of the following three years is reasonable.

69. Three different owners control the land making up site E1 land south of Chestnut Avenue, Eastleigh. A planning application was expected to be submitted in January 2015. The Council anticipates 50 units in 2016/17 then 100 units each year. The representative of one of the landowners considers that delivery will start a year later than the Council expects, but agrees with the same stepped increase in delivery thereafter. Adopting this later start would be more robust given the complexities of the site, the requirements of the allocation policy and the three landowners. Somewhat confusingly, for sites without planning permission such as E1, the Council discounts its figures in the trajectory by 25% before inclusion in the calculation of the housing supply (H15 paragraph 5.22, table after 5.28 and 7.1). Pushing back delivery by a year would give a robust figure (which does not need any discount) and thus results in only a small reduction in the contribution of this site to Council's five year supply figure (of about 40 dwellings.)
70. The promoter of site WE1, land west and south of Horton Heath, indicated that a planning application would be submitted by December 2014. This would be progressed in accordance with a performance agreement with the Council. The masterplan envisages two distinct residential areas and thus it is logical to assume two different developers. A new secondary school forms part of this allocation and the County Council requires this to be available by September 2018. This is clearly providing an impetus to progress the development quickly. A start on site mid-2016 seems realistic and the developer envisages 30 units per outlet in the first year to March 2017 (the Council assumes none). Subsequently, the developer estimates 60 units per outlet per year, not as much as the 155/160 units per year in the Council's trajectory. But as this site is without planning permission, the Council's housing supply calculation discounts the figures in the trajectory by 25%. Thus the Council's discounted delivery rate is cautious compared with the developer's and is robust.
71. On some other allocated sites, I consider that delivery might be delayed by a year compared with Council's assumptions, but still take place within five years, thus not reducing overall supply in this period.
72. In the three years since the base date of the Plan (2011), less than the Plan's average of 564 dpa has been delivered. The shortfall to 30 September 2014 is 790 homes (H15, 4.14). The Guidance states that Councils should aim to deal with any undersupply within the first five years of the plan where possible. Where this cannot be met they will need to work with neighbouring authorities under the Duty to Co-operate. The Council considers that the undersupply should be made-up over more than five years and to do otherwise is unrealistic. It cites the on-going effects of the recent recession; shortages of materials and skills; and the cycle of local plan production, resulting in previously allocated sites having been built out. However, in publishing the Guidance last year the Government would have been mindful of national circumstances in the house-building industry. The delay in having an up-to-date local plan is the Council's responsibility and does not justify delay in making good the shortfall. I have seen no evidence that it is not possible to achieve the preferred approach of the Guidance. Accordingly, on the basis of

the submitted Plan and current evidence, the shortfall should be made up in the first five years (the "Sedgefield" method).

73. I recognise that if the housing requirement were to be increased to help deliver more affordable housing, the shortfall would be greater and there would be a need to deliver even more in the first five years. Whether in that scenario such increased delivery would be possible would need to be considered in the light of the evidence at the time. The Council should have regard to the totality of the Guidance on this matter.
74. The Framework (paragraph 47) requires a buffer to be added to the five year supply of 5% or 20% where there has been persistent under delivery of the housing requirement. The assessment of past delivery needs to be considered over at least a 10 year period so as to cover a full economic cycle. In addition, as none of the plans required a specific target to be met each year, it is appropriate to consider delivery not just on an annual basis but over a whole plan period or phase if this is possible, so as to better iron-out ups and downs in delivery. In this case the adopted Local Plan Review covers the period 2001-2011 and so total delivery during this period can be compared with the overall requirement.
75. The Council has set out the past requirements and delivery from 2001-2 based on the Hampshire Structure Plan (421pa), the adopted Local Plan (561pa, excluding the reserve sites), and the South East Plan (SEP) (354 dpa). For the period 2001-2006 I consider that the requirement is that set out in the adopted Local Plan as this was adopted after the Structure Plan and reinterpreted that Plan's requirements, whilst remaining in conformity with it (see the complex explanation of the housing figures in the adopted Plan at 5.2-5.4, 5.10-5.18).
76. I requested a post-hearing note from the Council on the interpretation of the requirements of the SEP. Participants were given the opportunity to comment on the Council's interpretation and I have taken into account all relevant comments. The Council considers that the requirement during the period 2006-2013 (when the SEP was finally revoked) should be 354 pa, as a result of excluding any requirement arising from the Strategic Development Area (SDA) for 6,000 dwellings proposed for north/north east of Hedge End. Policy SH5 of the SEP sets out the annual average for the districts of South Hampshire and the SDAs over the period 2006-2026. For the Hedge End SDA the figure is 300 dpa implying an expected even supply from 2006. For this reason, developer interests consider that this figure should be added to the figure for Eastleigh Borough to create an overall requirement of 654 pa from 2006. The Council highlight that SEP Policy SH1 and supporting text 16.5 makes clear that delivery from the SDA was not expected to occur until 2016 (because of the required long lead-in to get development underway). There is clearly a tension in these different policies which makes their proper interpretation difficult for the exercise here.
77. It is important to bear in mind that the Framework's requirement for a 20% buffer is intended to assist delivery where Councils have experienced difficulty in the past delivering what they planned to deliver. Given the context in which the SEP was approved (recognising, as it did, that it was not meeting all housing needs in the South East), it would be perverse if the requirements of

the SEP were to be interpreted for the purpose of this exercise as setting a housing requirement substantially below what was required at the time in the adopted Local Plan. That Plan had been adopted as recently as May 2006 and, until 2009 when the SEP was actually approved, the Council could not have been certain of what the requirement in the SEP would be. The Local Plan reflected what the Council thought it could deliver during this time and there is no suggestion that once the SEP was published the Local Plan was abandoned. I therefore consider that it would be fair and more relevant to the issue at hand to test delivery against the requirement of the Local Plan (561 dpa) rather than either of the interpretations of the SEP (354 dpa or 654 dpa).

78. For the 10 year period 2001-2011 the Local Plan's annual average was met in only two years and overall delivery fell well short of the required total. This is clear evidence of persistent under delivery. I have already noted that there has been under delivery since 2011 of the requirement identified in the submitted Plan. (Even if the lower requirement in the first draft of this Plan is used, delivery fell short, see footnote 8 in the Council's pre-hearing statement EBC/4/3). If the last years of the adopted Local Plan are replaced with the Council's preferred figure from the SEP, then delivery would have been met in 2009-2011, but in my view that is not sufficient to tip the overall balance to adequate delivery, given the shortfall before and since. Accordingly, I consider that a 20% buffer is currently required as part of the five year land supply calculation. Although there was a shortfall in delivery under the adopted Local Plan, I consider that the PUSH SHMA and the adjustments required as a result of my conclusions under issue 1 above represent a comprehensive new starting point for the assessment of needs from 2011 and so I do not add this backlog to the new requirement.
79. With a 20% buffer and making up the shortfall since 2011 within five years (the "Sedgefield" method), the Council calculates that there is only a 4.37 years supply (H15, Table after 5.30) in relation to the requirement set out in the submitted Local Plan. (There are small downward adjustments to be made to delivery from sites BO1 and E1, but these might be offset by better than projected delivery on WE1.) Accordingly, irrespective of the need to look to increase the overall requirement for the other reasons I have given, there is a need to boost the five year supply. From the evidence before me, I cannot see how the Council would be able to bring forward supply from later in the plan period and so the necessary boost is likely to require additional allocations which are capable of rapid delivery.
80. The overall supply position over the whole plan period is equally tight. This is not a robust position to take the Plan forward. There is no realistic flexibility in the Plan to respond to changing circumstances. It is important to ensure that any small delay in assumed delivery from sites contributing to the five year supply does not too easily result in a less than five year supply being available. The Plan needs to provide confidence that there will a five year supply at adoption and in future years.
81. There might be some large windfall sites in the future, but given that the SHLAA appears to have been very comprehensive in its search for sites this is too uncertain to be relied on as providing flexibility. The major greenfield sites included in the five year supply are being delivered as quickly as possible and there is nothing more that the Council can do to bring this delivery forward.

The largest allocated sites expected to commence beyond the five year period (eg BO2 and HE1) are owned, or mainly owned, by the County Council which does not wish to bring the land forward any earlier. Accordingly, the Council has no means of increasing supply if there is a problem, other than through a Plan review which is time consuming. Accordingly, the Plan needs to demonstrate that it has some flexibility to respond to changing circumstances.

Overall conclusion on issue 2

82. Even on the basis of the housing requirement identified in the submitted Plan, the land supply is inadequate because there is not sufficient flexibility to respond to changing circumstances and because the supply in the first five years needs to be increased. With the identified need for greater housing provision, the land supply will need to be increased even further.

Assessment of Legal Compliance

83. This report is based on a limited number of hearings. In the light of my adverse *Preliminary Conclusions*, I cancelled the hearings that were due to take place in January 2015 on, among other matters, site allocations. Those hearings would have taken into account representations in relation to the site assessment and selection process set out in the *Sustainability Appraisal* (EBC/G2) accompanying the submitted plan. I am therefore unable to come to any formal conclusion on the adequacy of the Sustainability Appraisal in this report.
84. For similar reasons, I am not able to come to a formal, final conclusion on the Duty to Co-operate. Some representations concerning this matter relate to infrastructure provision, which would have been heard at the later hearings. The Council has explained in its *Statement of Compliance with the Duty to Co-operate* (EBC/Subn5) why it considers that the Duty has been met. For the reasons set out under issue 1 above, I consider that the Council met the Duty in relation to strategic housing and employment matters because of its involvement with PUSH and willingness to take forward the South Hampshire Strategy 2012.
85. The following three paragraphs reproduce the relevant parts of my conclusions on the Council's Habitats Regulations Assessment (HRA) which I set out in my *Post Hearing Note 3 - Other Matters* ID/5.
86. The site-specific mitigation measures taken into account in screening-out potential significant effects which might arise from various allocations (see *Habitats Regulations Screening Report* EBC/GI10, 4.6.5/4.6.6 and 5.6.9-5.6.13) should be included in the policy requirements of the allocations concerned, even though an application-stage HRA would still be required as is already noted in the text of the Plan. This is to ensure that the general scope of the likely mitigation measures is made clear and that there is a complementarity between the HRA and the proposals/requirements in the Plan which the HRA is assessing. I note the necessary importance of retaining some flexibility in the scope and design of mitigation measures pending the application-level HRAs. Accordingly, I consider that changes along the lines of Option 2 of the Council's suggested alternatives would have been appropriate

if the Plan was being progressed (EBC/8, Appendix 1).

87. The *Screening Report* (8.4.7) highlights the Forest Park and its linkage to Lakeside Country Park as an important element of the required mitigation in relation to the New Forest Special Area of Conservation and Special Protection Area. Policy E1 requires financial contributions to the Forest Park and an extension to Lakeside Country Park. But the Forest Park is largely outside the Borough boundary and its delivery is not directly within the control of the Council or developer. Test Valley Borough Council's *Forest Park Implementation Framework* October 2014 (GI14) includes Home Wood as part of the proposals for phase 1 in 2014-2019. Home Wood is adjacent to allocation E1, so there is a reasonable degree of alignment between the expectation to deliver part of the Forest Park and delivery of E1.
88. In order to meet the assumptions of the HRA, it is essential that the Plan highlights the purpose of the financial contribution to the Forest Park/Lakeside in relation to mitigation. It must also require alternative mitigation measures if an appropriate element of the Forest Park (eg Home Wood) has not been delivered in a timely manner in relation to the development of E1. Any such alternative mitigation must be of a suitable scale, quality and accessibility to achieve its purpose and its delivery closely linked to progress on the residential development. Accordingly, some additional wording along these lines would have been required in addition to the Council's suggestion in EBC/9, but would not need to be as specific as that suggested by Hampshire Wildlife Trust.
89. My conclusions regarding compliance on other legal requirements are summarised below.

LEGAL REQUIREMENTS	
Local Development Scheme (LDS)	The Local Plan is identified within the approved LDS June 2014 (EBC/Subn 9). The Local Plan's content and timing to date are compliant with the LDS, although it will no longer be adopted.
Statement of Community Involvement (SCI) and relevant regulations	The SCI (EBC/Subn 8) was adopted in September 2013 and consultation has been compliant with the requirements therein.
Sustainable Community Strategy (SCS)	Satisfactory regard has been paid to the SCS.
Public Sector Equality Duty (PSED)	The Local Plan complies with the Duty (see G5 and the Council's hearing statement on Gypsies, Travellers and Travelling Showpeople).
2004 Act (as amended) and 2012 Regulations.	The Local Plan complies with the Act and the Regulations.

Overall Conclusion and Recommendation

- 90. My Examination of this Plan has been limited to matters mainly relating to the housing need, the housing requirement and housing supply. I have identified a number of deficiencies for the reasons set out. The unsoundness I have identified is sufficient on its own for me**

to recommend non-adoption of the Plan in accordance with Section 20(7A) of the 2004 Act.

Simon Emerson

Inspector



Note to the Mid Sussex District Plan Examination

Our ref 15322/MS/MS
Date 7th December 2016
To Mid Sussex District Plan Examination
From Mid Sussex Developer Forum

Subject STATEMENT ON OAN, UNMET NEEDS, AND STRATEGY

1.0 **INTRODUCTION**

1.1 At the examination session on 1st December 2016, it was agreed that the broad agenda for the 'wrap-up' hearing session scheduled for 9th December should focus on the following matters, unresolved from the first three days of hearings:

- 1 OAN: including market signals, employment, and affordable housing;
- 2 Unmet Needs from Crawley; and
- 3 Future strategy for the plan, including a plan review mechanism to address unmet needs from, in particular, Brighton and Hove.

1.2 The Developer Forum has engaged with Mid Sussex District Council (MSDC) and supplied a draft of this note with Appendices on 5th December with the intention of seeking common ground. This has been achieved to some extent in respect of some factual matters on employment and affordable housing.

2.0 **OBJECTIVELY ASSESSED NEEDS**

2.1 Based on the hearings to date, the following position was established:

- 1 A 'policy off' approach is required in calculating OAN;
- 2 The starting point for OAN in Mid Sussex of 730 dpa is agreed;
- 3 An uplift over official projections is endorsed by NPPF and PPG;
- 4 The Inspector indicated that it was his preliminary view that MSDC's uplift of 24 dpa (based on an adjustment to headship rates) is unlikely to be an adequate response to problems of affordability; and
- 5 Further consideration was needed on other components of the OAN calculation (including market signals, the new employment forecasts tabled by MSDC, and affordable housing need) before it was possible to conclude on the overall OAN figure.

Market Signals

2.2 The Inspector indicated that more evidence-based justification was needed to support the Developer Forum's proposed 25% market signal uplift which had been based on a 'benchmarking' approach.

- 2.3 Attached at **Appendix A** is a paper produced by NLP that – having considered a range of alternative methodologies for establishing the scale of uplift in response to market signals - has demonstrated that the original 25% proposed is the minimum justified market signals uplift that, in line with the PPG, is “reasonable” and is an amount that “*on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability, and monitor the response of the market over the plan period*” (PPG ID: 2a-021).
- 2.4 If applied to the official projections (730 dpa) this means 913 dpa. If applied to projections adjusted for headship rates¹ this means 944 dpa.

Employment Forecasts

- 2.5 Attached at **Appendix B** is a paper produced by Barton Willmore. It considers the new Oxford Economics (OE) forecast (EP36a) tabled by MSDC which indicates 424 jpa (2014-2031) and concludes that:
- 1 For these forecasts to be accepted they would need to be presented as part of an economic evidence base, across the HMA/Functional Economic Area so that the full implications could be understood;
 - 2 Within the OAN exercise, any forecasts should be considered alongside past trends, which the OE dataset shows to be 514 jpa (1991-2014), and is agreed by MSDC;
 - 3 OE use projected population levels as an input to the forecasts, and these are not compatible with the agreed starting point for OAN (the 2014 SNPP) and are unlikely to be realistic;
 - 4 OE make adjustments to commuting flows which are not explained;
 - 5 In light of the above, Barton Willmore find that the OE forecasts – sitting in isolation – would not be consistent with the rest of the Plan’s evidence base and thus be in conflict with para 158 of the Framework;
 - 6 Notwithstanding, even if accepted, the OE figures (forecast and past trends) would , drawing on POPGROUP modelling, be associated with housing growth of between 832-893 dpa (424 jpa forecast) and 912-978 dpa (512 jpa past trends) (Source: See Table 1 at Appendix B); and
 - 7 The original jobs forecasts (drawn from EP35 and EP36) generate commensurately higher housing figures of 853 -1,101 dpa (see Appendix 2, page 9 of Developer Forum Matters Statement). However, there is a lack of clarity over which Experian job growth figures should have been applied in EP36 because BW and MSDC both appear to have confirmation from Experian that their respective figures are correct.
- 2.6 For points 6 and 7, all the input assumptions except household formation rates have been agreed with MSDC.

¹ As proposed by NLP in its estimate (see Developer Forum Matters Statement Appendix 3 Figure 4)

Affordable Housing

- 2.7 At the first day of the Hearings, there was a lack of agreement between the parties over how household formation and affordable housing supply commitments should be treated in the affordable housing needs assessment.
- 2.8 Having discussed with MSDC, the following is understood (see **Appendix C**):
- 1 The Council has updated a number of its data inputs to the affordable housing calculation, the most significant of which is to accept that 'New Household Formation (gross)' (Step 2.1 in the Affordable Housing Table – including at App 3 of **Appendix C**) should be a gross figure.
 - 2 However, there continues to be disagreement on the following:
 - Step 2.1 and the correct calculation for 'New Household Formation (gross)' based on annual gross household formation in the 16-44 age groups within the CLG 2014-based household projections. MSDC's approach arrives at a figure of 1,055 per annum (based on 15 years 2014-2029), whereas the Forum considers the correct figure is 1,209 per annum (based on five years 2014-2019) or 1,218 per annum (based on 15 years 2014-2029);
 - Step 3.3 and how to apply the figure for 'committed supply of new affordable housing' (which has gone up from 1,223 to 1,405 – a figure not in dispute). The disagreement continues to be whether this should be included (MSDC) or excluded (the Forum) from the calculation when it comes to considering affordable need as a likely proportion of total housing delivery given the probable percentage of affordable housing to be delivered by market housing-led developments. The Forum considers MSDC is double counting.

The Forum's position on both these points is explained at **Appendix C**.
 - 3 The Forum's concluded position is that MSDC's approach is not justified and does not comply with the PPG. The Forum calculates that affordable housing need is between 398 dpa (reasonable preference groups) to 507 (total waiting list) which means at its likely delivery as a proportion of mixed market and affordable housing developments (30%), some 1,327 to 1,690 dpa would be required to meet affordable needs in full.

Concluding on OAN

- 2.9 Having established the above, the output for each of the steps is as follows:

Table 1 Schedule of OAN inputs

Step	Input	Outputs
1	Demographic starting point i. Adjusted for headship rates	730 dpa 755 dpa
2	Market Signals Uplift of 25%	913 – 944 dpa
3	Employment Growth (EP36a) i. OE Forecasts (EP36a)	853 – 1,101 dpa 832 – 978 dpa
4	Affordable Housing Need (30% delivery)	1,327 – 1,690 dpa

2.10 In concluding on OAN, it is necessary to consider how far uplifts to the figure concluded upon through the demographic starting point and market signals, in response to employment growth and to address affordable housing need, in particular, are reasonable. In this regard, the original conclusions of Barton Willmore and NLP remain that a total OAN figure of 1,000 dpa is appropriate and justified, and could be reasonably expected to occur, it being a 1.6% stock growth figure which is similar to or below that seen in many other locations².

3.0 UNMET NEEDS FROM CRAWLEY

3.1 The Inspector indicated at the hearing that a starting assumption might be that Mid Sussex should accommodate no less than the 150 dwellings per annum (dpa) distributed to Horsham in its Plan.

3.2 The residual unmet need from Crawley's OAN is 184 dpa.

3.3 Crawley is bound to the north by Mole Valley, Reigate and Banstead and Tandridge. None of these are within the North West Sussex HMA. Each is predominantly Green Belt, particularly in the areas contiguous with Crawley.

3.4 The Reigate and Banstead Plan was adopted in 2013 with a housing requirement set below its OAN due to constraints. Mole Valley and Tandridge are yet to prepare their Local Plans, but both authorities will need to review their Green Belt in order to address housing need. Mole Valley's SHMA concludes it has an OAN of at least 391 dpa³ (2015-2035) compared to a build rate of 171dpa (2007-14). Tandridge has an OAN of 470 dpa⁴ (2013-2033) compared to a build rate of 254⁵ (2006-2016).

3.5 There is no basis for concluding that the three Surrey Local Authorities will be in a position to meet the unmet needs of Crawley.

3.6 Paragraph 47 of the Framework states 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 in the housing market area*". Given the established position of the adopted Horsham Plan, the full OAN for the HMA to be met by Mid Sussex is whatever figure is concluded for OAN in Mid Sussex (the Forum estimate is for 1,000 dpa) **plus** the 184 dpa from Crawley. Any concluded figure below this amount would not be consistent with the requirement of paragraph 182 of the Framework.

² See Developer Forum Matters Statement Appendix 3 Figure 4

³ Strategic Housing Market Assessment for Kingston Upon Thames and North East Surrey Authorities (2016)

⁴ The Objectively Assessed Housing Needs of Tandridge (2015)

⁵ Tandridge Housing Land Supply Statement (2016)

4.0

FUTURE STRATEGY INCLUDING REVIEW MECHANISM

4.1

Whether this OAN can be met in full will be determined by the application of paragraph 14 of the Framework and the further work needed on the SA, which MSDC will need to undertake. However, the Forum considers that there are no in-principle barriers to accommodation of the increase in the proposed housing requirement to a figure in excess of 1,100 through Main Modifications. This is because:

- 1 Numerous other local plans across the country have seen increases in the proposed housing requirement of this scale successfully put forward through Main Modifications during their examination process⁶;
- 2 Neighbourhood Plans will in any event need to be updated to reflect the new Plan and insofar as they need to allocate further sites to reflect its housing requirement, that is something they can and should do (as per para 184 of the Framework). The Plan should include clearer strategic policies to help ensure general conformity;
- 3 Forum members have interests in significant land holdings with as yet unallocated sites capable of delivering many thousands of additional dwellings as may be required. The Council could also issue a further call for sites. Further, the PPG (ID 3-011) states that “*Plan makers should not simply rely on sites that they have been informed about but actively identify sites through the desktop review process that may have a part to play in meeting the development needs of an area*”. The land and broad locations identified through this combined process should be appraised as part of its new SA. It could also choose to bring forward allocations for sites of under 500 units as part of Main Modifications; and
- 4 The Forum does not advocate a ‘stepped trajectory’, but given the five year housing land supply (5YHLS) obligations and the shortfall and 20% buffer, if – MSDC having identified all deliverable sites - there are residual concerns about the ability of the Plan to sustain a 5YHLS in the immediate term, given an increase in OAN, and the time it takes for new allocations to come forward, MSDC does have the option of pursuing a stepped trajectory⁷ which could be justified if it is proved necessary to enable the plan to both meet OAN and be ‘effective’.

4.2

Looking ahead, an immediate Plan review is required to address the unmet needs from other areas, notably (but not confined to) Brighton and Hove. The Forum has seen the suggested drafting put forward on behalf of Mayfield Market Town (See **Appendix D**) and agrees something along these lines would be a sensible way forward (albeit it needs to be accompanied by a clear mechanism for agreeing apportionment), provided that this Plan provides for Crawley’s unmet needs and thus meets full needs generated within the North West Sussex HMA as required by para 47 of the Framework.

⁶ Examples include Stratford-on-Avon (35%), South Derbyshire (37%), Ribble Valley (40%), Swale (44%), Bath and North East Somerset (48%), North Somerset (50%), Rother (54%), Cherwell (70%)

⁷ Examples elsewhere include Gravesham, West Northants, East Staffordshire and Birmingham

APPENDIX A:

NLP PAPER ON MARKET SIGNALS



Note to the Mid Sussex District Plan Examination

Our ref 15322/MS/MT
Date 7th December 2016
To Mid Sussex District Plan Examination
From Mid Sussex Developer Forum

Subject MID SUSSEX MARKET SIGNALS UPLIFT

1.0 **INTRODUCTION**

- 1.1 There is no dispute between the Council and the Developer Forum that the housing need figure suggested by household projections should be adjusted to reflect market signals. There is a dispute as to the appropriate quantum of such an uplift.
- 1.2 At the examination session on 29th November 2016 the Inspector indicated that it was his preliminary view that the 24dpa uplift (equivalent to 3.2%) made by the Council to respond to 'market signals' within the OAN calculation was insufficient. Although an alternative uplift factor of 25% was put forward by the Developer Forum, the Inspector indicated that this required further justification.
- 1.3 It is clear from the PPG advice that the degree of uplift is a matter of judgement. Any uplift should be one that is made consistent with the requirements of the PPG as expressed in paragraphs ID2a-019 to ID2a-020 on market signals. The extent of increase in planned supply should be that, which on reasonable assumptions and consistent with the principles of sustainable development, could be expected to improve affordability.
- 1.4 This note provides further analytical evidence prepared on behalf of the Developer Forum which seeks to consider what is an appropriate scale of market signals uplift for Mid Sussex¹. This note was supplied in draft to the Council on the evening of 5th December, but no specific feedback on the approach has been received at the time of writing (11am 7th December).
- 1.5 This note contains a number of references and links to publically accessible documents as sources. Many of these are not currently before the Examination as Core Documents, but relevant extracts are quoted where applicable and all can be viewed online in full on the links provided. Should the Inspector or any other party wish for these to be submitted formally as core documents to the examination, we would be pleased to do so.

¹ It is not intended to review the market signals for Mid Sussex to explore whether an uplift is justified. That point is taken to have been accepted in the existing evidence before the examination.

2.0 THE PRINCIPLE OF MARKET SIGNALS UPLIFT TO IMPROVE AFFORDABILITY

- 2.1 The purpose of a market signals uplift is to ensure the government's housing aims (as expressed in the NPPF) are met and to ensure this is reflected in assessments of need by making *"upward adjustment to planned housing numbers compared to ones based solely on household projections"* (PPG ID2a-020) where market signals indicate such an adjustment is necessary. The principle of providing 'more' than 'unvarnished' household projections in England has long been established through successive assessments of the country's problems with lack of housing supply.
- 2.2 A literature review of these assessments is included at **Appendix 1**. They demonstrate, over a sustained period, a consensus over the need to increase supply above household projections to deliver improvements in housing affordability. This has continued to underpin successive Governments' approach to assessing housing need, including within the PPG. Across these reports, the evidence would suggest that - at the national level - an uplift of between **20.9% and 44.2%** above the number of homes implied by household projections alone would be necessary to deliver improvements in affordability.
- 2.3 Under the current planning system, achieving a national outcome for housing supply is the product of implementing a large number of individual local plans. As such it is fundamentally necessary to link any local strategies to the overarching national principles which are driving Government policy (i.e. 'think global, act local'). Each area will have its role to play in contributing towards the Government's aims; some more than others, based on their circumstances.
- 2.4 It is acknowledged that housing supply is but one factor influencing the affordability of housing (availability of credit and household incomes being two other key influencers), but the role of the planning system in increasing supply to achieve this is clearly an important lever available to government, and one that it seeks to apply through PPG-compliant assessments of OAN.
- 2.5 Whilst the above places the market signals uplift within the national context, how this overarching principle, is applied to local evidence in Mid Sussex is considered below.

3.0 HOW DO WE DEFINE AN IMPROVEMENT IN AFFORDABILITY?

- 3.1 The PPG states that the ratio between lower quartile house prices and the lower quartile income or earnings can be used to measure affordability and this is the metric around which we have focused our analysis in this paper. Although the PPG (ID: 2a-020) sets out that plan maker should *"increase planned supply by an amount that... could be expected to improve affordability"*, the reference case for that improvement is not stated.

- 3.2 The PPG (ID2a-003) requires that the assessment of need “*should be proportionate and does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.*”
- 3.3 In this regard, any improvement to affordability should be one that is reasonably expected to occur. Measuring improvements in affordability should make reference not only to *current* levels of affordability but also to any forecast *change* in affordability were housing supply to progress at a level consistent with official projections (i.e. 730 dwellings per annum). In this regard, evidence already before the examination shows that the Lower Quartile affordability ratio has worsened in recent years from just over 10 in 2013 (Doc MSDC2, para 2.2.6 bullet point 5) to 12.59 in Spring 2015 (Doc 1/14681, Appendix 8 – NLP Review of OAN, para 3.29).
- 3.4 The Office for Budget Responsibility (OBR) produces forecasts of both house prices and wages and analysis on the inter-relationship between the two factors². We present analysis later in this note (and at **Appendix 2**) which applies these assumptions to Mid Sussex; this forecasts that if housing supply increased in line to match household projections (i.e. at 730 dpa) plus an allowance for unmet needs at a total of 800 dpa, the affordability ratio would worsen to around 14.00.
- 3.5 On this basis, we consider that, at a minimum, any increase in planned supply (as required by the PPG³) should as a minimum be such as to stabilise, and preferably improve, the current affordability ratio in Mid Sussex (12.59). Even stabilising the affordability ratio at the current level would represent a better outcome than the reference case of continued worsening affordability in the District. This is a goal that was recognised by the NHPAU in its work and by the House of Lords Select Committee on Economic Affairs⁴ both of which we review in **Appendix 1**.
- 3.6 In light of the scale of uplift potentially now required across the country in order to redress the worsening affordability ratio, ‘success’ in the terms set out in the PPG of improving affordability might simply be seen as slowing the rate of deteriorating affordability and improving it relative to what it otherwise would have been were just the demographic projections provided for.

² ‘Working paper No.6: Forecasting house prices’ (July 2014) Office for Budgetary Responsibility, Toby Auterson (paragraph 3.12) - http://budgetresponsibility.org.uk/docs/dlm_uploads/WP06-final-v2.pdf

³ ID 2a- paragraph 20 3rd sub-paragraph

⁴ ‘Building more homes’ 1st Report of Session 2016–17 (15 July 2016) House of Lords Select Committee on Economic Affairs (HL Paper 20) - paragraphs 81 and 84
<http://www.publications.parliament.uk/pa/ld201617/ldselect/ldeconaf/20/20.pdf>

4.0 **AN EVIDENCE-BASED MARKET SIGNALS UPLIFT FOR MID SUSSEX**

4.1 There are numerous methodological approaches that can be adopted in seeking to quantify an appropriate market signals uplift for Mid Sussex based on local evidence of affordability and market signals in the District. The PPG does not set out a single definitive approach. Indeed, it suggests (ID: 2a-020) that the approach is one where – having established that an uplift is required:

- the adjustment should be one that is reasonable;
- The scale of adjustment should be related to the relative scale of affordability constraints and other indicators of high demand. The greater the improvement in affordability needed, the larger should be the additional supply response;
- Plan makers should not attempt to estimate the precise impact of an increase in housing supply;
- They should increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability;
- They should then monitor the response of the market over the plan period.

4.2 On a most simple basis, applying the scale of uplifts identified as required to address affordability at the national level of between 20.9% and 44.2% would indicate a housing supply requirement of between 883 and 1,053 dpa in Mid Sussex (based on the 730dpa starting point). Naturally, such an approach assumes other Local Plans would also make appropriate adjustments in their market signals⁵ and Mid Sussex Plan must assume the planning system will be operating in accordance with Government policy in this regard, rather than planning to fail based on perceived approaches in other authorities where the guidance may not have been applied rigorously.

4.3 However, it is also clear that we need to look at the circumstances of Mid Sussex in identifying an appropriate scale of uplift, given the greater problems of affordability in that district. We have therefore looked at a range of alternative approaches at the local level, and then draw these together to arrive at a conclusion as to the appropriate uplift.

1. Mid Sussex District Council MSDC1 position

4.4 Mid Sussex District Council, within MSDC1 (page 6), draws upon the findings of the University of Reading model to consider what scale of uplift may be required to improve affordability. Using a conclusion from RD20 that in the

⁵ Evidence later in this document (and at Appendix 3) suggests this is now taking place across many SHMAs.

South East a **50%** increase in private housing supply would improve affordability by approximately 12%, the Council indicated that:

“For Mid Sussex, increasing housing supply by 50% (i.e. a Plan provision of around 1,100-1,200dpa) would reduce the ratio of lower-quartile house price to earnings from 10.2 to 9”

- 4.5 Using the same approach, with the current lower quartile affordability ratio for Mid Sussex of 12.59 for 2015 (CLG Live Table 576), would indicate a 50% increase on the baseline of 730dpa to 1,095dpa would be sufficient to improve the lower quartile affordability to 11.1. Although the Council indicated in MSDC1 that a significant reduction in affordability ratio would “*have no material effect*”, the Council’s approach is not consistent with how other bodies have defined ‘success’ as summarised above in paragraphs 3.1-3.6 and in our review at Appendix 1, where “*stabilising*” affordability is seen as a legitimate policy goal.

2. OBR house price forecast and University of Reading model

- 4.6 The Office for Budget Responsibility (OBR) produced Working paper No.6 Forecasting house prices in July 2014⁶. The report identifies the following with regards to future average earnings growth and median house price growth (the components of an affordability ratio) in paragraph 3.12:
- “Using some long-run assumptions for real income growth (2.2 per cent a year, including growth in the number of households of 1 per cent a year) and housing supply (keeping pace with the number of households), and assuming the housing discount rate and wage share variable are stationary, the model predicts around 3.3 per cent real house price growth a year in steady state. In addition, assuming consumer price inflation in line with the Bank of England’s 2 per cent target implies 5.3 per cent a year nominal house price growth in steady state.”*
- 4.7 The University of Reading’s affordability model, as set out previously, found a high price elasticity (-2.0) in relation to increases in stock at regional level in England, implying in effect that for every 1% increase in supply, relative prices would be expected to fall by 2%.
- 4.8 Based on the analysis contained in the above two reports, affordability calculations undertaken by NLP for Mid Sussex District (See Appendix 2) would suggest that 1,070dpa are needed in order to maintain an affordability ratio of 12.59 by 2031, all other things being equal (including housing needs being met in surrounding areas). By comparison, provision of 800 dpa would, all other things being equal, lead to the lower quartile affordability ratio

⁶ ‘Working paper No.6: Forecasting house prices’ (July 2014) Office for Budgetary Responsibility, Toby Auterson - http://budgetresponsibility.org.uk/docs/dlm_uploads/WP06-final-v2.pdf

increasing to 14.08 by 2031. Delivery of 1,070dpa would represent an uplift of 46.6% above the baseline demographic starting point of 730dpa.

4.9 There has been some significant degree of economic change since July 2014. Updating the model to account for the OBR's November 2016 economic outlook⁷ would indicate average house price growth of 4.42% per annum and average wage growth of 3.54% per annum over the period to 2021 (the horizon of OBR's economic outlook). This is a narrowing between the two in comparison to OBR's 2014 paper. Applying this over the OBR's economic outlook horizon to 2021 would indicate 918dpa, or an uplift of **25.8%** would necessary to hold the affordability ratio constant at 12.59 over the period to 2021. Beyond this, the modelling using updated assumptions does suggest a need for an even greater percentage uplift to maintain the ratio between 2021 and 2031, but this could be monitored as part of a Plan review, in line with the PPG. Using this approach, self-evidently, reducing the ratio below 12.59 would necessitate an even greater scale of uplift.

4.10 Even then, it should be noted the above modelling assumes a price elasticity of -2.0 which could be seen as cautious. Recent research by Regeneris⁸ indicates that at a Local Authority level a price elasticity of -1.0 is more appropriate (1% increase in supply brings about 1% fall in price) and better reflects factors at the local authority level (paras 4.19-4.22). However, this would involve taking a different view to the OBR position.

3. Barker Review increase

4.11 The Barker Review used a baseline figure of 140,000 dwellings against which to measure its proposed increase on past supply in order to 'improve the housing market'. Its conclusion of an additional 120,000 dwellings per annum needed implied an increase in housebuilding of 85.7% over past supply levels. Whilst this has not been met at a national level in the period since (and has led to a much further worsening in affordability), it continues to provide a benchmark for how much Mid Sussex might need to improve supply against recent delivery to similarly bring about an improvement in the local housing market (assuming the scale of problem now is, at best, similar to the level it was in 2004).

4.12 Over the past 10 years (2006-2015), which has seen the affordability ratio increase from 10.57 to 12.59, Mid Sussex has delivered an average of 516 dwellings per annum. A Barker Review style 85.7% increase on this supply position would imply a need for 958dpa in order to improve the housing market.

⁷ Economic and fiscal outlook (November 2016) Office for Budgetary Responsibility - <http://cdn.budgetresponsibility.org.uk/Nov2016EFO.pdf>

⁸ Why supply matters: the elasticity of house prices at a local level (January 2016) Regeneris Consulting - <https://drive.google.com/file/d/0B3JZDh2pal1PaVJncno2dU92Tk0/view>

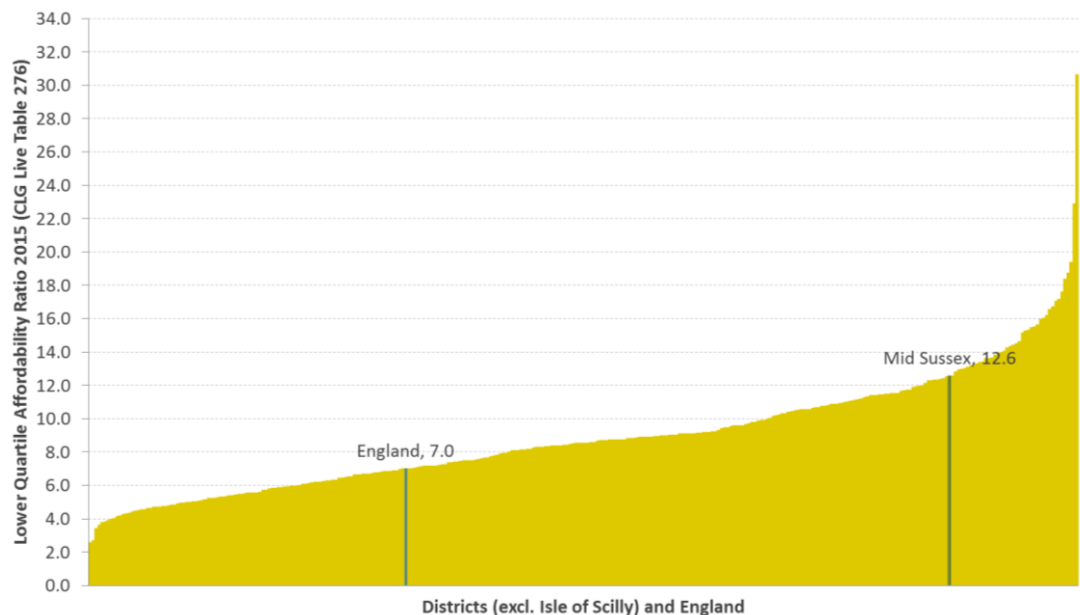
This would be equivalent to a market signals uplift of **31.2%** on the demographic starting point.

4. Mid Sussex weighted apportionment of national needs

4.13

Mid Sussex is relatively worse in respect of affordability than the national equivalent, with a lower quartile affordability ratio of 12.6 compared with 7.0 nationally. All other things being equal, to improve affordability across the Country, Mid Sussex would need to make a proportionately greater uplift than those where affordability issues are less acute. If we accept the national position set out above - that the minimum national level of delivery required is c.250,000 dpa (e.g. as in the July 2016 House of Lords Select Committee report – see paragraph 81) - then this would imply a 35,000 dwelling uplift above the most recent 2014-based household projections. We can then consider how this required uplift should be shared between 320+ Local Planning Authorities across the country in order to seek to hold the affordability ratio (at least at a national level) constant. In doing so, we broadly adopt a localised version of the approach adopted by the NHPAU as summarised in Appendix 1.

Figure 1 Distribution of LQ Affordability Ratios 2015



Source: CLG Live Table

4.14

We have modelled three alternative scenarios for market signals uplifts across the country, with outcomes as follows:

- a Each district with an affordability ratio above the national ratio makes a market signals uplift in proportion to its difference with the national figure – this would see Mid Sussex address 0.71% of the overall 35,000

dwelling uplift, equating to 249 dpa and a 34.1% uplift on the starting point;

- b Each district with an affordability ratio above the national ratio makes a market signals uplift in proportion to its difference with the national figure (weighted 50%) and its projected household growth (weighted 50%) – this would see Mid Sussex address 208 dpa of the overall amount (0.59%), equating to a 28.5% uplift; and
- c Every district (whether above or below the national ratio) makes a market signals uplift in proportion to its difference with the lowest affordability ratio, Copeland at 2.6, (weighted 50%) and its projected household growth (weighted 50%) – this would see Mid Sussex address 163 dpa of the overall amount (0.47%), equating to a 22.3% uplift.

4.15 Given a) is simply weighted by the affordability ratio, and takes no account of the baseline scale of growth anticipated in the district, it is considered that using the approach indicated at b) and c) would better reflect the scale of uplift that when adopted in LPAs across the country, could provide sufficient housing to hold the affordability ratio steady in each location. This would suggest an uplift of between **22.3%** and **28.5%** for Mid Sussex.

5. Benchmarking stock increases

4.16 The Savills research on market capacity contained at Appendix 3 to the Developer Forum's hearing statement provides analysis looking at the proportional stock increases in Mid Sussex in comparison to a range of other comparator Districts. It is notable that Mid Sussex, with completions at around 1% of stock annually (Figure 4), is below a number of other areas which experience lower affordability pressures.

4.17 Areas including, East Cambridgeshire, South Cambridgeshire, Milton Keynes, West Oxfordshire, Kettering, East Northants and Tonbridge and Malling have all delivered new housing at a rate of about 1.5% of stock per annum (in some cases, more), and see lower affordability ratios (Figure 9) and similar or lower house price growth (Figure 8). On a comparative basis, this analysis demonstrates that, all else being equal, a greater growth rate in housing stock will help to moderate affordability pressures.

4.18 If Mid Sussex were to increase rates of delivery to 1.5% of stock per annum, this would be equivalent to a delivery rate of 919dpa (1.5% of 2015 dwelling stock of 61,620 as per CLG Live Table 100). 919dpa represents an uplift **25.9%** on the starting point of 730dpa and could be seen to be a level of stock increase which could reasonably be expected to moderate increases in affordability to levels seen in those more affordable comparator locations where housing stock has been growing at such a rate.

6. Benchmarking market signal uplifts elsewhere

4.19 The Forum continues to consider, as set out in our hearing statement, that benchmarking Mid Sussex against market signal uplifts elsewhere in the Country is a relevant and helpful indicator of the scale of market signals uplift considered reasonable against the PPG. At Appendix 3 we set out a table of where Market Signal uplifts are being applied either through current SHMAs or in Inspector's findings on Local Plans. Whilst the position is varied, it does on a general basis confirm two principles:

- 1 that such percentage rate adjustments are being applied in numerous authorities across the Country reflecting the guidance in the PPG; and
- 2 that broadly the more acute the affordability problem (as indicated by the affordability ratio) the greater the adjustment that SHMA consultants, Councils and Inspectors are applying.

4.20 On a linear extrapolation of these uplifts, Mid Sussex at a lower quartile affordability ratio of 12.59 would correspond with a market signals uplift of between 20% and 25% (see graph at Appendix 3).

4.21 The questions raised in respect of the analysis in the NLP OAN report (page 46 of Appendix 8 in hearing statement 1/14681 on behalf of Wates) which benchmarks Mid Sussex against Eastleigh (10%) and Canterbury (20%) are noted. However, whilst there may be differences in terms of the planning and housing market contexts, Mid Sussex is - in the case of Eastleigh - not a dissimilar area in terms of socio-demographics with ONS placing both within the '7a1-Prosperous Country' sub-group area classifications, meaning ONS do class them as "*statistical neighbours*".⁹ Canterbury does fall into a separate group classification, falling under a Coastal and Heritage grouping, however, all three Districts do comprise of several towns surrounded by a wider rural hinterland.

4.22 Under this approach, the Developer Forum's judgement was that a **25%** uplift for Mid Sussex would be the most appropriate response to market signals in the District.

7. Rate of development (backlog) comparator

4.23 Actual supply in Mid Sussex has fallen below planned supply as indicated by the housing requirement contained within the South East Plan. Table 7.1 of the Forum's hearing statement sets out the relevant provision, with the cumulative

⁹ ONS 2011 Area Classifications - <http://webarchive.nationalarchives.gov.uk/20160105160709/http://www.ons.gov.uk/ons/guide-method/geography/products/area-classifications/ns-area-classifications/ns-2011-area-classifications/maps/subgroup.pdf>

undersupply between 2006 and 2014 either 3,127 based on the Council's assessment or 3,182 based on the Forum's.

4.24 The PPG¹⁰ states in respect of the rate of development indicator that *“future supply should be increased to reflect the likelihood of under-delivery of a plan.”*

4.25 The PPG is concerned with instances when in the past, fewer homes have been built than planned for, with the commensurate response that future supply should be increased to reflect the likelihood of under delivery. Such an uplift would ensure that, at a minimum, the starting-point household projections would be met by housing delivery. In Mid Sussex, delivery has been at only 53% of planned supply; a shortfall of 47% (Developer's Forum hearing statement para 7.2). Uplifting the starting point of 730dpa by **47%** would lead to an overall figure of 1,073dpa to reflect the likely under-delivery of a plan.

5.0 **Summary & Conclusion**

5.1 Bringing the range of techniques and evidence together, Table 1 illustrates the range of potential 'market signals' applicable based on national and locally specific evidence. The median estimate of uplift across all the approaches is **25.8%**, and there is a clear clustering of uplifts around 25%, with seven of the twelve approaches pointing towards that level of market signals uplift as the minimum necessary to improve affordability in Mid Sussex.

5.2 In particular, our affordability modelling specifically for Mid Sussex, based on OBR assumptions, suggests that delivery of the housing requirement at 800dpa will be associated with a further deterioration in the lower quartile affordability ratio from 12.59 to between 13.59 and 14.00 over the plan period. Against that reference case, it is considered that a market signals uplift would need to be one that delivers dwellings well above 800dpa, in order to deliver an improvement affordability over the plan period. In simple terms, an increase of substantially in excess of 25% would be needed to reduce the house price to earnings affordability ratio below its current level. It should, therefore, be viewed as a minimum.

¹⁰ ID 2a- 19 sub-paragraph 5

Table 1 Synthesis of Market Signals Analysis

Approach/Source	Uplift & MSDC Supply Figure	
	Uplift to baseline 730dpa (%)	Implied supply (dpa)
National Based		
Barker Review increase on households	20.9%	883
NHPAU Supply Range	25.6%	917
Bramley & Watkins	25%	913
House of Lords Select Committee	39.5%	1,018
Redfern Review	44.2%	1,053
Local Based		
MSDC1 approach (based on RD20)	50%	1,095
OBR based affordability modelling	25.8%	918
Barker Review increase on past supply	31.2%	958
Weighted apportionment of national uplift	22.3%-28.5%	893-938
Benchmarking stock increases	25.9%	919
Benchmarking market signal uplifts	25%	913
Rate of development comparator	47.0%	1,073

- 5.3 Based on the above, it continues to be the Developer Forum's judgement and conclusion that the uplift for market signals is fully justified at **25%** and that, based on the evidence, that would be the minimum level that is commensurate with stabilising the affordability ratio at the current level and delivering improvements over the reference case of a worsening lower quartile affordability ratio towards 14.00.
- 5.4 The Developer Forum continue to consider that the uplift for market signals should be seen as a separate, and in addition to, the specific adjustment for suppressed household formation amongst younger age groups; they are contained in separate stages of the PPG OAN calculation and are required for two distinct functions:
- The demographic adjustment ensures demand and the correct demographic-led need is properly identified;
 - The market signal uplift ensures that supply is boosted over and above this to improve affordability.
- 5.5 As such – notwithstanding Table 1 above which calculates results of the different uplifts with reference to the 730 dpa agreed starting point – it is necessary to continue to add on the 24dpa (equivalent to an additional 3.3% uplift to the official projections) to the 730 dpa figure before then making the market signals adjustment to arrive at a robust estimate of full OAN for Mid Sussex alongside consideration of employment growth and affordable housing needs.

Appendix 1: The Evidential Basis for Market Signals Uplifts to Improve Affordability

Barker Review

- 1 The Barker Review of Housing Supply¹¹ was a seminal report that continues to influence government policy. Published in 2004 and using a baseline figure of 140,000 private sector dwelling starts in 2002-03, the report concluded that to reduce the long term price trend from 2.7% per annum seen prior to 2004, to the 1.1% per annum seen as an average across the EU, would require an increase of 120,000 additional private homes per annum, totalling 260,000 per annum to 2026, alongside an increased provision of social sector housing. The Barker Review concluded that such a level would be necessary for *“improving the housing market”* and ensure that *“affordability is increasingly improved over time”* (paras 1.39 and 1.40).
- 2 In making such a recommendation, the Review acknowledged that this was in excess of projected rates of household formation (at that point estimated at 179,000 per annum). Even today, with household projections in England at around 210,000 households per annum¹² and equating to around 215,000 dwellings per annum (incorporating a notional 2.5% vacancy rate), the 260,000 dwellings per annum concluded within the Barker Review as necessary to increasingly improve affordability would represent a national average uplift of **20.9%** above the demographic projection.
- 3 Flowing from the Barker Review, Government commissioned the development of an Affordability model by Reading University, designed to relate affordability to housing supply in the medium to long term. The key findings from the 2007 version of the model was that the elasticity of house prices with respect to housing stock is found to be relatively high, at -2.0 i.e. a 1% increase in stock at the regional level leads to a 2% fall in house prices, everything else being equal (RD20, page 32). This has informed much subsequent work by Government.

National Housing & Planning Advice Unit (NHPAU)

- 4 The NHPAU was founded by Government as direct response to the recommendations of the Barker Review. In October 2007, it published work entitled ‘Developing a target range for the supply of new homes

¹¹ ‘Review of Housing Supply, Delivering Stability: Securing our Future Housing Needs’ (March 2004), Kate Barker - http://news.bbc.co.uk/nol/shared/bsp/hi/pdfs/17_03_04_barker_review.pdf

¹² CLG 2014-based household projections

across England'¹³ flowing from analytical modelling (using the Reading University model) on the impact of the Government's housing supply target for housing affordability prospects over the medium and long-term. Its conclusion was that a supply range from a minimum of 240,000 dpa (the Government's annual target at that point) and a high 280,000 dpa should be tested (Table 18), going on to identify (para 4.68):

- 5 "NHPAU believes that there is a realistic possibility of stabilising the affordability of market housing over the long-term if a supply target for 270,000 net additions to stock, in the right place and of the right type can be adopted through the planning system for delivery before or by 2016."
- 6 At 270,000 dwellings per annum, this would represent a national average **25.6%** uplift above the bare demographic projection of the 2014-based household projections.
- 7 Crucially, the NHPAU concluded that if stabilising affordability in each region is the goal, then the most efficient way to achieve that is to proportionately increase supply in the areas where affordability is most severe. Thus it focussed 80% of its uplifts (over the then RSS targets) across the South East, the South West and the East of England.

Bramley & Watkins

- 8 Academic research by Bramley & Watkins¹⁴ has looked at the potential for modelling housing markets at a local level to inform planning decisions. One aspect it considers is affordability impacts of supply changes at the sub-regional level. It includes modelled scenarios that conclude "*very high*" increases in supply (over other elements within the model) across the South East, defined as 35%, can deliver notable improvements to affordability, including some improvement to affordability in London. This implies that high uplifts just short of **35%**, such as around **25%** in high value areas surrounding London, would be sufficient to address affordability at a local level (i.e. without spill-over benefits to surrounding areas).

¹³ 'Developing a target range for the supply of new homes across England' (October 2007), NHPAU - <http://webarchive.nationalarchives.gov.uk/20120919132719/http://www.communities.gov.uk/document/s/housing/pdf/523984.pdf>

¹⁴ 'Housebuilding, demographic change and affordability as outcomes of local planning decisions; exploring interactions using a sub-regional model of housing markets in England' (2 October 2014) Bramley & Watkins, Heriott Watt University (Published in Progress in Planning 2015) - [https://pureapps2.hw.ac.uk/portal/en/publications/housebuilding-demographic-change-and-affordability-as-outcomes-of-local-planning-decisions\(23dfd394-4dc7-406d-ad05-3ee18fdd8497\).html](https://pureapps2.hw.ac.uk/portal/en/publications/housebuilding-demographic-change-and-affordability-as-outcomes-of-local-planning-decisions(23dfd394-4dc7-406d-ad05-3ee18fdd8497).html)

- 9 Interestingly, this methodological approach is applied by the Bramley to a review of the Bristol Area SHMA for Business West¹⁵. It concludes that an uplift of 50-60% is appropriate compared to 7.5% suggested by the SHMA.

House of Lords Select Committee on Economic Affairs

- 10 In July 2016, the House of Lords Select Committee on Economic Affairs published their report '*Building More Homes*'¹⁶ which was the output of the House of Lords' inquiry into the housing market. It reflects on past failure to build sufficient numbers of homes, highlighting how supply has substantially undershot the recommended amounts within the Barker Review. It also draws upon evidence provided to the inquiry by HM Treasury (HMT) which indicated (para 81) that "*The modelling suggests that in order to keep the house prices to earnings ratio constant, somewhere between 250,000 and 300,000 homes per year need to be built.*" albeit the report goes on to note (footnote 91) that "*Due to low interest rates building 250,000–300,000 homes above may now be insufficient to keep the price: earnings ratio constant*"
- 11 Ultimately based on the evidence brought to the inquiry, the select committee concluded that:
- "To address the housing crisis at least 300,000 new homes are needed annually for the foreseeable future."*
- 12 At 300,000 dwellings per annum, this represents a **39.5%** uplift on the 2014-based household projection equivalent, and although at the upper end of the range identified by HMT, the qualification within the report suggests it would be the figure necessary to keep the affordability ratio constant.

Redfern Review

- 13 The Redfern Review¹⁷ was an independent review of the causes of falling home ownership, and associated housing market challenges. Published in November 2016, it was informed by a housing market model and built by Oxford Economics which looked at the impacts of different supply assumptions on prices and home ownership. The review ultimately concludes (para 33):

¹⁵ Business West: Wider Bristol Housing Market Area Strategic Housing Assessment 2015: Commentary by Bramley <http://initiativewest.co.uk/content/uploads/2015/12/Final-Bramley-WoE-SHMA-critique-30Nov2015.pdf>

¹⁶ 'Building more homes' 1st Report of Session 2016–17 (15 July 2016) House of Lords Select Committee on Economic Affairs (HL Paper 20) - <http://www.publications.parliament.uk/pa/ld201617/ldselect/ldeconaf/20/20.pdf>

¹⁷ 'The Redfern Review into the decline of home ownership' (16 November 2016) - http://www.redfernreview.org/wp-content/uploads/2016/01/TW082_RR_online_PDF.pdf

“...looking forward, if the number of households in the UK were to grow at around 200,000 per year, new supply of 300,000 dwellings per year over a decade would be expected to cut house price inflation by around 5 percentage points (0.5 percentage points a year)... In other words boosting housing supply will have a material impact on house prices, but only if sustained over a long period.”

- 14 The accompanying report by Oxford Economics¹⁸ identifies that *“To put downward pressure on prices new supply would need to outstrip underlying household formation”*. It actually models a boost in housing supply of 100,000 above their baseline forecast of 210,000 dwellings per annum, concluding that 310,000 dpa *“helps to keep prices in check”* up to 2026, albeit still rising marginally. Although no corresponding analysis is presented on the affordability ratio (i.e. accounting for changes in income over that period), the adoption of 310,000dpa as a figure to keep prices in check would represent a **44.2%** uplift over the demographic baseline suggested by the 2014-based projections. A lower percentage would be sufficient to hold affordability constant if household incomes increased in a corresponding manner.

¹⁸ ‘Forecasting UK house prices and home ownership’ (November 2016) Oxford Economics - <http://www.redfernreview.org/wp-content/uploads/2016/11/20161114-Redfern-Review-modelling-paper.pdf>

Appendix 2 – OBR based Affordability Forecasting

OBR 2014-based forecast assumptions

Affordability Calculator																	
Local Authority	Mid Sussex																
Inflation (1.00 If none)																	
Earnings Rate of increase (proportional) (Source: OBR)	1.022																
Housing Price Rate of increase (proportional) (Source: OBR)	1.033																
Change in ratio if 1.0% household growth needs met, i.e. 1.1% housing growth																	
LQ Earnings		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
		£19,452	£19,880	£20,317	£20,764	£21,221	£21,688	£22,165	£22,653	£23,151	£23,661	£24,181	£24,713	£25,257	£25,812	£26,380	£26,960
LQ House Price		£245,000	£253,085	£261,437	£270,064	£278,976	£288,183	£297,693	£307,516	£317,664	£328,147	£338,976	£350,162	£361,718	£373,655	£385,985	£398,723
LQ Ratio		12.59	12.73	12.87	13.01	13.15	13.29	13.43	13.58	13.72	13.87	14.02	14.17	14.32	14.48	14.63	14.79
Number of houses		61,290	61,903	62,522	63,147	63,779	64,416	65,061	65,711	66,368	67,032	67,702	68,379	69,063	69,754	70,451	71,156
			1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
</																	

Affordability Calculator																	
Local Authority	Mid Sussex																
Inflation (1.00% none)			Implicit growth in OBR Model														
Earnings Rate of increase (proportional) (Source: OBR)		1.022	The OBR model is based on an embedded assumption that household growth of 1.0% per annum will occur (and that this housing will be delivered to meet that need). Therefore, any 'increase' in supply in the model, for considering the University of Readings price elasticity (-2.0), is measured against this implicit growth in the OBR model.														
Housing Price Rate of increase (proportional) (Source: OBR)		1.033															
Change in ratio if 1.0% household growth needs met, i.e. 1.1% housing growth																	
LQ Earnings	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	£19,452	£19,880	£20,317	£20,764	£21,221	£21,688	£22,165	£22,653	£23,151	£23,661	£24,181	£24,713	£25,257	£25,812	£26,380	£26,960	£27,553
LQ House Price	£245,000	£253,085	£261,437	£270,064	£278,976	£288,183	£297,693	£307,516	£317,664	£328,147	£338,976	£350,162	£361,718	£373,655	£385,985	£398,723	£411,880
LQ Ratio	12.59	12.73	12.87	13.01	13.15	13.29	13.43	13.58	13.72	13.87	14.02	14.17	14.32	14.48	14.63	14.79	14.95
Number of houses	61,290	61,903	62,522	63,147	63,779	64,416	65,061	65,711	66,368	67,032	67,702	68,379	69,063	69,754	70,451	71,156	71,867
		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
TOTAL annual dwelling increase		1,070	Against 1.1% growth														
No Houses	61,290	62,360	63,430	64,500	65,570	66,640	67,710	68,780	69,850	70,920	71,990	73,060	74,130	75,200	76,270	77,340	78,410
Supply Change above underlying assumptions		0.75%	0.72%	0.69%	0.66%	0.63%	0.61%	0.58%	0.56%	0.53%	0.51%	0.49%	0.46%	0.44%	0.42%	0.40%	0.38%
Price Change		-1.49%	-1.43%	-1.37%	-1.32%	-1.26%	-1.21%	-1.16%	-1.11%	-1.06%	-1.02%	-0.97%	-0.93%	-0.89%	-0.85%	-0.81%	-0.77%
House Prices (accounting inflation, for Rate of increase and rate of reduction)	£245,000	£249,431	£254,091	£258,985	£264,119	£269,497	£275,126	£281,012	£287,162	£293,584	£300,285	£307,274	£314,559	£322,150	£330,056	£338,289	£346,857
New Ratio	12.59	12.55	12.51	12.47	12.45	12.43	12.41	12.41	12.40	12.41	12.42	12.43	12.45	12.48	12.51	12.55	12.59

OBR November 2016 Economic Outlook forecast assumptions (OBR forecast is to 2021, but proportional change held constant thereafter)

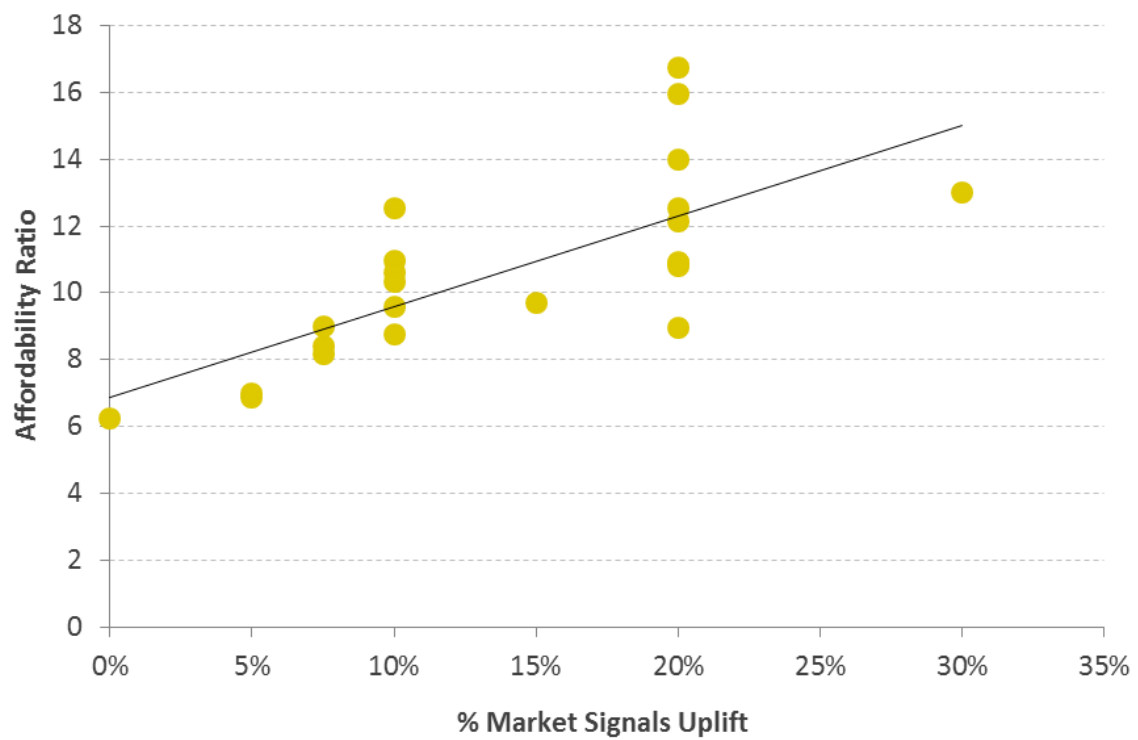
Affordability Calculator																		
Local Authority	Mid Sussex																	
Inflation (1.00 if none)	1																	
Earnings Rate of increase (proportional) (Source: OBR)	1.0354																	
Housing Price Rate of increase (proportional) (Source: OBR)	1.0442																	
Change in ratio if 1.0% household growth needs met, i.e. 1.1% housing growth		Implicit growth in OBR Model 663																
		The OBR model is based on an embedded assumption that household growth of 1.0% per annum will occur (and that this housing will be delivered to meet that need). Therefore, any 'increase' in supply in the model, for considering the University of Readings price elasticity (-2.0), is measured against this implicit growth in the OBR model.																
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
LQ Earnings		£19,452	£20,141	£20,854	£21,592	£22,356	£23,148	£23,967	£24,816	£25,694	£26,604	£27,545	£28,521	£29,530	£30,576	£31,657.92	£32,778.61	£33,938.97
LQ House Price		£245,000	£255,829	£267,137	£278,944	£291,273	£304,148	£317,591	£331,629	£346,287	£361,592	£377,575	£394,264	£411,690	£429,887	£448,888	£468,729	£489,446
LQ Ratio		12.59	12.70	12.81	12.92	13.03	13.14	13.25	13.36	13.48	13.59	13.71	13.82	13.94	14.06	14.18	14.30	14.42
Number of houses		61,290	61,903	62,522	63,147	63,779	64,416	65,061	65,711	66,368	67,032	67,702	68,379	69,063	69,754	70,451	71,156	71,867
			1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
TOTAL annual dwelling increase		800	Against 1.1% growth 139															
No Houses		61,290	62,090	62,890	63,690	64,490	65,290	66,090	66,890	67,690	68,490	69,290	70,090	70,890	71,690	72,490	73,290	74,090
Supply Change above underlying assumptions			0.31%	0.29%	0.27%	0.26%	0.24%	0.23%	0.21%	0.20%	0.18%	0.17%	0.15%	0.14%	0.13%	0.12%	0.10%	0.09%
Price Change			-0.61%	-0.58%	-0.54%	-0.51%	-0.48%	-0.45%	-0.42%	-0.39%	-0.36%	-0.34%	-0.31%	-0.28%	-0.26%	-0.23%	-0.21%	-0.18%
House Prices (accounting inflation, for Rate of increase and rate of reduction)		£245,000	£254,333	£264,107	£274,344	£285,065	£296,294	£308,055	£320,374	£333,279	£346,797	£360,960	£375,799	£391,346	£407,638	£424,711	£442,603	£461,355
New Ratio		12.59	12.63	12.66	12.71	12.75	12.80	12.85	12.91	12.97	13.04	13.10	13.18	13.25	13.33	13.42	13.50	13.59

Affordability Calculator																		
Local Authority	Mid Sussex																	
Inflation (1.00 if none)	1																	
Earnings Rate of increase (proportional) (Source: OBR)	1.0354																	
Housing Price Rate of increase (proportional) (Source: OBR)	1.0442																	
Change in ratio if 1.0% household growth needs met, i.e. 1.1% housing growth		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
LQ Earnings		£19,452	£20,141	£20,854	£21,592	£22,356	£23,148	£23,967	£24,816	£25,694	£26,604	£27,545	£28,521	£29,530	£30,576	£31,657.92	£32,778.61	£33,938.97
LQ House Price		£245,000	£255,829	£267,137	£278,944	£291,273	£304,148	£317,591	£331,629	£346,287	£361,592	£377,575	£394,264	£411,690	£429,887	£448,888	£468,729	£489,446
LQ Ratio		12.59	12.70	12.81	12.92	13.03	13.14	13.25	13.36	13.48	13.59	13.71	13.82	13.94	14.06	14.18	14.30	14.42
Number of houses		61,290	61,903	62,522	63,147	63,779	64,416	65,061	65,711	66,368	67,032	67,702	68,379	69,063	69,754	70,451	71,156	71,867
			1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
TOTAL annual dwelling increase		918	Against 1.1% growth 257															
No Houses		61,290	62,208	63,126	64,044	64,962	65,880	66,798	67,716	68,634	69,552	70,470	71,388	72,306	73,224	74,142	75,060	75,978
Supply Change above underlying assumptions			0.50%	0.48%	0.45%	0.43%	0.41%	0.39%	0.37%	0.36%	0.34%	0.32%	0.30%	0.29%	0.27%	0.25%	0.24%	0.22%
Price Change			-1.00%	-0.95%	-0.91%	-0.87%	-0.83%	-0.79%	-0.75%	-0.71%	-0.68%	-0.64%	-0.61%	-0.57%	-0.54%	-0.51%	-0.48%	-0.45%
House Prices (accounting inflation, for Rate of increase and rate of reduction)		£245,000	£253,390	£262,179	£271,385	£281,028	£291,128	£301,705	£312,782	£324,382	£336,530	£349,251	£362,574	£376,526	£391,138	£406,442	£422,471	£439,260
New Ratio		12.59	12.58	12.57	12.57	12.57	12.58	12.59	12.60	12.62	12.65	12.68	12.71	12.75	12.79	12.84	12.89	12.94

Appendix 3 Market Signals Uplifts being applied in Other Locations

Table 2 Market Signals Uplifts

LPA	SHMA/Inspectors Report	Market Signals Uplift	Affordability Ratio
Eastleigh	Inspectors Report	10%	8.74
Canterbury	SHMA & Inspectors Report	20%	10.80
Cambridge	SHMA	30%	13.02
South Cambridgeshire	SHMA	10%	10.98
High Peak	SHMA & Inspectors Report	5%	6.89
Braintree	SHMA	15%	9.69
Chelmsford	SHMA	20%	10.92
Sefton	Inspectors Report	0%	6.23
Uttlesford	Inspectors Report	10%	12.55
Aylesbury Vale	SHMA	10%	10.59
Chiltern	SHMA	20%	15.96
South Bucks	SHMA	20%	16.73
Wycombe	SHMA	20%	10.9
Uttlesford	SHMA	20%	12.55
East Herts	SHMA	20%	12.14
Harlow	SHMA	20%	8.97
Epping Forest	SHMA	20%	14.00
Stevenage	SHMA	10%	9.58
North Hertfordshire	SHMA	10%	10.32
Bristol	SHMA	7.5%	8.18
North Somerset	SHMA	7.5%	8.39
South Gloucestershire	SHMA	7.5%	9.00
Tamworth	Inspectors Report	5%	7.00



APPENDIX B:

**BARTON WILLMORE PAPER ON
EMPLOYMENT FORECASTS**

Note to the Mid Sussex Local Plan Examination

Employment Growth

December 2016

a) INTRODUCTION

- 1.1 Following discussion of the Inspector's question 1.4 regarding an appropriate range for projected jobs growth in Mid Sussex District Council (MSDC), this paper provides further information to clarify the issue. It should be read in conjunction with Appendix 1 to this paper which provides an economic-led statement of agreement between the Forum and MSDC which shows areas of agreement and disagreement in respect of the economic-led assumptions.
- 1.2 The response briefly summarises the policy and practice guidance background in which the assessment of economic-led growth should be considered, before setting out the Council's evidence base submitted prior to the examination. This includes an evaluation of the Oxford Economics job forecast (EP36a) submitted on 25th November, just days prior to the opening of the hearing sessions.

b) NATIONAL PLANNING POLICY FRAMEWORK (NPPF) AND PLANNING PRACTICE GUIDANCE (PPG)

- 1.3 In preparing Local Plans, the NPPF (para 158) requires local planning authorities (LPAs) use an adequate, up-to-date and relevant evidence base. It states that:

"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".

- 1.4 In determining who LPAs need to work with when undertaking their Housing and Economic Development Needs Assessment (HEDNA), paragraph ID2a-007 of PPG's HEDNA section states the following:

"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."

- 1.5 This confirms that an assessment of need across the Housing Market Area (HMA) or functional economic area (FEA) should be produced. Paragraph ID2a-008 confirms the area which should be assessed, as follows:

"Needs should be assessed in relation to the relevant functional area, i.e. housing market area, functional economic area in relation to economic uses."

1.6 The PPG is very clear that economic growth should be considered across the HMA/FEA. This should be read in conjunction with paragraph 160 of the NPPF which seeks to ensure that local authorities work with county and neighbouring authorities and Local Enterprise Partnerships (LEPs) to ensure a lack of housing does not create a barrier to investment. The only evidence presented by the Council which covers the HMA/FEA is the Northern West Sussex Economic Growth Assessment (EP35).

1.7 The PPG moves on to paragraph ID2a-018 and outlines how the assessment of job growth should be based on past trends and/or forecasts, as follows.

“Plan makers should make an assessment of the likely change 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.”

1.8 In summary, policy and guidance requires that the evidence base for employment growth is:

- Aligned with its housing assessment;
- Prepared as part of the duty-to-cooperate between local authorities across housing market areas;
- Based on past trends and/or economic forecasts.

c) MSDC EVIDENCE BASE

i) EP35 and EP36

1.9 Prior to MSDC adding EP36a (October 2016 Oxford Economics forecast) to the Examination Library a few days before the opening of the hearing sessions, the Council’s hearing statement (MSDC2) stated the baseline range of job growth was between 491 jobs per annum (jpa) and 521 jpa, 2014-2031.¹ These figures were both from Experian economics job forecasts and drawn from examination documents EP35 (i) and EP36.

1.10 As identified in Appendix B to Welbeck Strategic Land’s hearing statement (Ref 1/20534), the reporting of 491 jpa in EP36 is incorrect. This is due to EP36 reporting the incorrect total number of jobs for the year 2030 in Table 3.11, page 57 of EP36, and for the year 2031 in Table 3.6, page 52 of EP36. This has been clarified by the source of the data, Experian Economics.²

¹ Paragraph 2.3.3, page 12, MSDC2

² Annexe 1, Appendix 2, Mid Sussex Developers Forum Examination Statement – Housing.

- 1.11 However the Council have also forwarded a statement from the authors of the report, Chilmark Consulting, which appears to contradict the explanation received by Barton Willmore from Experian.
- 1.12 There remains uncertainty from the source of these forecasts, Experian Economics, as to what the correct figures should be.
- 1.13 Notwithstanding the explanation provided to the Council, amending the two tables in EP36 for the correct figures suggested to Barton Willmore by Experian, results in average job growth of either 645 jpa (2011-2031) or 687 jpa, (2014-2031).
- 1.14 The corrected range of forecast job growth in the Council's evidence base (EP35(i) and EP36), prior to the submission of EP36a, would therefore have been as follows:
- 521 jpa³ – 645 jpa⁴, 2011-2031;
 - 507 jpa⁵ – 687 jpa⁶, 2014-2031.
- 1.15 However as discussed above, the Council have not agreed this range based on the explanation they have received from their consultant, Chilmark Consulting. Barton Willmore have sought further clarification on this point from Experian.
- 1.16 As set out in PPG, economic growth should be assessed across the HMA/FEA. Notwithstanding the submission of EP36a, the only document to comprehensively consider economic growth across the HMA/FEA, as required by PPG, is document EP35 (i) – the 'Northern West Sussex Economic Growth Assessment' (EGA). This was a document jointly commissioned by MSDC, Crawley Borough Council (CBC), and Horsham District Council (HDC).
- 1.17 Alongside the consideration of 'baseline' economic forecasts, EP35 (i) also considered 'alternative higher growth' scenarios. These were provided for the three authorities of the HMA using a consistent approach which explored the potential for enhanced higher-value economic growth within a number of key growth sectors identified by the Gatwick Diamond and the Coast to Capital Local Enterprise Partnership (LEP). ⁷

³ EP35(i)

⁴ EP36

⁵ EP35(i)

⁶ EP36

⁷ EP35(i), paragraph 7.43, page 127

- 1.18 Local Planning Authorities are required to work collaboratively on strategic planning priorities in consultation with LEPs.⁸ The Coast to Capital LEP Strategic Economic Plan (SEP) identifies Burgess Hill as a 'Priority Growth Location'. The full LEP SEP is not part of the District Plan Examination Library, however the 'Executive Summary' report is included as document EP60.
- 1.19 For MSDC the 'alternative' growth scenario increased the baseline projection from 521 jpa, 2011-2031, to 671 jpa, 2011-2031.⁹ This 'alternative' scenario included an assumption that a development of 15ha and 50,000m² of employment space to the north-west of Burgess Hill would come forward over the Plan period. Policy DP8 of examination document BP1 confirms that this development was granted outline planning permission by the Council in November 2015.¹⁰ Document EP35 outlines how this development has the potential to provide an additional 3,000 jobs over and above the baseline position by 2031.¹¹ Before arriving at a conclusion on the overall level of job growth in the district, the impact of this development on baseline job growth (such as that provided by EP36a) should also be considered to remain consistent with document EP35(i).
- 1.20 Discussions regarding the 'alternative higher growth' scenario have been ongoing over the past week, and there is acceptance that this figure of job growth is in the evidence base. However as Appendix 1 shows, MSDC's view is that this is a 'policy on' aspirational job growth figure. This is agreed in Appendix 1.
- 1.21 However notwithstanding this agreement, given the NPPF requires assessments of housing and employment to be integrated (NPPF para 158) any economic forecast that the Council chooses to rely upon for its housing need assessment would need to be shown to be consistent with its existing employment evidence base and take account of the factors considered in those documents.

ii) EP36a – Oxford Economics (OE) October 2016 Baseline Job Forecast

- 1.22 Document EP36a submitted by the Council provides an OE baseline job growth forecast for MSDC alone over the Plan period. The forecast is dated October 2016 and shows forecast growth of 424 jpa, 2014-2031. It is not accompanied by any accompanying explanatory notes or justification in terms of its relationship to the Council's existing evidence base on employment.

⁸ Paragraph 180, page 43, National Planning Policy Framework

⁹ EP35(i), Figure 7.4, Page 130

¹⁰ Policy DP9, page 37, BP1

¹¹ Paragraphs 7.43 to 7.45, page 127, EP35(i)

- 1.23 EP36a also provides historical data dating back to 1991, although the Council have not published the full data set in the Examination Library (as of 07 December 2016). However following correspondence with the Council's officers, MSDC have helpfully provided Barton Willmore with the full data set from OE.
- 1.24 PPG ID2a-018 states how 'past trends and/or forecasts' should be considered in respect of the likely change in job numbers. Following MSDC's decision to share the full data set, it can be seen that the period up to the base date of the Plan (1991-2014) shows growth of 514 jpa over 23 years.
- 1.25 It is considered to be entirely appropriate in this case to consider past trends alongside the forecast, for a number of reasons. The first is the extremely low assumption of net international migration the OE forecast is underpinned by (see paragraphs 1.25-1.31 below) which constrains the OE forecast. Second the past trend is calculated over a 23-year period over which the economy has experienced two recessions and positive growth in the intervening periods. In the context of paragraph 160 of the NPPF which states how a lack of housing should not be a barrier to investment, to ignore past trends in Mid Sussex would be inappropriate.
- 1.26 A reasonable range of growth based solely on EP36a is therefore considered to be 424-514 jpa, 2014-2031. The Council have agreed that EP36a shows this range in the economic-led OAN statement of agreement (Appendix 1).
- 1.27 Notwithstanding the range of job growth provided by the full OE dataset, no analysis is provided by MSDC as to how this interacts with forecast job growth across the HMA/FEA incorporating Crawley and Horsham, and other neighbouring authorities within the Coast to Capital LEP, such as Brighton & Hove City Council. MSDC's endorsement of the Gatwick Diamond Local Strategic Statement (EP62(i)) and MSDC's membership of the Greater Brighton City Deal (EP59) also requires analysis as part of a full economic assessment across the FEA.
- 1.28 Furthermore, in order for the OE forecasts in EP36a to be adopted as the determining factor, the equivalent OE forecasts for the wider HMA/FEA should also be obtained and considered as part of a NPPF and PPG compliant assessment. Both of these factors should be considered in the context of assessing OAN across the HMA.

Oxford Economics methodology and assumptions

- 1.29 The assumptions of the OE methodology must also be considered in respect of population, commuting, and economic activity rates (EARs). This is because some economic forecasts are influenced by these factors – which are also input assumptions for assessments of housing need. The methodology statement accompanying the latest OE forecast is attached as Appendix 2 to this paper.

Migration

- 1.30 The first assumption underpinning the economic forecasting – population growth – is a key component.
- 1.31 In respect of the components which make up the population growth across the country, OE use the latest 2014-based ONS Sub National Population Projections (SNPP) assumptions in respect of birth and death rates. This is considered to be appropriate in the context of it being agreed at the District Plan hearing sessions that the 2014-based ONS SNPP, and the subsequent 2014-based CLG household projections (730 dwellings per annum) represent the starting point estimate of OAN.
- 1.32 However in terms of migration, OE do not use the assumption underpinning the agreed starting point. Instead OE make their own assumption of UK migration over the full projection period, explained in the methodology statement (Appendix B) as follows:

“Oxford Economics expect UK net migration to average 90,000 per annum compared to 185,000 in the official projections. In the short term we expect migration to remain high until the UK leaves the EU. Given that immigration has been central to the leave campaign, we assume that the government is unwilling to compromise on the free movement of labour and actively reduces the level of immigration.” (our emphasis)

- 1.33 An assumption of a reduction to 90,000 net international migrants per annum is considered to be extremely unrealistic, thereby constraining the job forecasts, for the following reasons:
1. The 2014-based ONS SNPP, which has already been agreed in the examination hearings as the starting point estimate of OAN in Mid Sussex, is underpinned by average international net migration to the UK of 185,000 people per annum, over double the future OE assumption of 90,000 people per annum;

2. Notwithstanding the decision of the EU referendum in June 2016, international net migration to the UK in the most recently recorded year (ending June 2016) has been recorded at 335,000 people,¹² 81% higher than the ONS SNPP assumption, and 270% higher than OE's future assumption. The ten year average has been 250,000 per annum, and in the last seven quarters, the annual rate has been over 300,000 per annum.
3. In this context, the official projections therefore already factor in a significant 45% reduction in current international migration from 2020/21, and these assumptions have been accepted by the Council as the 'starting point' for the assessment of housing need;
4. Analysis of non-EU migration alone shows an average of 187,000 non-EU net migrants per annum over the past decade. This is despite this being an aspect of international migration that is within control of UK Government. Despite a Government policy objective since 2010 to reduce net migration to the "tens of thousands", all of the past eight quarters have recorded non-EU net migration alone in excess of the total long term international migration assumption of the ONS SNPP (185,000 people per annum). Not once in the past decade has non-EU migration to the UK been lower than 138,000 people (see Figure 3 below).
5. In this context the OE assumption of only 90,000 people per annum is considered to be highly unrealistic, notwithstanding the referendum result to leave the EU.

1.34 Whatever views might be taken on future migration levels, there is no official basis for generating alternative assumptions on international migration compared to those set out in the official projections. In response to a written question on 10 November 2016, Gavin Barwell (Minister of State for Housing and Planning) confirmed that the household projections produced by CLG should be the starting point for calculating housing need. As part of his answer he considered the level of international net migration assumed by the starting point estimate (185,000 people per annum) and commented as follows:

¹² Migration Statistics Quarterly Report: Dec 2016, Office for National Statistics

“The Office for National Statistics population projections on which these are based already assume a significant decline in net migration: a fall of 45% by 2021 from the level in mid-2015.”

- 1.35 The OE forecast (EP36a) presented by the Council is therefore considered to be underpinned by an unrealistically low assumption of future net international migration to the UK that is not supported by official projections. The effect of this headline assumption is that it will have suppressed the OE estimates of job growth across the country, including the 424 jpa forecast for Mid Sussex over the 2014-2031 period.
- 1.36 If the OE forecast were to be underpinned by the migration assumption of the latest 2014-based ONS SNPP – agreed as the starting point estimate – the job growth forecast by OE would be higher.

Net Commuting

- 1.37 OE do not make any specific forecast for net commuting. The OE methodology statement confirms this as follows:

“Net commuting is the sum of people based employment less resident employment. No specific forecasting for this measure is required - it is calculated from the forecasted elements discussed above.”

- 1.38 This is considered to be a limitation of the OE model, the output of which (EP36a) shows fluctuating commuting ranging from -6,400 to -8,900 people during the Plan period. This is because of the way it makes assumptions about different population and job levels not just in Mid Sussex but in surrounding local authorities with which Mid Sussex might have a commuting relationship. The assumptions it uses to calculate its commuting assumptions are not clearly presented or explained so cannot be interrogated.
- 1.39 Assuming a change in commuting patterns during the Plan period as part of the calculation of OAN has been confirmed in the High Court as a ‘policy on’ step.¹³ This decision was recently upheld in the Court of Appeal.¹⁴ It is therefore inappropriate to assume a change either way (in or out commuting), and the ratio should remain constant unless there is agreement between HMA authorities through the duty-to-cooperate.

¹³ Paragraph 34 (i), page 13, Oadby and Wigston Borough Council and (1) Secretary of State for Communities and Local Government (2) Bloor Homes Limited, [2015] EWHC 1879 (Admin), 03 July 2015

¹⁴ [2016] EWCA Civ 1040, Case No: C1/2015/2447

- 1.40 The Planning Advisory Service (PAS) OAN guidance also warns against the manipulation of commuting ratios, identifying that a ‘policy on’ approach must be agreed through the duty to co-operate.

“Another risky approach is to plan for recalling commuters, so the ratio of workplace jobs to resident workers – and hence to population and number of dwellings – is assumed to rise over the plan period. Like increasing activity rates, this assumption means that more jobs can be accommodated for a given number of dwellings, or a given number of jobs needs fewer dwellings. But the expected shift in commuting should be believable, and acceptable to the other local authorities affected by it. Strategies of recalling commuters should not be adopted unilaterally; they require cross-boundary agreement in line with the Duty to Cooperate.”¹⁵

- 1.41 A constant commuting ratio is not applied in OE’s methodology due to it being an economic rather than a demographic-led model. Using the PopGroup model we are able to ‘fix’ the commuting ratio and thereby apply a ‘policy off’ approach.
- 1.42 The commuting ratios assumed in Barton Willmore’s demographic modelling comes from two official sources; the 2011 Census, and the Annual Population Survey (APS). The APS approach is the most up-to-date, being based on 2015 data. However it is susceptible to fluctuation year on year. A range incorporating the 2011 Census ratio and the APS ratio is therefore considered a robust approach.

EP36a – Implications for housing need in Mid Sussex

- 1.43 Notwithstanding the limitations of the OE forecast presented as EP36a, Barton Willmore have used the PopGroup demographic model (as used by the Council), to determine a range of potential housing need based on the forecast and past trend of job growth provided by EP36a. This is set out in Table 1 below:

Table 1: EP36a – Economic-led OAN

Jobs Growth Scenario	PopGroup Scenario Total Dwellings 2014-2031 (dwellings per annum)					Average
	Scenario 1	Scenario 2	Scenario 3	Scenario 4		
EP36a Forecast 2014-2031 (424 jobs per annum)	14,146 (832)	14,479 (852)	14,842 (873)	15,180 (893)		14,662 (862)
EP36a Past Trend 1991-2014 (514 jobs per annum)	15,503 (912)	15,907 (936)	16,220 (954)	16,629 (978)		16,065 (945)

Source: Barton Willmore Demographic Modelling

¹⁵ Paragraph 8.16, page 36, Objectively Assessed Need and Housing Targets Technical Advice Note, Planning Advisory Service (PAS), July 2015

- 1.44 The range of sensitivity scenarios are based on two 'blended' approaches to household formation rates, and two approaches to net commuting assumptions. This range has been provided to provide as much transparency as possible in the context of PPG's advice that establishing future need is not an exact science.¹⁶ A range is considered to align with this guidance more than seeking to establish a single figure for OAN.
- 1.45 The 'blended' approach to household formation rates applied by Barton Willmore is explained and justified in more detail in paragraphs 3.13-3.15 of Appendix B to Welbeck Strategic Land's hearing statement (Ref 1/20534). In short, the two approaches respond to the clear suppression of the most recent 2014-based CLG household projections for the 25-34 and 35-44 age groups, by applying a gradual 50% and 100% return to 2008-based household formation rates over the Plan period. All other age groups remain as per the published household formation rates in the 2014-based projections. This 'blended' approach has been endorsed by the Planning Inspectorate in recent Section 78 appeals and Local Plan Examinations.¹⁷
- 1.46 In brief the scenarios applied in Table 1 (above) listed in the table can be described as follows:

Scenario 1:

- Household Formation Rates (HFRs) – 50% return from the latest 2014-based CLG HFRs to 2008-based HFRs between 2014 and 2033 in the 25-44 age group only. All other age groups as published by the 2014-based CLG household projections;
- Commuting Ratio – 2011 Census Ratio (1.19) held constant.

Scenario 2:

- Household Formation Rates (HFRs) – As scenario 1;
- Commuting Ratio – Alternative APS commuting (1.25) held constant.

Scenario 3:

- Household Formation Rates (HFRs) – 100% return from the latest 2014-based CLG HFRs to 2008-based HFRs between 2014 and 2033 in the 25-44 age group only. All other age groups as published by the 2014-based CLG household projections;
- Commuting Ratio – 2011 Census Ratio (1.19) held constant.

¹⁶ PPG ID2a-014

¹⁷ Paragraph 29, Appeal Decision APP/G2435/W/15/3005052; paragraphs 40 and 42, Appeal Decision APP/C3240/W/15/3025042; paragraph 3.8, page 7, Cornwall Local Plan Inspector's report, June 2015

Scenario 4:

- Household Formation Rates (HFRs) – As scenario 3;
- Commuting Ratio – Alternative APS commuting (1.25) held constant.

EP36a – Summary

- 1.47 In summary, the following key points should be noted in respect of EP36a;
- Forecast job growth over the Plan period (2014-2031) is 424 jpa;
 - Past trends from the base date of EP36a (1991) to 2014 shows 514 jpa;
 - Based on PPG ID2a-018, the range of past trend/forecast job growth 424-514 jpa agreed between with MSDC, should be considered for the purposes of establishing OAN;
 - The forecast job growth (424 jpa) is underpinned by a very low, unrealistic international net migration assumption which is not consistent with official ONS population projections, and markedly lower than past trends. They will therefore be constrained by this assumption and should be treated with significant caution;
 - The OE model does not apply a 'policy off' commuting assumption;
 - EP36a does not provide forecast job growth across the HMA or the FEA. Economic growth should be assessed across the HMA/FEA;
 - By virtue of the above factors, the use of the OE forecasts in EP36a would not be consistent with the rest of housing need assessment being applied by the Council or its own economic evidence base, thereby not being consistent with paragraph 158 of the NPPF.
- 1.48 Based on the evidence available and given the need to ensure that housing does not constrain economic growth, it would seem necessary to plan on the basis of the upper end of the range of possible reported job growth figures as reflected in the EGA and Burgess Hill reports (as corrected).
- 1.49 Including EP36a, the range established from the Council's evidence base is **between 424 and 687 jobs per annum**. However as the economic-led OAN statement of agreement shows, MSDC consider the range to be between **424 and 521 jobs per annum**.

APPENDIX 1

ECONOMIC-LED OAN STATEMENT OF AGREEMENT BETWEEN MSDC AND THE DEVELOPERS FORUM

ECONOMIC-LED OAN STATEMENT OF AGREEMENT BETWEEN MID SUSSEX DISTRICT COUNCIL AND THE DEVELOPERS FORUM

Assumption	MSDC	Barton Willmore/ Developers Forum	Agreed between MSDC and Barton Willmore/Developers Forum?
Fertility and Mortality Rates	ONS 2014-based SNPP		AGREED
Migration	ONS 2014-based SNPP		AGREED
Dwelling vacancy/second homes rate	2.3% (Source: Census 2011)		AGREED
Communal population	CLG 2014-based household projections		AGREED
Commuting assumption	1.19 (2011 Census) – 1.25 (APS 2015 data)		AGREED
Economic Activity Rates	Office for Budget Responsibility November 2015 Fiscal Report Economic Activity Rate Forecasts, applied to local economic activity for MSDC recorded by the 2011 Census		AGREED
Unemployment rate	2.85% (2014) falling to 2.63% (2017), remaining constant thereafter.		AGREED
EP36a job growth range	1. Forecast job growth: 424 jobs per annum, 2014-2031 2. Past trends job growth: 514 jobs per annum, 1991-2014		AGREED
Full range of annual job growth in the evidence base (EP35(i)/EP36/EP36a)	Oxford Economics (Nov 16) – 424-514 (EP36a)	Oxford Economics (Nov 16) – 424-514 (EP36a)	AGREED
	Experian (May 2013) – 521 (EP35)	Experian (May 2013) – 521 (EP35)	AGREED
	Experian (May 2013) plus 'alternative higher growth' (EP35) – 671 ¹	Experian (May 2013) plus 'alternative higher growth' (EP35) – 671 ²	AGREED
	Experian (December 2015) - 478 (EP36)	Experian (December 2015) - 687 (Housing Matters Statement)	NOT AGREED (Note: Both parties have confirmation from Experian that their respective figures are correct)
	Range: 424-521jpa	Range: 424-687jpa	NOT AGREED
Household Formation Rate adjustment applied to economic-led PopGroup scenarios	CLG 2014-based Household Projections	Range based on: 1) 50% return to 2008-based rates in the 25-44 age group, all other age groups as published in the latest 2014-based CLG projections. 2) 100% return to 2008-based rates in the 25-44 age group, all other age groups as published in the latest 2014-based CLG projections.	NOT AGREED

¹ This scenario from EP35(i) includes the baseline Experian forecast, potential for enhanced higher-value economic growth plus additional job growth generated by the employment space granted outline consent in November 2015, as set out in policy DP9 of examination document BP1. Whilst the Council agree that this is the number stated in the evidence base, it notes this is a 'policy on' aspirational figure. As stated in para 7.54 of EP35(i) the figure "should be regarded as an illustration of the growth potential of each local economy under different circumstances rather than a prescriptive forecast of future employment growth" and "planning to meet the employment and spatial implications associated with the minimum baseline scenario [521jpa at time of writing] would in itself constitute positive planning for growth".

² Ibid

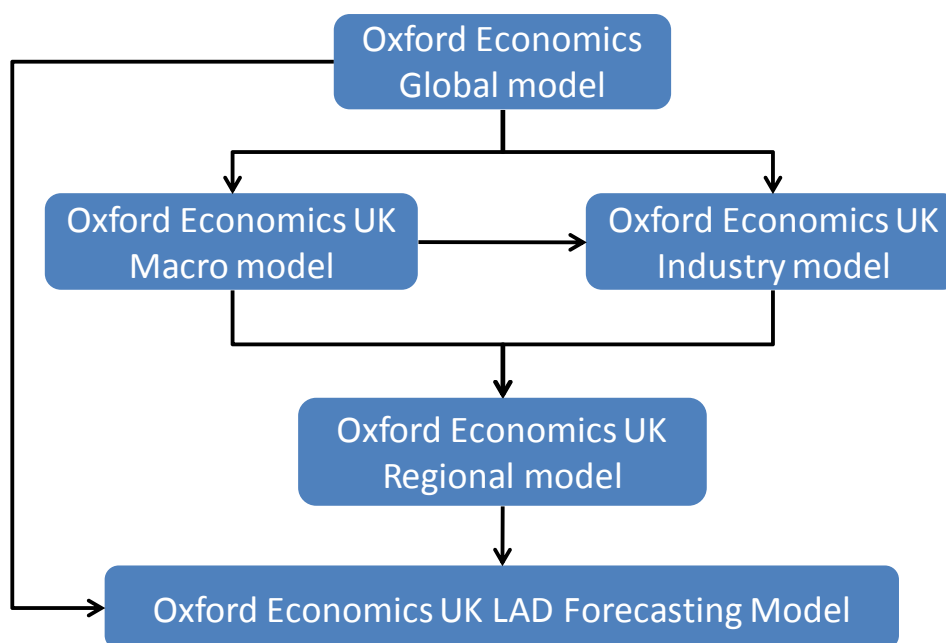
APPENDIX 2

OXFORD ECONOMICS LOCAL AUTHORITY DISTRICT FORECASTING MODEL METHODOLOGY NOTE

Local Authority District Forecasting Model

Oxford Economics Local Authority District Forecasting Model sits within the Oxford suite of forecasting models. This structure ensures that global and national factors (such as developments in the Eurozone and UK Government fiscal policy) have an appropriate impact on the forecasts at a local authority level. This empirical framework (or set of 'controls') is critical in ensuring that the forecasts are much more than just an extrapolation of historical trends. Rather, the trends in our global, national and sectoral forecasts have an impact on the local area forecasts. In the current economic climate this means most, if not all, local areas will face challenges in the short-term, irrespective of how they have performed over the past 15 years.

Figure 1.1: Hierarchical structure of Oxford Economics' suite of models

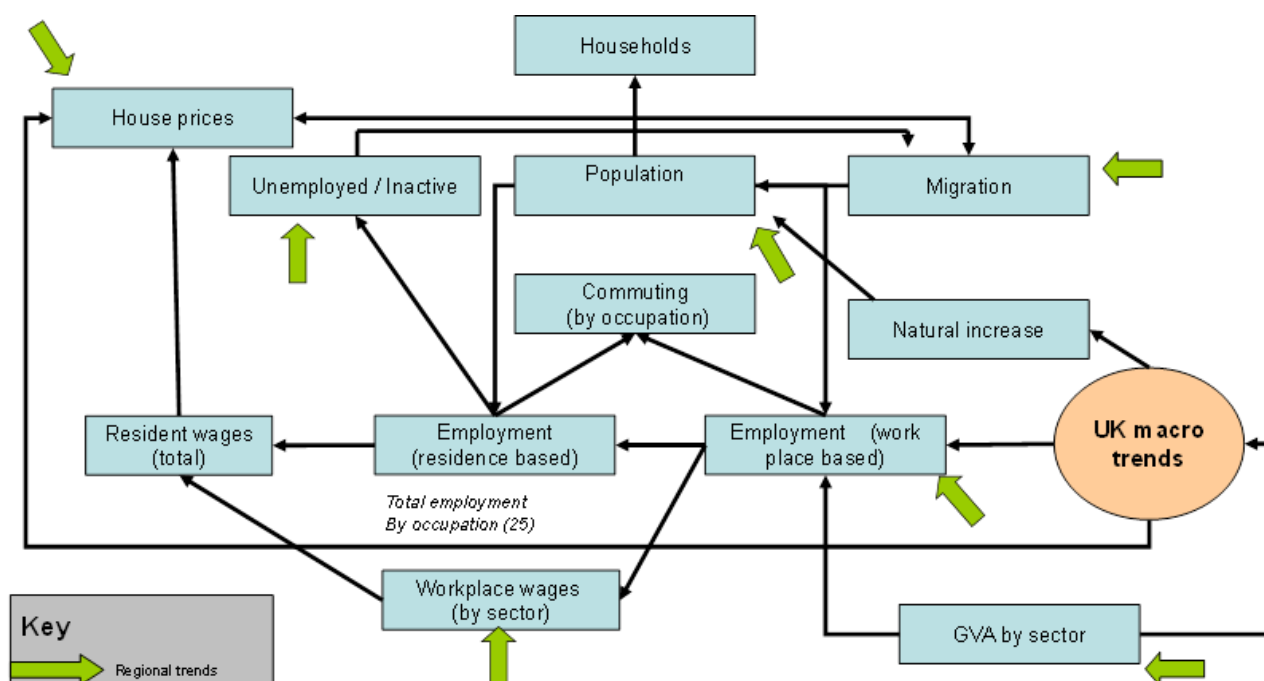


Our local forecasting model depends essentially upon three factors:

- National/regional outlooks – all the forecasting models we operate are fully consistent with the broader global and national forecasts which are updated on a monthly basis.
- Historical trends in an area (which implicitly factor in supply side factors impinging on demand), augmented where appropriate by local knowledge and understanding of patterns of economic development built up over decades of expertise, and
- Fundamental economic relationships which interlink the various elements of the outlook.

The main internal relationships between variables are summarised in Figure 1.2. Each variable is related to others within the models. Key variables are also related to variables in the other Oxford Economics models.

Figure 1.2: Main Relationships

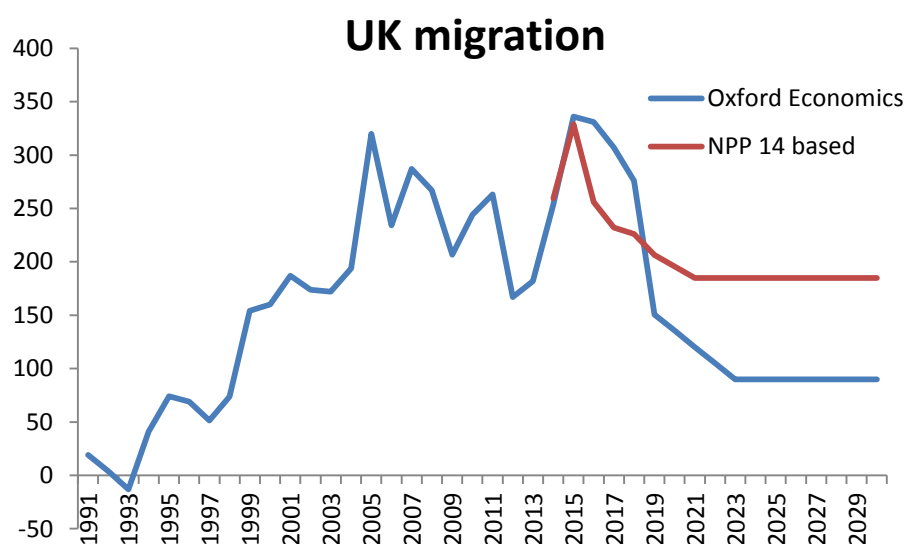


The forecasts are produced within a fully-integrated system, which makes assumptions about migration, commuting and activity rates when producing employment and population forecasts.

Data and assumptions

Population

Oxford Economics produce their own forecasts of population which are economically driven and thus differ from the official population projections. Official births and deaths projections from the 2014-based population projections are used but we have our own view on UK migration. The chart below sets out the Oxford migration forecast for the UK compared with the 2014-based population projection. Oxford Economics expect UK net migration to average 90,000 per annum compared to 185,000 in the official projections. In the short term we expect migration to remain high until the UK leaves the EU. Given that immigration has been central to the leave campaign, we assume that the government is unwilling to compromise on the free movement of labour and actively reduces the level of immigration.



Oxford Economics population forecasts are derived from an economically driven model whereas official projections are trend based and do not consider how demand in the economy (and the likely impact on employment rates) affects migration.

At the local level, migration is linked to the employment rate forecast. If the employment rate within an area is falling too fast, migration reacts as the model assumes that people would not be attracted into this area to live, given that the employment prospects are weak. This ensures that the relationship between the labour market outlook and the demographic forecast is sensible. This series is scaled to be consistent with the migration forecast for the region from the UK Regional Model.

The total population forecast is then constructed using the forecast of migration and the natural increase assumptions. Natural increase for local areas is forecast based upon recent trends in both the historical data and the official projections.

Working age population

Working age population data is also collected from the Mid-Year estimates (MYE) for each area up to 2015. It is defined at all people aged 16 to 64.

The share of working age to total population is forecast using both trends in the official projections and trends in the regional forecast from our UK Regional Model. This is applied to the total population forecast and scaled to be consistent with the working age population for the region and UK.

Population aged 16 plus

Population aged 16 plus data is also collected from the Mid-Year estimates (MYE) for each area up to 2015.

The share of population aged 16 plus to total population is also forecast using both trends in the official projections and trends in the regional forecast from our UK Regional Model. This is applied to the total population forecast and scaled to be consistent with the forecast of population aged 16 plus the region and UK..

Employees in employment

There are two key sources for the employee jobs data – ONS Workforce Jobs (WFJ) and the Business Register and Employment Survey (BRES):

- The WFJ series is reported on a quarterly basis, providing estimates of employee jobs by sector (based on the 2007 Standard Industrial Classification – SIC 2007) for the UK and its constituent government office regions, over the period 1981 Q3 to 2016 Q1.
- The BRES is an employment survey which has replaced the Annual Business Inquiry (ABI). Similar to WFJ, BRES data is based upon SIC 2007, but it is only published for the years 2008-14. Prior to this, ABI and Annual Employment Survey (AES) data is available for employee jobs data, however this is based on an older industrial classification (SIC 2003). Data is available at local authority level and more detailed sector definitions. It is worth noting that the BRES is first and foremost a survey and is therefore subject to volatility, particularly when the level of detail becomes more refined. The survey is collected in September of each year and not seasonally adjusted.

There are a number of steps in constructing regional employee jobs, due to changes in sectoral classifications across the various sources, and restrictions on data availability over particular periods of time. Initially, we take employee jobs data for each sector directly from the BRES over the years 2009-14, which reflects recent methodological changes to the BRES in accounting for working proprietors. This relates to September figures and is based upon SIC 2007 sectors. In 2008, levels of employee jobs are constructed by extrapolating back the trend in the old BRES. Data from the ABI and AES is used to construct the data back to 1991.

This constructed local dataset is then scaled to be consistent with the UK employee jobs series from WFJ, by applying an adjustment factor to all sectors which converts the data to annual average values (seasonally adjusted). This is measured on a workplace basis.

The starting point in producing employment forecasts is the determination of workplace-based employees in employment in each of broad 19 SIC2007 based sectors consistent with the regional and UK outlooks. At local authority level some of the sectors are driven predominantly by population estimates, others by total employment in the area and the remainder relative to the regional performance (largely exporting sectors). All sectors are also influenced by past trends in the local area. Taken in totality, employment is cross referenced with a number of variables (including population, relative performance across similar areas, historical cyclical performance and known policy) for checking and validation purposes. Where necessary, manual adjustments are made to the projected trends to reflect this validation process. The methods of sectoral projection are as follows, each of which are forecast based upon recent trends:

- Agriculture - share of the region
- Mining and quarrying - share of the region
- Manufacturing - share of the region
- Electricity, gas, & steam - share of the region
- Water supply; sewerage, waste management - share of the region
- Construction - location quotient based upon total employment
- Wholesale and retail trade - location quotient based upon consumer spending
- Transportation and storage - location quotient based upon consumer spending
- Accommodation and food service activities - location quotient based upon consumer spending
- Information and communication - share of the region
- Financial and insurance activities - share of the region
- Real estate activities - location quotient based upon total employment
- Professional, scientific and technical activities - location quotient based upon total employment
- Administrative and support service activities - location quotient based upon total employment
- Public administration and defence - location quotient based upon population
- Education - location quotient based upon population
- Human health and social work activities - location quotient based upon population
- Arts, entertainment and recreation - location quotient based upon consumer spending
- Other service activities - location quotient based upon consumer spending

Self-employment

Self-employment data by region is taken from Workforce jobs (19 sector detail). The data is broken down into detailed sectors using both employee trends and the UK data for self-employment by 2 digit SIC2007 sector. Data for the local authorities is Census based (and scaled to the regional self-employed jobs estimates) and is broken down using the employees

in employment sectoral structure. The sectors are forecast using the growth in the sectoral employees in employment data and the estimates are scaled to the regional estimate of self-employment by sector.

Total employment (jobs)

Total employment includes employees in employment, the self-employed and Her Majesty's Forces. This is measured on a workplace basis. No specific forecasting for this measure is required - it is calculated from the forecasted elements discussed above.

Note that this estimate is a jobs and not people measure (i.e. one person can have more than one job and would be counted more than once in this indicator).

Total employment (people)

The data for employment from the Business Register and Employment Survey (BRES) measures jobs rather than individuals. Given the need to focus on people, we convert the number of jobs into numbers of employed people. One person can have more than one job, but working people would only be counted once in this indicator.

To do this we measure and project numbers of full-time and part-time employees in each area. Shares of part-time employees (which are trend forecasts linked to national projections) are applied to the workplace employee estimates described above. Full-time employees are simply the total of employees minus the part-time employees.

Individuals are assumed to hold only one full-time job each. Part-time jobs are assumed to account for half a full-time job. The self-employed people are added to the full-time employees plus half of the part-time employees to arrive at an estimate of workplace based employment. An adjustment factor is applied to ensure consistency with the Census. No specific forecasting for this measure is required; it is calculated from the forecasted elements discussed above.

Unemployment

Claimant count unemployment data is taken from ONS, via NOMIS. Annual average values are calculated from the monthly data. The latest data available is March 2016.

Unemployment is projected based on regional trends and a measure of overall labour market tightness (relative employment rate) in the local area. It is not at present directly affected by migration though they do impact indirectly through the employment rate (which has working age population as its denominator).

Unemployment rate is defined as claimant count unemployment as a percentage of the working age population. No specific forecasting of this measure is required.

ILO Unemployment

ILO unemployment data is taken from the Labour Force Survey via NOMIS. The latest year of available data is 2014. ILO unemployment is forecast based upon trends in the claimant count series and controlled to the regional ILO unemployment forecast.

ILO unemployment rate is defined as ILO unemployment as a percentage of the economically active. No specific forecasting of this measure is required.

Resident employment

This is a measure of the number of people living in an area who are in work. Resident employment data is taken from the Annual Population Survey. The latest year of available data is 2015. Given that this data is survey based and tends to be very volatile, data is 'smoothed' by taking a 3 year average.

Residence employment is based on a commuting matrix taken from the 2011 Census. This matrix tells us where employed residents of an area work. Using this information each available job (see workplace employment people based above) is allocated to a resident of a given authority. This method assumes the proportions of commuting do not change over time.

Employment rate is defined as residence employment as a percentage of the population aged 16 plus. No specific forecasting of this measure is required.

Net commuting

Net commuting is the sum of people based employment less resident employment. No specific forecasting for this measure is required - it is calculated from the forecasted elements discussed above.

Economically active/labour force

Labour force is the sum of resident employment and unemployment. No specific forecasting for this measure is required - it is calculated from the forecasted elements discussed above.

Economic activity rate is defined as economically active as a percentage of the population aged 16 plus. No specific forecasting of this measure is required.

Economically inactive

Economically inactive is the product of population aged 16 plus less the economically active. No specific forecasting for this measure is required - it is calculated from the forecasted elements discussed above.

Economic inactivity rate is defined as economically inactive as a percentage of the population aged 16 plus. No specific forecasting of this measure is required.

Gross Value Added

GVA forecasts are available for detailed sectors for the UK regions from our UK Regional Model. For areas within the region, data on total GVA is available at NUTS 3 level. This includes counties and former Metropolitan counties. Our forecasts at local authority level are obtained firstly by calculating an 'expected' GVA in each area. This is calculated by multiplying the region's GVA per employee in each sector by workplace employment in each sector within each local authority area. An adjustment factor based upon relative earnings is

also applied as areas with higher wages should produce higher levels of GVA. Expected GVA is then scaled to add the GVA at NUTS 3 level and the regional sectoral forecasts from the UK Regional Model.

Workplace based earnings

Data on workplace based earnings by local authority is available from the Annual Survey of Hours and Earnings (ASHE).

Workplace based earnings to forecast in line with 'expected earnings'. Expected earnings within each area is forecast using UK earnings forecasts by sector and the sectoral forecast of that local area. These earnings estimates are then scaled to be consistent with regional earnings forecasts.

Residence based wages

Data on residence based earnings by local authority is available from the Annual Survey of Hours and Earnings (ASHE).

Residence based earnings to forecast using residence employment and weighted averages of commuting patterns and workplace growth. These earnings estimates are then scaled to be consistent with regional earnings forecasts.

House prices

Data on house prices at local authority level is available from National Statistics. The data used is median house prices.

House prices are forecast using population growth, relative unemployment rates and resident earnings forecasts. These estimates are scaled to be consistent with the regional house price forecast from our UK regional model.

Consumer Spending

Data on consumer spending at a local authority level is not published and is constructed using consumer spending per head in each region and local authority population.

Consumer spending is forecast using relative earnings, relative employment rates and population growth. These estimates are scaled to be consistent with the regional house price forecast from our UK regional model.

Household incomes

Data on household incomes at a local authority level is not published and is constructed by applying the regional spending ratio to the consumer spending estimates in each area. No specific forecasting of this measure is required.

APPENDIX C:

POSITION ON AFFORDABLE HOUSING NEED

Note to the Mid Sussex District Plan Examination

Our ref 15322/MS/MT
Date 7th December 2016
To Mid Sussex District Plan Examination
From Mid Sussex Developer Forum

Subject MID SUSSEX AFFORDABLE HOUSING NEEDS

1.0 **INTRODUCTION**

1.1 At the examination session on 29th November 2016 the Inspector asked the respective parties to see whether agreement could still be reached on the affordable housing needs calculation. The areas in dispute were around Step 2.1 (the figure to use for newly forming households) and Step 3.3 (how to incorporate committed supply of affordable housing into the calculation).

1.2 Mid Sussex District Council (MSDC) has since updated its affordable housing needs calculation, presenting a new position with updated figures for the waiting list, household formation, the committed supply of affordable housing, re-lets and intermediate re-sales. This was supplied to the forum on 5th December 2016.

1.3 Having discussed this, MSDC and the Developer Forum have come to agreement on some aspects of the revised calculation, which is set out in the separate statement of common ground. However, there remain areas of disagreement in respect of:

- a The calculation of 'gross household formation' from the 2014-based household projections; and
- b The approach to including the committed supply of affordable housing.

1.4 This note presents the Developer's Forum position in respect of these two points having reviewed the Council's new evidence. The Forum's position has been explained to MSDC in a telephone conversation between Martin Taylor of NLP and Nathan Spilsted of MSDC on 6th December.

2.0 **THE CALCULATION OF GROSS HOUSEHOLD FORMATION**

2.1 The Council and Developer forum has sought to reach agreement on the gross household formation figure which should be used as an input to the affordable housing needs calculation at Step 2.1. Although it has now been agreed that a gross household formation figure should be used, based on the 15-44 age

groups from the CLG 2014-based household projections, the calculated figure is still in dispute.

- 2.2 MSDC arrive at a figure of **1,055** per annum over the 15 year period 2014-2029.
- 2.3 The Developer Forum arrive at figure of **1,209** per annum (based on five years 2014-2019 as set out in 1/20534 Appendix B, Barton Willmore OAN November 2016 Update, Paragraph 4.36) or 1,218 per annum (based on 15 years 2014-2029 and matching the period used by the Council for ease of comparison).
- 2.4 The Forum considers that the difference between the parties is down to a different approach in the way the Council has sought to calculate gross household formation which has the effect of excluding younger age groups most in need later in the plan period. For comparison, the respective calculations are set out in Appendix 1 of this note. It shows how the Council has calculated formation based on following cohorts (an age band of people) through the 15 year period, rather than limiting analysis to formation in specific age groups for each five year period. This has a number of effects of dampening true gross household formation rates:
- a It means that a cohort who, in 2014, are aged 40-44 are followed for 15 years until they are in the 55-59 age group by which time their household formation would have peaked and begun to fall (i.e. beginning to dissolve). The purpose of limiting the measurement of gross formation to younger ages is to reflect the fact that at around age 45, headship rates plateau; and
 - b In doing a) above and following cohorts that are aged 15-44 in 2014, it wholly excludes new cohorts that come into that age bracket and continue to work through the age bands in 2019, 2024 and 2029. For example the household formation of persons ageing from the 20-24 to the 25-29 age group (the largest new household forming age) in the period 2024-2029 is entirely excluded from Mid Sussex's calculation as at the 2014 based date those persons are in the 10-14 age bracket and therefore not captured in the calculation. This is illustrated in **Appendix 1**: by MSDC not highlighting (green/yellow) formation in those cohorts; it is excluded. This means the Council's approach will not be assessing the affordable housing needs of the youngest households in 2024 or 2029.
- 2.5 MSDC's approach to the calculation in future years (i.e. beyond the five year period) **excludes** formation amongst several younger age groups (where formation is higher), and instead captures formation amongst several older age cohorts (where formation is lower). This significantly reduces the overall annual average newly forming household rate that is utilised.
- 2.6 The Developer Forum's method (which remains the same as previously presented) does not make this error and fully reflects new formation for new cohorts coming through into household forming age bands the latter years of

the plan period (as those cohorts age on)..The approach of the Developer Forum is consistent with general practice in preparing SHMAs across England, including the North West Sussex SHMA (Para 5.20, bullet point 2 of EP26 – page 86). MSDC’s new approach is not consistent with its own SHMA.

- 2.7 The Developer Forum considers a figure of 1,218 (if using the full plan period) is the correct figure to apply at Step 2.1.

3.0 THE COMMITTED SUPPLY OF AFFORDABLE HOUSING

- 3.1 The point in respect of the committed supply of affordable housing remains as set out in para 5.3 of the Developer Forum’s hearing statement. It is a relatively simple one related to its use within the affordable housing calculation as part of the exercise described in the PPG¹:

*“The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the **total** housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.”*

- 3.2 The Forum’s challenge to MSDC’s approach relates not to the actual figure for **committed** supply, but to how it is accounted for on the ‘balance sheet’ when considering the **total** affordable housing needed over the plan period in the context of the **total** housing figure (of market and affordable housing).

- 3.3 In seeking to follow the PPG (ID2a-026), MSDC net-off the current **committed** supply of affordable housing (i.e. the 1,405 affordable dwellings with planning permission in the pipeline (which is secured principally as a % within overall commitments of c.3900²) to arrive at a ‘total **net** annual need for affordable’. That is the Council’s 185dpa figure.

¹ PPG ID 2a-029

² If one accepted the Council’s position in MSDC2 at Table 14 of 3,443 (large sites with permission) plus 317 (small sites with 40% discount)

- 3.4 The affordable housing calculation is based on a ten-year period (that being the period for addressing the backlog of current need). So, based on the Council's figures, the **total** amount of affordable housing that will need to be delivered over the this ten year assessment period³ is:
- **Net** needs of 1,850 (185 x 10 years) or 2,940 (294 x 10 years)⁴
Plus
 - 1,405 **committed** supply of affordable dwellings
equals
 - a **total** of 3,255 – 4,345 affordable dwellings (326 – 435 dpa) which will need to be delivered 2016-2026 if total needs identified are to be met.
- 3.5 The exercise required by PPG (ID: 2a-029) is then to consider whether the **total** OAN figure would need to be increased in order to address this total number.
- 3.6 MSDC currently assumes that its assumed OAN of 800 dwellings per annum (c.8,000 over the ten year affordable housing assessment period⁵) would meet the affordable needs of 185 dpa (1,850 over 10 years) because this **total** of 800 dpa (8,000) delivering 30% would supply 240 dpa (2,400) affordable homes. However, MSDC is comparing this **total supply** figure with a **net** needs figure.
- 3.7 In reality, c.3,900 units of the **total** 8,000 residual OAN is **committed** as completions/permissions, and these commitments are the mechanism for delivering the 1,405 **committed** supply of affordable dwellings (at around 35%).
- 3.8 Thus, to compare the 800 dpa (8,000) **total** figure for supply with the **net** figure for affordable need is to assume that the 3,900 commitments will deliver affordable homes twice. This is double counting.
- 3.9 Using the Council's figures for need⁶, the only logical approach is to:
- 1 compare **total** affordable need of 326 – 435 dpa (3,255 – 4,345)⁷ (without netting of commitments - i.e. 4,550) with **total** housing supply figure of 800 dpa (8,000) = AH is 40% - 54% of the total figure; **or**
 - 2 compare **net** affordable need (i.e. 1,850 – 2,940) with **net** (or residual) housing supply figure of 4,100 (8,000 minus 3,900 commitment) = AH is 45% - 72% of the total figure.

³ There have been completions 2014/15-2015/16 of 1,498 dwellings with 334 affordable completions³ (a delivery rate of 22%) (Source: BP18 Page 9 Figure 6)

⁴ Based on the two measures: Reasonable Preference and Total Waiting List

⁵ Excludes the shortfall of 102

⁶ These are disputed due to the issues associated with Gross Household Formation – see section 2.0

⁷ Based on the two measures: Reasonable Preference and Total Waiting List

- 3.10 It should be noted there are risks in this second approach (comparing net need with net supply) because it makes assumptions around deliverability of commitments which may be in dispute, separate to the debate on OAN.
- 3.11 What is imperative is that either **total** need and supply figures should be compared or **net** need and supply figures should be compared, not a mix and match approach.
- 3.12 Whichever approach is adopted, the housing supply figure of the plan is not sufficient to meet full affordable housing need at 30% rate - which is itself ambitious, because the average 2004/05 to 2014/15 was 26% (see Para 3.71 of Appendix 8 to Wates Matter Statement 1/14681) and 22% in the first two years of the Plan period (see footnote 3 on the preceding page). An uplift above 800 dpa is required to address this need and comply with paragraphs 47 and 159 of the Framework.
- 3.13 Overall, the Council has not supplied any justification that causes the Forum to change its position (expressed in its original Matters Statement) that the committed supply should be excluded from the calculation; or to put it another way, only added back-in when considering the residual housing supply required to be delivered by the Plan to meet total needs. This is at the heart of balance sheet accounting.
- 3.14 Therefore, the Developer Forum continue to concludes in respect of committed supply that (Developer Forum hearing statement para 5.3):
- “At the time of the assessment, this is yet to be delivered and should therefore not be used to offset the need. This is not least of importance due to the potential for double-counting, since if the Council’s need figure were to be compared to supply over the plan period (without omitting the ‘committed supply’ units that fed into the calculation of need) this would double-count those committed supply units.”*

4.0 **CONCLUSION ON AFFORDABLE HOUSING NEED**

- 4.1 At Appendix 2 are schedules summarising the latest position as understood by the Developers Forum in terms of the alternative calculations of affordable housing need, and total number of homes that would need to be supplied in order to meet each assumed affordable housing need figure at 30%. At the time of writing, the Forum has asked if the Council can agree the calculations.
- 4.2 The Forum considers the Council’s approach is not in compliance with the requirements of the PPG.
- 4.3 The Forum’s position continues to be that affordable housing need is 398 dpa (reasonable preference groups) to 507 (total waiting list) which means at likely delivery as a proportion of mixed market and affordable housing developments (30%) some 1,326 to 1,690 homes would be required to meet affordable needs in full. The Forum’s position is not that this should be the concluded OAN for

Mid Sussex, but that – as per the NPPF and PPG and explained in the Kings Lynn High Court Judgment⁸ – these needs should:

“have an important influence increasing the derived Full Objectively Assessed Need since they are significant factors in providing for housing needs within an area” (para 36).

⁸ Borough Council of Kings Lynn and West Norfolk v Secretary of State for Communities and Local Government and Elm Park Holdings Ltd [2015] EWHC 2464 (Admin)

Appendix 1: Gross Household Formation 15-44 Age Groups (CLG 2014-based Household Projections)

Mid Sussex District Council Calculation (1,055 per annum)

ALL	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
0_4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5_9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10_14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15_19	90	87	85	85	84	84	86	88	91	95	96	99	102	104	104	104	102	102
20_24	855	858	847	839	821	788	783	771	757	752	750	752	766	793	816	836	867	890
25_29	2,559	2,582	2,643	2,625	2,658	2,729	2,718	2,692	2,681	2,644	2,578	2,558	2,519	2,474	2,456	2,453	2,471	2,516
30_34	4,159	4,160	4,141	4,129	4,159	4,198	4,250	4,357	4,371	4,420	4,510	4,501	4,468	4,454	4,414	4,332	4,304	4,246
35_39	4,869	4,976	5,086	5,273	5,321	5,312	5,312	5,295	5,281	5,321	5,376	5,437	5,550	5,584	5,623	5,697	5,674	5,620
40_44	5,914	5,775	5,625	5,495	5,515	5,548	5,657	5,784	5,969	6,030	6,015	6,018	6,003	5,992	6,040	6,107	6,178	6,301
45_49	6,530	6,472	6,439	6,421	6,330	6,261	6,113	5,949	5,808	5,806	5,846	5,958	6,094	6,273	6,345	6,325	6,327	6,316
50_54	6,101	6,347	6,461	6,538	6,548	6,541	6,482	6,454	6,435	6,351	6,279	6,145	5,988	5,851	5,846	5,895	6,014	6,155
55_59	5,334	5,398	5,604	5,804	6,021	6,206	6,443	6,563	6,647	6,660	6,653	6,598	6,577	6,556	6,480	6,408	6,282	6,129
60_64	4,838	4,900	4,929	4,979	5,089	5,214	5,286	5,480	5,677	5,886	6,070	6,294	6,410	6,494	6,508	6,497	6,444	6,424
65_69	5,319	5,341	5,367	5,029	4,838	4,843	4,901	4,941	4,997	5,115	5,242	5,335	5,530	5,734	5,945	6,136	6,358	6,480
70_74	3,990	4,239	4,531	5,035	5,261	5,303	5,333	5,353	5,034	4,854	4,862	4,916	4,968	5,032	5,157	5,295	5,407	5,612
75_79	3,363	3,385	3,307	3,424	3,598	3,844	4,078	4,359	4,842	5,067	5,113	5,145	5,162	4,865	4,701	4,703	4,747	4,798
80_84	2,910	2,893	2,902	2,943	3,024	3,087	3,129	3,077	3,192	3,364	3,596	3,820	4,087	4,549	4,776	4,835	4,878	4,896
85&	2,908	3,007	3,151	3,217	3,315	3,390	3,488	3,609	3,697	3,837	3,960	4,082	4,150	4,321	4,577	4,863	5,134	5,391
TOT	59,738	60,419	61,122	61,838	62,583	63,348	64,058	64,776	65,480	66,197	66,944	67,658	68,377	69,076	69,781	70,490	71,186	71,876
	2014	2019	2024	2029					2014-2019		2014-2029							
15_19	90	788	2,578	4,332					698		4,242							
20_24	855	2,729	4,510	5,697					1,874		4,842							
25_29	2,559	4,198	5,376	6,107					1,639		3,548							
30_34	4,159	5,312	6,015	6,325					1,153		2,166							
35_39	4,869	5,548	5,846	5,895					679		1,026							
40_44	5,914	6,261	6,279	6,408					347		494							
45_49	6,530	6,541	6,653	6,497					11		-33							
50_54	6,101	6,206	6,070	6,136					105		35							
55_59	5,334	5,214	5,242	5,295					-120		-39							
60_64	4,838	4,843	4,862	4,703					5		-135							
65_69	5,319	5,303	5,113	4,835					-16		-484							
70_74	3,990	3,844	3,596	4,863					-146		873							
75_79	3,363	3,087	3,960	0					-276		-3,363							
80_84	2,910	3,390	0	0					480		-2,910							
85&	2,908	0	0	0					-2,908		-2,908							
									2014-2019		2014-2029							
								Age 15-44	6,043		15,824							
								per annum	1209		1055							
								Age 15-49	6,390		16,318							
								per annum	1278		1088							
								Age 15-74	6,229		16,535							
									1246		1102							
								ALL	3,525		7,354							
									705		490.3							

Developer Forum Calculation (1,218 per annum)

ALL	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031									
0_4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0									
5_9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0									
10_14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0									
15_19	90	87	85	85	84	84	86	88	91	95	96	99	102	104	104	104	102	102	15-44 Age Groups								
20_24	855	858	847	839	821	788	783	771	757	752	750	752	766	793	816	836	867	890									
25_29	2,559	2,582	2,643	2,625	2,658	2,729	2,718	2,692	2,681	2,644	2,578	2,558	2,519	2,474	2,456	2,453	2,471	2,516									
30_34	4,159	4,160	4,141	4,129	4,159	4,198	4,250	4,357	4,371	4,420	4,510	4,501	4,468	4,454	4,414	4,332	4,304	4,246									
35_39	4,869	4,976	5,086	5,273	5,321	5,312	5,312	5,295	5,281	5,321	5,376	5,437	5,550	5,584	5,623	5,697	5,674	5,620									
40_44	5,914	5,775	5,625	5,495	5,515	5,548	5,657	5,784	5,969	6,030	6,015	6,018	6,003	5,992	6,040	6,107	6,178	6,301									
45_49	6,530	6,472	6,439	6,421	6,330	6,261	6,113	5,949	5,808	5,806	5,846	5,958	6,094	6,273	6,345	6,325	6,327	6,316									
50_54	6,101	6,347	6,461	6,538	6,548	6,541	6,482	6,454	6,435	6,351	6,279	6,145	5,988	5,851	5,846	5,895	6,014	6,155									
55_59	5,334	5,398	5,604	5,804	6,021	6,206	6,443	6,563	6,647	6,660	6,653	6,598	6,577	6,556	6,480	6,408	6,282	6,129									
60_64	4,838	4,900	4,929	4,979	5,089	5,214	5,286	5,480	5,677	5,886	6,070	6,294	6,410	6,494	6,508	6,497	6,444	6,424									
65_69	5,319	5,341	5,367	5,029	4,838	4,843	4,901	4,941	4,997	5,115	5,242	5,335	5,530	5,734	5,945	6,136	6,358	6,480									
70_74	3,990	4,239	4,531	5,035	5,261	5,303	5,333	5,353	5,034	4,854	4,862	4,916	4,968	5,032	5,157	5,295	5,407	5,612									
75_79	3,363	3,385	3,307	3,424	3,598	3,844	4,078	4,359	4,842	5,067	5,113	5,145	5,162	4,865	4,701	4,703	4,747	4,798									
80_84	2,910	2,893	2,902	2,943	3,024	3,087	3,129	3,077	3,192	3,364	3,596	3,820	4,087	4,549	4,776	4,835	4,878	4,896									
85&	2,908	3,007	3,151	3,217	3,315	3,390	3,488	3,609	3,697	3,837	3,960	4,082	4,150	4,321	4,577	4,863	5,134	5,391									
TOT	59,738	60,419	61,122	61,838	62,583	63,348	64,058	64,776	65,480	66,197	66,944	67,658	68,377	69,076	69,781	70,490	71,186	71,876									
Number of Households					Change in No. Households (Formation)					Total Over 15 Years																	
2014 Cohort	2014	2019	2024	2029	2014-19 2019-24 2024-29					2014-2029																	
0_4	0	0	0	104	0 0 104																						
5_9	0	0	96	836	0 96 740					15-19 → 20-24					2,104												
10_14	0	84	750	2,453	84 666 1,703					20-24 → 25-29					5,367												
15_19	90	788	2,578	4,332	698 1,790 1,754					25-29 → 30-34					5,174												
20_24	855	2,729	4,510	5,697	1,874 1,781 1,187					30-34 → 35-39					3,518												
25_29	2,559	4,198	5,376	6,107	1,639 1,178 731					35-39 → 40-44					2,113												
30_34	4,159	5,312	6,015	6,325	1,153 703 310					40-44 → 45-49					955												
35_39	4,869	5,548	5,846	5,895	679 298 49					45-49 → 50-54					78												
40_44	5,914	6,261	6,279	6,408	347 18 129					50-54 → 55-59					346												
45_49	6,530	6,541	6,653	6,497	11 112 -156					55-59 → 60-64					-412												
50_54	6,101	6,206	6,070	6,136	105 -136 66					60-64 → 65-69					99												
55_59	5,334	5,214	5,242	5,295	-120 28 53					65-69 → 70-74					56												
60_64	4,838	4,843	4,862	4,703	5 19 -159					70-74 → 75-79					-495												
65_69	5,319	5,303	5,113	4,835	-16 -190 -278																						
70_74	3,990	3,844	3,596	4,863	-146 -248 1,267																						
75_79	3,363	3,087	3,960	0	-276 873 -3,960																						
80_84	2,910	3,390	0	0	480 -3,390 0																						
85&	2,908	0	0	0	-2,908 0 0																						
					2014-2019					2014-2029																	
					Age 15-44					Age 15-44																	
					per annum					per annum																	
					1,209					1,218																	
					Age 15-49					Age 15-49																	
					per annum					per annum																	
					1,278					1,282																	
					Age 15-74					Age 15-74																	
					1,246					1,293																	
					ALL																						
					3,525																						
					705																						

APPENDIX 2 – CALCULATIONS OF AFFORDABLE HOUSING NEED

Calculation of Affordable Housing Needs

The alternative scenarios for affordable housing need are set out in the two tables at the end of this note. The Forum believes the arithmetic and steps for these calculations are agreed with Mid Sussex District Council albeit the presentation of the MSDC approach with committed supply excluded was not accepted at the time the previous Statement of Common Ground was prepared.

There is not agreement between the parties on the calculated affordable housing need figure. The uncommon ground continues to be centred on two steps of the calculation:

- Step 2.1 and the correct calculation of a figure to use for 'New Household Formation (gross)' based on annual gross household formation in the 16-44 age groups within the CLG 2014-based household projections:
 - i MSDC now considers this should 1,055 per annum (based on 15 years 2014-2029). This is a change from 800 per annum as per the previous SofCG.
 - ii The Forum considers this should be 1,209 per annum (based on five years 2014-2019). A like-for-like comparison with the Council's approach over 15 years would be 1,218 per annum (based on 15 years 2014-2029);

The difference is owing to different approaches to calculating gross household formation for those age groups, as is explained in the respective parties' further evidence on affordable housing need.

- Step 3.3 and whether the 'committed supply of new affordable housing' should be included (MSDC) or excluded (the Forum) from the calculation when considering affordable need as a likely proportion of total housing delivery given the probable percentage of affordable housing to be delivered by market housing-led developments.

The overall position on affordable housing needs as it relates to the conclusion on full objectively assessed housing needs continues to be as set out in the respective parties' hearing statements and supporting evidence.

Affordable Housing Needs – Reasonable Preference Groups

Source: HEDNA Update (EP21) Table 17, HEDNA Addendum (EP22) Table 7 and Barton Willmore OAN (1/20534, Appendix B para 4.36)

Step	Stage 1: Current Housing Need (Gross)	MSDC – HEDNA Update/ Addendum	MSDC – Decemb er 2016	MSDC – Decemb er 2016 (excl. committ ed supply)	Develop er Forum (incl. committ ed supply)	Develop er Forum (excl. committ ed supply)	Agreed Position
1.1	Homeless Households and those in Temporary Accommodation	0	0	0	0	0	0
1.2	Overcrowding and Concealed Households	0	0	0	0	0	0
1.3	Households in Need in Reasonable Preference Groups	255	330	330	330	330	330
1.4	Total Current Affordable Housing Need (Gross) (1.1 + 1.2 + 1.3)	255	330	330	330	330	330
	Stage 2: Future Affordable Housing Needs						
2.1	New Household Formation (gross)	800	1,055	1,055	1,218	1,218	not agreed
2.2	Proportion of Households Unable to Buy or Rent	44.2%	44.2%	44.2%	44.2%	44.2%	44.2%
2.3	Existing Households Falling into Need and Housed per Annum	105	105	105	105	105	105
2.4	Total Newly Arising Need (Gross Per Year) (2.1 x 2.2 + 2.3)	459	571	571	643	643	~
	Stage 3: Affordable Housing Supply						
3.1	Affordable Dwellings Occupied by Households in Need	0	0	0	0	0	0
3.2	Surplus Affordable Housing Stock	0	0	0	0	0	0
3.3	Committed Supply of New Affordable Housing	1,223	1,405	0	1,405*	0	not agreed
3.4	Units to be taken out of Management	0	0	0	0	0	0
3.5	Total Available Affordable Housing Stock (3.1 + 3.2 + 3.3 - 3.4)	1,223	1,405	0	1,405	0	~
3.6	Annual Supply of Social Re-lets (net)	128	252	252	252	252	252
3.7	Annual Supply of Intermediate Affordable Housing for sale/let at sub-market level	43	26	26	26	26	26
3.8	Annual Supply of Affordable Housing (3.6 + 3.7)	171	278	278	278	278	~
A	Total Net Need (1.4 - 3.5)	-968	-1,075	330	-1,075	330	~
B	Annual Flow Backlog (10%) of Total Net Need 10yr period to relieve (A/10 years)	-97	-108	33	-108	33	~
C	Net Annual Housing Need (2.4 + Annual Flow (B) - 3.8)	191	185	326	257	398	~
	Annual total @ 30% AH Delivery	637	617	1,087	857	1,327	

* Committed supply included for illustrative purposes only to show impact of altering Step 2.1 with all other things being equal.

Affordable Housing Needs – Total Waiting List

Source: HEDNA Update (EP21) Table 18, HEDNA Addendum (EP22) Table 7 and Barton Willmore OAN (1/20534, Appendix B para 4.36)

Step	Stage 1: Current Housing Need (Gross)	MSDC – HEDNA Update/ Addendum	MSDC – December 2016	MSDC – December 2016 (excl. committed supply)	Developer Forum (incl. committed supply)	Developer Forum (excl. committed supply)	Agreed Position
1.1	Homeless Households and those in Temporary Accommodation	0	0	0	0	0	0
1.2	Overcrowding and Concealed Households	0	0	0	0	0	0
1.3	Households in Need	1,286	1,418	1,418	1,418	1,418	1,418
1.4	Total Current Affordable Housing Need (Gross) (1.1 + 1.2 + 1.3)	1,286	1,418	1,418	1,418	1,418	1,418
	Stage 2: Future Affordable Housing Needs						
2.1	New Household Formation (gross)	800	1,055	1,055	1,218	1,218	not agreed
2.2	Proportion of Households Unable to Buy or Rent	44.2%	44.2%	44.2%	44.2%	44.2%	44.2%
2.3	Existing Households Falling into Need and Housed per Annum	105	105	105	105	105	105
2.4	Total Newly Arising Need (Gross Per Year) (2.1 x 2.2 + 2.3)	459	571	571	643	643	~
	Stage 3: Affordable Housing Supply						
3.1	Affordable Dwellings Occupied by Households in Need	0	0	0	0	0	0
3.2	Surplus Affordable Housing Stock	0	0	0	0	0	0
3.3	Committed Supply of New Affordable Housing	1,223	1,405	0	1,405*	0	not agreed
3.4	Units to be taken out of Management	0	0	0	0	0	0
3.5	Total Available Affordable Housing Stock (3.1 + 3.2 + 3.3 - 3.4)	1,223	1,405	0	1,405	0	~
3.6	Annual Supply of Social Re-lets (net)	128	252	252	252	252	252
3.7	Annual Supply of Intermediate Affordable Housing for sale/let at sub-market level	43	26	26	26	26	26
3.8	Annual Supply of Affordable Housing (3.6 + 3.7)	171	278	278	278	278	~
A	Total Net Need (1.4 - 3.5)	63	13	1,418	13	1,418	~
B	Annual Flow Backlog (10%) of Total Net Need 10yr period to relieve (A/10 years)	6	1	142	1	142	~
C	Net Annual Housing Need (2.4 + Annual Flow (B) - 3.8)	294	294	435	366	507	~
	Annual total @ 30% AH Delivery	980	980	1,450	1,220	1,690	

* Committed supply included for illustrative purposes only to show impact of altering Step 2.1 with all other things being equal.

APPENDIX D:

DRAFT REVIEW CLAUSE

MID SUSSEX DISTRICT PLAN

DRAFT REVIEW CLAUSE

5 December 2016

It is proposed that these words be included in the adopted version of the District Plan.

(This assumes that the District Plan has first been modified to increase its OAN, to meet the unmet need arising in Crawley and to identify additional sites consistent with the increased housing requirement. If this is not the case, the soundness of the Plan may be questioned and/or any review would need to be more far reaching.)

1. The Localism Act 2011 places a “duty to co-operate” on local authorities and other specified organisations. The Mid Sussex District Plan should therefore be based on joint working and co- operation with neighbouring authorities to address larger than local issues. In particular, where it is reasonable to do so and consistent with achieving sustainable development, it should seek to meet unmet housing needs arising from neighbouring authorities in the region, including but not limited to those arising from other authorities within the Northern West Sussex and Greater Brighton/ Coastal West Sussex sub-regional housing market areas. The District Plan has been adopted on the basis of meeting some unmet housing needs from the sub region.
2. The Council accepts that its District Plan, taken together with the development plans for adjoining districts in the relevant housing market areas, fails to meet all of the objectively assessed housing needs of those parts of the sub-region relevant to Mid Sussex. There is evidence that in addition to the housing sought to be delivered through various recently adopted development plans (for Brighton & Hove City Council, Lewes District Council, Adur District Council and Worthing Borough Council) a further 35,351 dwellings are required over the next 15 years if the housing needs of the sub-region are to be met in full.
3. As part of its duty to continue to engage constructively, actively and on an ongoing basis with neighbouring authorities and public bodies with regard to strategic planning matters, including the provision for housing over sub-regional areas, Mid Sussex District Council is committed to working together with its neighbouring planning authorities to identify what proportion of the above unmet need can

reasonably and sustainably be met within its administrative boundaries having regard to both its environmental capacity and the environmental capacity of its neighbouring authorities. As part of discharging this duty, Mid Sussex Council will complete an urgent partial review of its District Plan within 2 years of the adoption of this District Plan (date to be specified in the plan when its adoption date is known). This partial review will be undertaken in co-operation with all neighbouring authorities where there are relevant cross-boundary issues, including Horsham district.

4. The purpose of the review will be to (a) assess what proportion of the overall unmet need can be satisfied within Mid-Sussex and (b) identify sufficient housing land to meet that need insofar as the need can be met within Mid Sussex consistent with approach required by paragraph 14 of the NPPF.

MSDC23

Northern West Sussex Housing Market Area

Agreed Changes to DP5: Housing

1. At the District Plan examination hearings held on 25th and 26th July 2017, a discussion was held regarding the contribution Mid Sussex could make towards the unmet need within the Housing Market Area (HMA), particularly to address need arising from Crawley. This was in light of new evidence related to the calculation of the residual unmet need (principally raised by the Developer's Forum and Mr Kerslake) and the timescale over which it had been previously calculated.
2. The following numerical position is agreed by the three HMA authorities (Crawley, Horsham and Mid Sussex).

Objectively Assessed Need

	Plan Period	Plan Years	Annual OAN	Total OAN
Crawley	2015-2030	15	675	10,125
Horsham	2011-2031	20	650	13,000
Mid Sussex	2014-2031	17	876	14,892
				38,017

3. Based on supply identified in currently adopted Local Plans, and the position concluded at the end of the last hearing for Mid Sussex:

Plan Supply

	Plan Period	Plan Years	Annual Supply	Total Supply
Crawley	2015-2030	15	340	5,100
Horsham	2011-2031	20	800	16,000
Mid Sussex	2014-2031	17	876/1,090	16,390
				37,490

4. At the hearing sessions, Mid Sussex presented a range of scenarios titled 1a – 4b (library ref: MSDC19). These showed various results dependant on three interchangeable variables:
 - Using Crawley's plan supply position or position outlined in their current plan supply monitoring
 - Addressing the need by 2030 (Crawley's plan period) or 2031 (Horsham/Mid Sussex plan period)
 - An allowance of 35dpa 'elsewhere', a point discussed at the hearings
5. Mid Sussex District Council put forward that scenario 2b – a stepped trajectory of 876dpa until 2023/24 then 1,090dpa thereafter was its preferred approach. This, it was felt, would address the unmet need by 2031 and allow for 35dpa elsewhere (potentially within Crawley itself should increased levels of delivery materialise).
6. At the hearing session both Crawley Borough Council and Horsham District Council stated that they had not had the opportunity to consider all of the scenarios and could not, therefore, offer their support to scenario 2b at that time. Both raised initial concerns regarding the plan period length and the 35dpa 'elsewhere' variables and were invited to consider these implications further after the hearings.
7. Following the hearing sessions, the three authorities have met to discuss the issues raised in order to understand all the implications of the scenarios, and ensure the policy within the District Plan is supported by the HMA authorities. These discussions have led to some

changes to supporting text and policy wording (they do not change the total housing provision or the stepped trajectory).

8. The following amendments to policy wording and supporting text for policies **DP5: Housing** and **DP5a: Planning to Meet Future Housing Need** have been drafted in order to address the concerns raised by Crawley and Horsham at the hearings and during further discussions. The changes proposed (highlighted in yellow) have been agreed at officer level (see Appendices A and B).

DP5: Housing

Supporting Text:

[...]

In preparing the DPD, the Council will liaise with town and parish councils and undertake further consultation. The Council will continue to work closely with its neighbouring authorities, particularly those which form the Northern West Sussex (NWS) Housing Market Area (HMA), in exploring opportunities and resolving infrastructure and environmental constraints in order to meet housing need in sustainable locations. The Council will also explore the potential to realise brownfield land housing capacity through the preparation of a Brownfield Sites register. The Council also intends to undertake a review of the Plan after the adoption of the Site Allocations DPD which will reconsider need and allocate further dwellings if required. This will be submitted to the Secretary of State in 2023.

[...]

DP5a: Planning to Meet Future Housing Need

The Council commits to working with the neighbouring authorities in the HMA to resolve unmet needs over the full plan period.

The provision of housing identified within Policy DP5: Housing seeks to meet the Objectively Assessed Need identified for the Northern West Sussex Housing Market Area in the current generation of sound and consequently adopted Local Plans. These are:

- Crawley Local Plan (2015-2030)
- Horsham District Planning Framework (2011-2031)

It is recognised, however, that Crawley's Local Plan finishes a year before the Mid Sussex and Horsham plans. There will therefore be housing need generated in Crawley for 2031 which is within the District Plan period, but is not being planned for at present as it has yet to be established or tested. The review of the District Plan (commencing in 2021) will seek to address this need, and any further unmet need arising within the Housing Market Area.

The District Plan housing requirement established by Policy DP5 may result in a residual unmet need of 35dpa arising within the Northern West Sussex (NWS) HMA, based on the combined provision planned within the NWS authorities' adopted Local Plans against the combined objectively assessed housing needs. The amount of this outstanding unmet need will be monitored throughout the plan period and, if necessary, accounted for in future reviews of the District Plan to ensure the HMA can meet its housing need as far as is consistent with the policies set out in the National Planning Policy Framework.

The Council recognises that there is also a shortfall of housing in the neighbouring coastal West Sussex area, caused in particular by the inability of Brighton & Hove, and some of the other coastal

authorities, to meet their own needs. The level of unmet need is high and the Council is taking steps, with its neighbouring authorities and those in the sub-region, to address the issue. The scale of the issue requires a sub-regional response.

The Council is a participant in the Coastal West Sussex and Greater Brighton Strategic Planning Board which is addressing the issue of unmet housing needs in the coastal area through the Local Strategic Statement 3 (LSS3). The Council will participate in that process.

The LSS3 work is progressing and the Council has committed to support this work including financial support to commission the necessary associated evidence base material. The exact timing of the LSS process is difficult to predict but the Council is committed to a proactive role within it.

DP5a: Planning to Meet Future Housing Need

Strategic Objectives: All.

Evidence Base: Burgess Hill: Strategic Housing Land Availability Assessment; Mid Sussex District Council Windfall Study; Housing and Economic Development Needs Assessment; Capacity of Mid Sussex District to Accommodate Development; Sustainability Assessment of Cross-boundary Options.

The Council will continue to work under the ‘Duty-to-Cooperate’ with all other neighbouring local authorities on an ongoing basis to address the objectively assessed need for housing across the Housing Market Areas , prioritising the Northern West Sussex HMA as this is established as the primary HMA.

The Council will work jointly and proactively with the Gatwick Diamond and the West Sussex and Greater Brighton Strategic Planning Board to address unmet housing need in the sub region.

The Council’s approach will ensure that sites are considered and planned for in a timely manner and will be tested through a robust plan-making process, as part of a review of the Plan starting in 2021, with submission to the Secretary of State in 2023.

Appendix 1: Crawley Borough Council



Strategic Housing & Planning Services

Contact: Diana Maughan Date: 27 September 2017
Direct Line: 01293 438234 Email: diana.maughan@crawley.gov.uk

Andrew Marsh
Mid Sussex District Council
Oaklands, Oaklands Road
Haywards Heath
West Sussex
RH16 1SS

By Email Only

cc. Sally Blomfield, Mid Sussex District Council
Chris Tunnell, Mid Sussex District Council
Lois Partridge, Mid Sussex District Council
Barbara Childs, Horsham District Council

Dear Mr. Marsh,

MID SUSSEX DISTRICT PLAN: NORTHERN WEST SUSSEX HOUSING MARKET AREA HOUSING NEED – JOINT POSITION STATEMENT

Thank you for offering Crawley Borough Council (CBC) the opportunity to consider Mid Sussex District Council's (MSDC) proposed modifications to the Mid Sussex District Plan (MSDP) following the Examination Hearing sessions held on 25 and 26 July 2017.

I can confirm that CBC support the proposed modifications as set out in your draft document, Northern West Sussex Housing Market Area: Agreed Changes to DP5: Housing (circulated in your email dated 19 September 2017). It is considered that these changes address some of the outstanding concerns held by CBC in relation to the unmet need arising within the Housing Market Area over the full Plan periods, including those in relation to the unmet need arising in 2030/31 and the potential 35 dwellings per annum "elsewhere" figure.

I can also confirm that CBC agree the factual and numerical position as set out in the document referred to above.

We welcome the commitment in the District Plan to joint working within this Plan period to address the housing requirement in full and to understand strategic site opportunities across the whole Housing Market Area (HMA). We also welcome MSDC's commitment to working with the HMA and the Gatwick Diamond in planning to meet future housing needs.

We maintain our position that, as this matter relates to, and has implications for the whole HMA, the Position Statement is to be agreed by all three Northern West Sussex Authorities.

We welcome the continued joint working and look forward to seeing these proposed modifications in your draft District Plan when it is out for public consultation in due course.

Yours Sincerely,

A black rectangular box redacting the signature of Diana Maughan.

Diana Maughan
Head of Strategic Housing and Planning Services

Appendix 2: Horsham District Council



**Horsham
District
Council**

Andrew Marsh
Mid Sussex District Council
Oaklands
Oaklands Road
Haywards Heath
West Sussex
RH16 1SS

Our ref: MSDCDP/HDC/BC

Your ref:

Date 29 September 2017

Dear Mr Marsh,

Mid Sussex District Plan: Northern West Sussex Housing Market Area Housing Need – Joint Position Statement

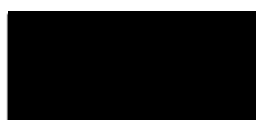
Following the Examination hearing sessions that were held on 25 and 26 July 2017, we would like to thank you for the opportunity that you have provided to Horsham District Council to consider the proposed modifications to the Mid Sussex District Plan set out in your draft document 'Northern West Sussex Housing Market Area: Agreed Changes to DP5 Housing' and circulated to us in your email of 19 September 2017.

I can confirm that Horsham District Council agree the factual and numerical position set out in the draft document referred to above. In addition, we consider that the proposed changes help to address some of the outstanding concerns raised by Horsham District Council in relation to the unmet need arising in the Housing Market Area over the plan periods for the three authorities. We are therefore supportive of the proposed modifications set out in this document.

We particularly welcome the commitment in the document to continued joint working with the Northern West Sussex Housing Market Area and that the Council will work to address any unmet need arising in the Housing Market Area as part of the review of the District Plan when this commences in 2021.

We look forward to seeing these proposed modifications in your draft District Plan when it is published for public consultation in due course. In the meantime, should you have any further questions or queries please do not hesitate to contact me.

Yours sincerely



Barbara Childs
Head of Planning Policy and Sustainability
cc: Sally Blomfield, Chris Tunnell, Lois Partridge – Mid Sussex District Council
Diana Maughan – Crawley Borough Council

Local Plan Housing Statement

December 2016



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1. Introduction

Overview

- 1.1 This Local Plan Housing Statement has been produced in light of the updated South Hampshire Strategic Housing Market Assessment² (SHMA) and the South Hampshire Spatial Position Statement³, both published by the Partnership for Urban South Hampshire (PUSH)⁴ on 7 June 2016. This comprehensive and independent assessment of housing need across the Portsmouth Housing Market Area (HMA) revealed a high level of housing need identified within Havant Borough. The National Planning Policy Framework (NPPF) indicates that it is a key requirement that Local Planning Authorities must boost significantly the supply of housing. In order to achieve this, the NPPF also requires Local Planning Authorities to keep Local Plans up-to-date and review them to respond flexibly to changing circumstances, in this case an increased need for new homes.
- 1.2 More recently, through the Housing and Planning Act, the Government has reinforced the importance that is placed on having an up-to-date Local Plan and the implications if a Local Planning Authority fails to do this. Under Section 146 of the Act, if the Secretary of State thinks that a Local Planning Authority is failing or omitting to do anything which is necessary for them to do in connection with the preparation or revision of a Local Plan, the Secretary of State may intervene to prepare or revise the Local Plan.
- 1.3 The Borough's Adopted Local Plan comprises the Local Plan (Core Strategy) (2011) and the Local Plan (Allocations) (2014); the Core Strategy identifies the Borough's housing requirement and pre-dates the publication of the NPPF (March 2012). As such weight can only be afforded proportionate to the policy's consistency with the NPPF⁵, a key requirement of which is to ensure the Council meets the full objectively assessed market and affordable housing needs. It is therefore evident from the high housing need in the Borough that there will be a need to identify further development sites over and above those currently identified in the Adopted Local Plan.
- 1.4 The Council therefore proposes to prepare a new Local Plan, the Havant Borough Local Plan 2036, which will review and consolidate existing policies and allocations, as well as including new allocation sites to ensure that the Local Plan addresses the development needs of the Borough. The new Local Plan will ensure that the Council, in collaboration with communities, can continue to positively plan for the future within this reality, achieving sustainable development and creating successful places for future generations.

² This should be taken to include both the South Hampshire Strategic Housing Market Assessment (January 2014) and the Objectively-Assessed Housing Need Update (April 2016).

³ http://www.push.gov.uk/work/planning-and-infrastructure/push_spatial_position_statement_to_2034-2.htm

⁴ The Partnership for Urban South Hampshire (PUSH) is comprised of all borough and district councils in South Hampshire, the two city councils and Hampshire County Council. More detail is available at www.push.gov.uk/partnership.htm.

⁵ Paragraphs 215 and 216 of the National Planning Policy Framework

Guiding Principle 1

The updated Strategic Housing Market Assessment shows a high level of housing need in Havant Borough and across the Portsmouth Housing Market Area. As such, Havant Borough Council will initiate a review of the Adopted Local Plan in order to continue positively planning for all development needs in the Borough into the future and ensure that decisions regarding the Local Plan can continue to be taken locally.

The purpose of the Local Plan Housing Statement

- 1.5 The Local Plan Housing Statement is the first step in addressing the rising housing need through a review of the Local Plan. Though the Housing Statement does not have the same status as a Local Plan in decision-making, it was subject to public consultation between 25th July and 9th September 2016, has been subject to Sustainability Appraisal, Habitats Regulations Assessment and an Integrated Impact Assessment. Importantly, it provides the foundation for the new Local Plan as Regulation 18 work and creates a positive framework for decision makers until the new Local Plan is adopted⁶.
- 1.6 A higher housing requirement is a certainty in the new Local Plan and the Housing Statement identifies sites which the Council considers appropriate and sustainable for housing delivery in the short and longer term to ensure that it is able to plan positively to address the high housing need figure in accordance with the NPPF. In light of the high housing need, it has been necessary for the Council to look at sites outside the urban areas of the Borough, as defined by Policy AL2 of the Adopted Local Plan, as there is insufficient land within the urban areas to meet this need. This Statement therefore specifically identifies a number of urban extension sites outside the urban area which it considers appropriate to come forward ahead of their formal allocation in the Havant Borough Local Plan 2036, so as to maintain a healthy supply of housing land in the short to medium term.
- 1.7 At this early stage of the Plan's preparation, the Council has identified sites which are considered suitable for development under the NPPF. The Housing Statement therefore identifies a number of 'early release' sites which are considered appropriate for housing delivery in advance of the adoption of the Local Plan (see Guiding Principle 4: Table 2).
- 1.8 Though it is acknowledged the housing need figure is not a target, it is essential that the Council positively plans to significantly boost housing supply and approves proposals that constitute sustainable development on 'early release' sites without delay. The Housing Statement will enable the Council to continue to resist inappropriate development outside the urban area, particularly where local and national policies indicate that development should be restricted.
- 1.9 By its very nature, the Housing Statement focuses on sites for the delivery of new homes. However, the Havant Borough Local Plan 2036 will need to plan for all three dimensions of sustainable development: Social, economic and environmental. Planning for the delivery of housing, business, industrial and infrastructure development in a sustainable manner. The evidence base research (Sustainability Appraisal, Habitats Regulations Assessment), the consultation with statutory bodies and the public, together with all the other work that goes into the creation of the Local Plan will all be submitted to the Government; subject to an Examination in Public and ultimately adopted by the Council.

⁶ The Local Development Scheme is available at <https://www.havant.gov.uk/planning-and-environment/planning-policy/local-plan-core-strategy/local-development-scheme>

2. The Adopted Local Plan

Background

- 2.1 Havant Borough's Adopted Local Plan (Core Strategy 2011 and Allocations Plan 2014)⁹ covers the period until 2026 and continues to form the basis for determining planning applications in the Borough. The Core Strategy (2011) sets out a housing requirement of 6,300 dwellings to be delivered between 2006 and 2026, equivalent to 315 dwellings per annum.
- 2.2 The Local Plan (Core Strategy) was adopted prior to the NPPF and the housing target is based on the now revoked South East Plan. This fact was explored when the Local Plan (Allocations) was examined in 2014:
- "After the publication of the NPPF in March 2012 the PUSH authorities approved the South Hampshire Strategy (SHS), which provides a sub-regional basis for the local authorities housing requirements...The CS [Core Strategy's] housing target towards which the allocations in this Plan will contribute is consistent with the SHS and remains broadly accurate when tested against the 'What Homes Where' toolkit."(Inspector's Report on The Examination into Havant Borough Local Plan (Allocations) (2014))
- 2.3 National guidance¹⁰ sets out that it is a key requirement for the Council to prepare a Local Plan that will meet the full, objectively assessed need (OAN) for housing in its area, *as far as consistent with the policies set out in the NPPF* (emphasis added). The updated PUSH SHMA will therefore form an essential piece of evidence base for the new Local Plan. Secondly, the NPPF requires the Council to identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of housing against its housing requirement. Whilst the Core Strategy continues to identify the relevant housing target for the Borough, it can only continue to be afforded weight in so far that it is consistent with national guidance, and specifically Paragraphs 215 and 216 of the NPPF. This is considered in further detail below.
- 2.4 The Council is therefore taking a bold and forward thinking approach to the review of the Local Plan to ensure the Council and local communities can continue to have as much influence over when and how development takes place as possible within the context of national policy.
- 2.5 The Local Plan Housing Statement is the first stage in the review of the Adopted Local Plan which will address the housing need for the Borough in light of the updated evidence. The new Local Plan will need to go beyond how housing needs are best addressed, and plan for the business, industrial and infrastructure requirements the Borough needs to ensure that it can continue delivering sustainable, inclusive and mixed communities.
- 2.6 Due to the large amount of evidence to support the Plan and the need to comply with regulations that govern its process, the Council has therefore taken a pragmatic interim step to identify suitable housing sites for 'early release' prior to the adoption of the Havant Borough Local Plan 2036.

⁹ Hereafter referred to as the Adopted Local Plan.

¹⁰ Paragraph 47 of the National Planning Policy Framework

Five year housing land supply

- 2.7 On 25 August 2016, the Planning Inspectorate determined and allowed an appeal¹¹ against the Council's earlier decision to refuse planning permission for 42 retirement apartments for older persons at 38 London Road, Purbrook (hereafter referred to as the '*Purbrook Appeal*').
- 2.8 A key consideration in the *Purbrook Appeal* was whether the Council could demonstrate a five year housing supply based on the Borough's OAN in accordance with Paragraph 47 of the NPPF. The Inspector concluded the Core Strategy housing target was not representative of OAN, notwithstanding the comments in the Local Plan (Allocations) Inspector's report which concluded the Plan was sound, legally compliant and consistent with the NPPF.
- 2.9 The *Purbrook Appeal* Inspector suggests he is not able to give any weight to the Local Plan (Allocations) Report based on the *Gladman* High Court Judgement¹². This confirmed that the Allocations Plan Inspector was not able to revisit the housing target set through the Core Strategy. It is in this context the *Purbrook Appeal* Inspector gives weight to the most up-to-date evidence in the PUSH SHMA which shows that 11,250 new homes are needed in Havant Borough between 2011 and 2036. As a result, this is now the default housing target for the Borough until the new Local Plan is adopted with a fully tested housing target.
- 2.10 The NPPF¹³ establishes a two stage process for local planning authorities in determining a local housing requirement:
- a) Identification of the OAN in setting the housing requirement for a district.
 - b) There is justification for the housing requirement to be reduced below the OAN if there are constraints which apply which justify a lower figure.
- 2.11 The *Purbrook Appeal* Inspector was only able to undertake the first stage in determining the up-to-date OAN. The next stage is for the Council to fully test the housing need figure through the evidence base for the new Local Plan, which will consider all of the policy constraints facing the Borough. It will then be for an independent Inspector through an Examination in Public to decide whether the Council's proposed housing requirement is 'sound'. Only at that point will the Borough have a tested housing target.
- 2.12 Until that tested housing target is adopted through the new Local Plan, the Council should identify a five year supply of deliverable sites based on OAN. This is reaffirmed by the conclusions of the *Purbrook Appeal* Inspector. The Council is therefore taking proactive and positive steps to identify housing sites for 'early release' to ensure that it can effectively plan for the increased housing need for the Borough in the interim. This Local Plan Housing Statement plays an increasingly important role in ensuring the Borough is able to identify a five year supply of deliverable sites in advance of the adoption of the Havant Borough Local Plan 2036.

¹¹ PINS ref. APP/X1735/W/16/3145929

¹² Gladman Development Ltd v Wokingham BC [2014] EWCH 2320 (Admin)

¹³ Footnote 9 of the NPPF indicates specific policies include those policies relating to sites protected under the Birds and Habitats Directives (see Paragraph 119) and/or designated as Sites of Special Scientific Interest; Local Green Space, an Area of Outstanding Natural Beauty, designated heritage assets; and locations at risk of flooding or coastal assets; and locations at risk of flooding or coastal erosion.

The status of the Adopted Local Plan

- 2.13 Planning legislation¹⁶ and the NPPF indicate that applications for planning permission must be determined in accordance with the development plan unless material considerations indicate otherwise. There is a significant, complex and growing body of case law around five year supply and the status of Local Plan Policies, namely that of *Hunston*¹⁸ and *Suffolk Coastal*¹⁹ and the implications of these mean that:
- Planning applications and appeals should continue to be considered against Adopted Local Plan Policies unless there are material considerations which indicate otherwise;
 - Planning permission will only be granted for housing proposals where development can be shown to constitute 'sustainable development' in accordance with Paragraphs 14, 47 and 49 of the NPPF;
 - It is appropriate to continue to apply weight to the Local Plan Policies according to the specifics of the particular planning application or appeal;
 - The five year housing supply position at that particular point in time; and
 - The measures being taken to address any shortfall in five year housing land supply
 - The *Purbrook* Appeal Inspector concluded that the Council could not demonstrate a five year supply of housing at that particular point in time - this is a significant material consideration
- 2.14 More specifically in respect of the latter, consideration will be given to the clear timetable for the production of the Havant Borough Local Plan and the progress which has been made towards the adoption of this document. In the *Hunston*²³ case, it is noteworthy the Court of Appeal held that it was improper to blame a local planning authority if the OAN produced a shortfall in the absence of an up-to-date Local Plan: "Planning decisions are ones to be arrived at in the public interest, balancing all the relevant factors and are not to be used as some form of sanction on local councils. It is the community which may suffer from a bad decision, not just the local council or its officers."
- 2.15 With the adoption of the Local Plan Housing Statement, the Council will be able to boost housing supply through the delivery of 'early release' sites (before the Havant Borough Local Plan 2036 is in place). As such, the Borough's modest shortfall against the five year housing requirement, together with the steps being taken to bring the Local Plan up-to-date must be considered in the overall planning balance in the determination of planning application and appeals. The dynamic nature of five year housing land supply, i.e. planning permissions granted offset by housing completions and the Government's focus on this as a measure of planning success means that the Council will continue to monitor the situation carefully.

¹⁶ Section 38(6) Planning and Compulsory Purchase Act 2004

¹⁸ R (Hunston Properties Ltd) v SSCG and St Albans City and District Council [2013] EWCA Civ 1610

¹⁹ Suffolk Coastal DC & others [2016] EWCA Civ 168

²³ R (Hunston Properties Ltd) v SSCG and St Albans City and District Council [2013] EWCA Civ 1610

Guiding Principle 2

The Adopted Local Plan²⁴ continues to form the starting point for the determination of planning application and appeals. Due weight will be given to the Borough's dynamically changing five year supply of housing land and the implications under Paragraphs 47 and 49 of the NPPF.

Planning permission will therefore only be granted for housing proposals on appropriate and sustainable sites identified by the Adopted Local Plan and the Local Plan Housing Statement (December 2016). Development proposals on those sites must be shown to constitute 'sustainable development' in accordance with Paragraphs 8-9, 14 and 47 and 49 of the NPPF.

Due weight will be given to the housing supply position at the point in time at which the decision is to be taken; and the progress made towards the adoption of the Havant Borough Local Plan 2036 which addresses housing need in line with Paragraphs 47 and 49 of the NPPF.

3. Future Housing Potential

- 3.1 The PUSH SHMA shows a need for 121,500 new homes across South Hampshire between 2011 and 2036. Of these 49,500 should be provided in the Portsmouth HMA of which 11,250 should be provided in Havant Borough. The NPPF is clear in Paragraph 47 that Local Plans must ‘[meet...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](#)’.
- 3.2 A high level technical analysis has been completed to understand whether the established need can be met in a way which would constitute sustainable development and, if not, how best it can be met. This is set out in detail in the Housing Constraints and Supply Analysis Paper, which accompanies the Local Plan Housing Statement. It also provides detail as to the process undertaken to establish if the Borough can meet its objectively assessed need and, if as it cannot, how much sustainable development the Borough can accommodate.
- 3.3 A thorough examination of the housing land supply and potential sites has also taken place. The Borough’s Strategic Housing Land Availability Assessment (SHLAA) has also been refreshed and incorporates the results of a ‘Call for Sites’ which was undertaken in January 2016 and a reappraisal of some employment sites that may be more suitable for housing. This has informed an approach to identifying sites suitable for housing which are free from overriding constraints. This is intended to maximise the level of development as the Council seeks to meet its objectively assessed need.
- 3.4 The SHLAA does not, however, determine whether a site should be allocated for housing development. That is the role of the Havant Borough Local Plan 2036. The SHLAA includes all known sites that have the potential for housing development. The inclusion of a site in the SHLAA does not have any relevance to whether planning permission would be granted at the site; the SHLAA is the evidence for the Local Plan not planning applications.
- 3.5 In line with the NPPF, development on brownfield land has been promoted through the analysis in the SHLAA’s assessment of suitability. Nonetheless, the high level of need for new homes means that development of greenfield sites will also be necessary.
- 3.6 A constraints analysis (detailed in the Housing Constraints and Supply Analysis) firstly looked at high level constraints (i.e. those that make a site unsustainable for development). This analysis has shown that sections of the Borough would be inherently unsustainable for substantial levels of future development.
- 3.7 Taking the established housing need for the Borough of 11,250 there are already a significant amount of homes already ‘in the bag’. Taking the completed dwellings since 2011, sites with outstanding planning permission, the Local Plan allocations without planning permission and windfall, there is a supply of 6,441. Against the need for new housing of 11,250, this leaves 4,809 homes still to find sites for.

	Need requirement	Net Dwellings Completed or Committed
Total Borough Objectively Assessed Need (OAN) 2011-2036	11250	
Completed dwellings (2011/12 – 2015/16)		1693
Permissions (outstanding planning permissions at 01/04/16)		1863
Allocations in current Local Plan (yet to be completed/permited at 01/04/16)		1694
Windfall Development (up until 2036)		1191
Totals	11250	6441
Remaining OAN to be addressed (i.e. the gap)		4809

Table 1: Existing completions and commitments vs OAN

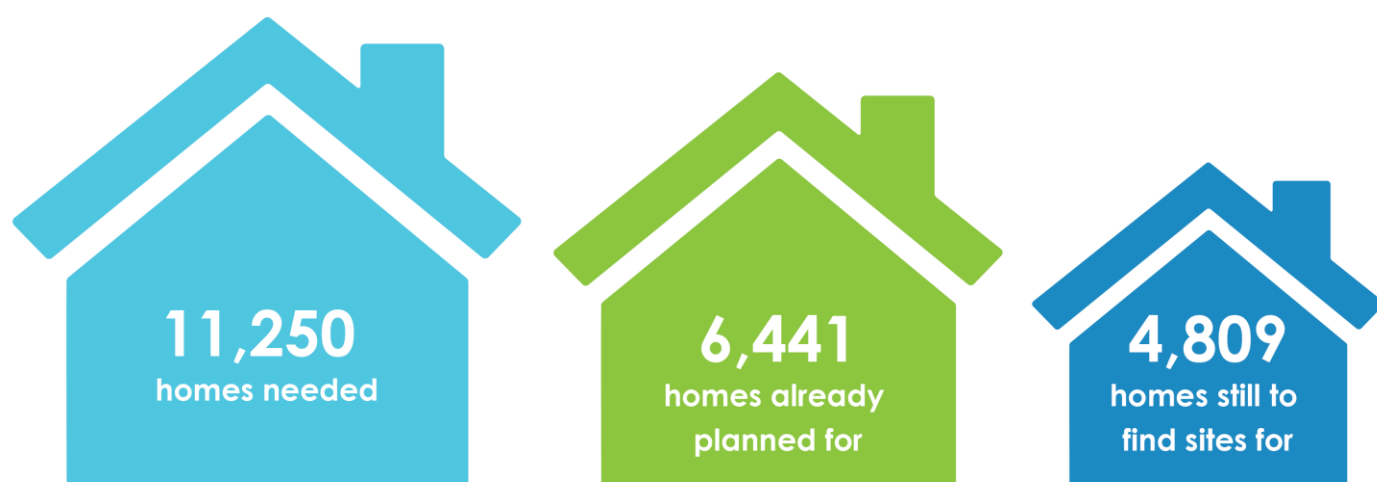


Figure 1: Existing housing supply compared to the need for new homes as set out in Table 1 of the Local Plan Housing Statement

- 3.8 In order to address this apparent gap, further investigation has taken place for additional housing potential in the Borough. This has used the SHLAA process (including the 2016 Call for Sites and SHLAA refresh) to establish further brownfield and greenfield sites that offer potential as discussed in Paragraphs 3.3 and 3.4.

Further Urban Area Sites

- 3.9 Limited further brownfield sites within the existing urban area which could be developed for housing have been identified. All deliverable or developable brownfield sites are already identified in the Strategic Housing Land Availability Assessment. Any potential urban area housing sites are already supported in principle through the Adopted Local Plan (in particular Policy CS17 of the Core Strategy). These are the types of sites already accounted for in the detailed windfall analysis. Delivery from small-scale windfall sites will continue to be taken into account.

Guiding Principle 3

In line with the NPPF, Havant Borough Council will continue to promote the development of brownfield land:

- The new Local Plan will maximise the residential development of brownfield sites by looking at potentially significantly higher densities around town centres and transport hubs
- Prior to the adoption of the new Local Plan, development on brownfield sites which are considered suitable for housing under the Adopted Local Plan will continue to be supported, even if they are not specifically allocated.

3.10 Further greenfield and previously developed urban extension sites of various sizes have also been considered. These are sites already identified in the SHLAA but which are not allocated in the Adopted Local Plan (Allocations) and previous or slightly revised SHLAA sites (for instance when site areas may have changed). Some new SHLAA sites have also been submitted as part of the 2016 'Call for Sites' and Draft Local Plan Housing Statement Consultation. Of these newly identified, smaller sites, there is potential to deliver 65 dwellings within the urban area. In addition, previous discounted SHLAA sites have been reconsidered in light of identified housing need.

Sites considered suitable for 'early release'

- 3.11 In light of the identified housing need and the 4,809 dwelling 'gap' identified in Table 1, it is appropriate that the Council considers greenfield sites and previously developed land for development in the short term. Nevertheless, as specified above (paragraph 3.10), potential for an additional 65 dwellings have been identified as part of the Local Plan Housing Statement consultation (see Table 4).
- 3.12 The Draft Local Plan Housing Statement initially identified Campdown as a Strategic Site in its own right. However, given the site comprises two distinct parcels of land which do not make a coherent whole and are not dependent on each other for delivery, it has not been considered appropriate to take this forward as a single comprehensive strategic allocation. As such, the 'Land east of College Road' Site (UE70) and 'Land north of Fort Purbook' Site (UE72) have therefore been identified as two separate urban extensions and have been recategorised as 'early release' sites accordingly.
- 3.13 As a result of consultation on the Draft Local Plan Housing Statement, 'Land North of Hollybank Lane and Long Copse Lane' (UE39) and 'Land North of Long Copse Lane' (UE50) have been extended and merged to form a single urban extension referenced as site UE76 in the table below. With this, two additional parcels of land (UE73 and UE74) have been incorporated into UE76; these two smaller sites were not previously identified in the Call-for-sites at the beginning of the year, but were put forward during the Local Plan Housing Statement public consultation. This newly combined area known as 'Land North of Long Copse Lane' (UE76) is expected to be delivered in a comprehensive manner and is identified as having an indicative site yield of 260 dwellings accordingly³⁹.

³⁹ Land North of Hollybank Lane and Long Copse Lane (UE39) and Land North of Long Copse (UE50) were initially identified as separate sites and a combined capacity of 220 dwellings (54 + 166).

Site reference	Site	Indicative No. of dwellings	Identified 'Other Development Uses'*
Emsworth			
UE67	Land to the rear of Redlands House	5	
UE76	Land North of Long Copse Lane	260	
UE02b	Land North and West of Selangor Avenue	154	
Havant and Bedhampton			
UE28	Littlepark House, Bedhampton	47	
UE30	Land South of Lower Road, Bedhampton	50	
UE53	Land East of Castle Avenue	60	
UE55	Southleigh Park House	35	
UE68	Forty Acres	300	Allotments
Waterlooville			
UE70	Land East of College Road, Campdown	350	Sports facilities
UE72	Land North of Fort Purbrook, Campdown	100	
	Total	1361	

Table 2: Further greenfield and previously developed sites outside of the urban area suitable for 'early release'.

* This should not be considered an exhaustive list and the potential non-residential development to be provided on the site should be discussed with the Council at pre-application stage.

- 3.14 The sites listed in Table 2 have all been considered through the 2016 SHLAA process to be deliverable or developable. As such they are free of constraints that cannot be mitigated, are available for development, and sustainable development could be achieved on the site. Whilst development on these sites would be contrary to Policies CS17 and AL2 which indicate that residential development should be resisted, it is necessary to make a departure from the Adopted Local Plan given the high level of housing need that exists. As such, the Council will support the principle of residential development on the sites ahead of the adoption of the Havant Borough Local Plan 2036, subject to compliance with the remainder of the policies in the Adopted Local Plan and the Guiding Principles in this Housing Statement.
- 3.15 The yields set out in Table 2 are based on the Call for Sites submissions, a desktop evaluation of the available data and information including submissions to the Draft Local Plan Housing Statement Consultation. The Council has adopted a deliberately cautious approach in the desktop appraisal of sites by Officers. As such, the yields for these sites should be considered as indicative.
- 3.16 Nonetheless, given the high housing need and the early stage at which these sites are at, it is possible that the yield may vary in response to site specific constraints and opportunities. This will be taken into account during pre-application discussions, at Development Consultation Forums, through the determination of planning applications; and adjusted in the monitoring of five year housing supply as appropriate. Development proposals for any site will need to be informed by detailed technical analysis and modelling in order to demonstrate that the proposed level of residential development is sustainable and achievable, and that the site is being used in an efficient way.

- 3.17 Consultation on the Draft Local Plan Housing Statement highlighted that residents across the Borough have significant concerns regarding infrastructure capacity. Specifically whether the Borough's infrastructure is adequate to support the needs of existing and future residents. Existing allocations and sites identified for 'early release' will continue to be expected to make provision for infrastructure through payment of the Community Infrastructure Levy and to provide necessary on-site and off-site infrastructure, secured through legal agreement (this matter is considered in further detail below). This will be essential in demonstrating that development on these sites is sustainable.
- 3.18 Table 2 identifies where the Council expects other development uses to be provided at this initial stage in the preparation of the Havant Borough Local Plan 2036. Based on the Strategic Development Areas Financial Feasibility Study, the Council identified a requirement to deliver a minimum of 350 dwellings and sports facilities on the 'Land East of College Road' Site (UE70) to accommodate the needs of the Borough's growing sports clubs. The Council has also identified that the high quality of agricultural land present on the 'Forty Acres' Site (UE68) also provides an ideal opportunity to provide new allotments as part of the open space provision. This list will continue to evolve with the Local Plan evidence and so applicants should consult the Council on other requirements for the sites through pre-application discussions.
- 3.19 The Council will carefully consider the development and infrastructure requirements associated with the remaining 'early release' sites through the planning application process. Any application for residential development on the sites identified in Table 2 or any other housing sites outside of the urban area must be accompanied by a comprehensive Infrastructure Delivery Statement. There is also an expectation that landowners and developers will also undertake detailed technical analysis and modelling work and consultation with infrastructure providers, stakeholders and local residents to ensure that any site or area specific issues are identified at an early stage. Infrastructure Delivery Statements should be produced, as agreed and in collaboration with the Local Planning Authority. The Local Planning Authority has produced an Infrastructure Delivery Statement template to support developers and set out expectations which is available to view on the Council's website at: www.havant.gov.uk/localplan.
- 3.20 The principle of residential development on such a site will only be considered acceptable if it is identified in Table 2 and if the Infrastructure Delivery Statement contains proposals which fully mitigate the impact of the development in question on the Borough's infrastructure network. The delivery of infrastructure to support proposed development is essential in determining whether proposals on 'early release' sites are sustainable in accordance with Guiding Principle 2.
- 3.21 The evidence base for the Havant Borough Local Plan 2036 is still being developed and the sites in Table 2 are not formally allocated in a local plan. As a result, it is expected that applicants for any site not formally allocated in the Adopted Local Plan will engage thoroughly and extensively with the Council's pre-application advice service, including presenting the site at a Development Consultation Forum. Pre-application public consultation will also be expected.

Sites with uncertain potential at this stage

- 3.22 In response to key issues raised through consultation on the Draft Local Plan Housing Statement, the Council has determined that UE52 (Land adjoining 47 Portsdown Hill) is not appropriate for development with a proposed number of five dwellings. It is considered that five dwellings would be challenging to achieve without significant harm to the setting of the Grade II Listed Sunspan House. Whilst a yield of less than five dwellings on the site will likely be achievable, this would mean that the site should not be specifically identified in the SHLAA of Local Plan Housing Statement; as such the site has been removed.

Future development on Hayling Island

- 3.23 In response to key issues raised through consultation on the Draft Local Plan Housing Statement by a number of stakeholders, the Council has determined that sites on Hayling Island are not appropriate for 'early release' and the site or area specific issues raised should be fully explored through the new Local Plan (and these issues are explored in further detail below). These sites will be re-categorised as sites with 'uncertain potential' in the SHLAA. As part of this re-categorisation, it is proposed to combine the 'Rook Farm' Sites, namely 'Land South of Rook Farm' (UE17), 'Land North of Rook Farm' (UE35) and 'Land West of Rook Farm' (UE63) as a single SHLAA site for the purposes of clarity. This will enable the Council to consider the suitability of the land to be considered comprehensively.
- 3.24 The consultation on the Draft Local Plan Housing Statement highlighted specific infrastructure issues on Hayling Island which will require further investigation before future development can be considered sustainable under the NPPF. In particular, stakeholders highlighted issues relating to flooding, highway capacity, the single access to the Island, healthcare, education and the provision of utilities. These are strategic issues which relate to the Island as a whole and not necessarily within the ability of a single development proposal to overcome in the absence of a comprehensive framework, which can only be provided through the new Local Plan.
- 3.25 Further evidence is needed to fully resolve these issues. As such, the Council considers that it cannot be guaranteed that the sites are suitable for development. The Council will, however, continue to explore the sustainability of future development on Hayling Island through the production of the Havant Borough Local Plan 2036 and the evidence base which supports it. It will continue to explore the evidence regarding the suitability of development on these sites, actively working with our partners at the Eastern Solent Coastal Partnership, Hampshire County Council (as Highways Authority and Local Education Authority), and the South East Hampshire Clinical Commissioning Group and utility providers. This will inform the approach towards these sites in the Pre-Submission draft of the Havant Borough Local Plan 2036.

Sites with uncertain potential at this stage on Hayling Island

- UE18 Station Road (North of Sinah Lane/West of Furniss Way)
- UE77 Land at Rook Farm

New Sites with Uncertain Potential

- 3.26 As there is a high housing need, the Council can leave no stone unturned in finding sustainable housing sites to meet this need. Through the consultation on the Draft Local Plan Housing Statement a number of new sites were promoted by landowners/developers. These have been identified as sites with uncertain potential for housing delivery. The suitability of these sites for development will be assessed through the evidence base for the new Local Plan and the proposals subject to consultation.
- 3.27 The following sites have been identified with uncertain potential at this stage and will be considered further in the production of the Havant Borough Local Plan 2036:

Sites with uncertain potential at this stage

Havant and Bedhampton

- UE02a Land north of A27 and further east of Castle Avenue
- UE54 Southmere Field, Langstone Road
- UE75 Helmsley House, Bartons Road

3.28 Given the uncertain potential of these sites, and in particular the outstanding questions in relation to the sustainability of Hayling Island to accommodate future development, it has not been considered appropriate to identify yields for these sites at this stage. The Council expects the site and area specific issues raised through the consultation, notably that of infrastructure capacity and the need for upgrading/improvements, to be fully explored through the production of the new Local Plan and the evidence base which supports it. In the interim, development proposals on sites with uncertain potential will be resisted in accordance with Guiding Principle 4.

Guiding Principle 4

The principle of residential development on Table 2 sites will be considered favourably in order to contribute towards the objectively assessed housing need and to significantly boost housing supply in the Borough. This material consideration means that there is sufficient weight to justify a departure from Policies CS17 and AL2. Proposals coming forward for Table 2 sites will be expected to continue to meet the remaining requirements of the Adopted Local Plan. Such sites will only be agreed in principle if accompanied by an Infrastructure Delivery Statement, produced as agreed by and in collaboration with the Local Planning Authority.

Two identified housing development sites on Hayling Island (UE18 and UE77) are considered to have uncertain potential for development. The strategic infrastructure constraints facing this part of the Borough mean that the suitability of these sites will be fully explored through the comprehensive Local Plan Infrastructure Delivery Statement that will be part of the Havant Borough Local Plan 2036. This will highlight constraints at a site-specific level together with strategic infrastructure issues on Hayling Island and whether there is scope to mitigate these constraints and issues.

Three other sites (UE02a, UE54 and UE75) were also suggested through the consultation. The suitability of these sites will be fully explored through the preparation of the Havant Borough Local Plan 2036.

Development proposals on any sites not in the urban area (as identified by Policies CS17 and AL2) and not identified in Table 2 of the Local Plan Housing Statement will be resisted. This is due to the presence of site constraints which mean the adverse impacts of development would significantly and demonstrably outweigh the benefits when assessed against the National Planning Policy Framework as a whole. If any such proposals are submitted as a planning application they should be accompanied by an Infrastructure Delivery Statement (in accordance with the requirements of the LPA) to demonstrate how the impact of the development would be completely mitigated.

Development proposals on the strategic site will be considered in accordance with Guiding Principle 5.

- 3.29 To ensure the quality of the environment remains high in the Borough, the Sustainability Appraisal (SA) and Habitats Regulation Assessment (HRA) for the Havant Borough Local Plan 2036 will be prepared in continuous dialogue with statutory consultees at Natural England, Historic England and the Environment Agency. The role of the HRA and SA is to ensure that housing sites do not have unacceptable consequences on the environment. For example, on sites with any likelihood of Brent Geese or waders the HRA will identify a mitigation option that can be accommodated as part of the development.
- 3.30 The Council is also committed to working in partnership with Natural England to ensure that air quality modelling informs the new Local Plan. The results will then inform any necessary avoidance and mitigation measures which will be secured through the development requirements for each individual allocation through the new Local Plan. Table 4 and Figure 2 (overleaf) shows that even when taking into account these additional sites there still remains a significant gap (3,383 homes) between the objectively assessed need for housing and the available supply in the Borough.

	Need requirement	Net Dwellings Completed , committed and further supply
Total Borough Objectively Assessed Need (OAN) 2011-2036	11250	
Completed dwellings (2011/12 – 2015/16)		1693
Permissions (outstanding planning permissions at 01/04/16)		1863
Allocations in current Local Plan (yet to be completed/permitted at 01/04/16)		1694
Windfall Development (up until 2036)		1191
Additional sites inside the urban area		65
Additional sites outside the urban area		1361
Totals	11250	7867
Remaining OAN to be addressed (i.e. the gap)		3383

Table 4: Existing completions, commitments and additional greenfield vs OAN

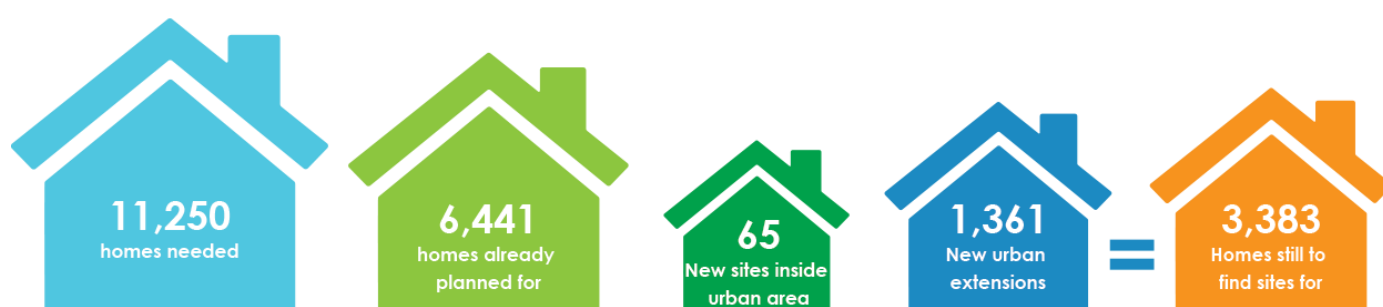
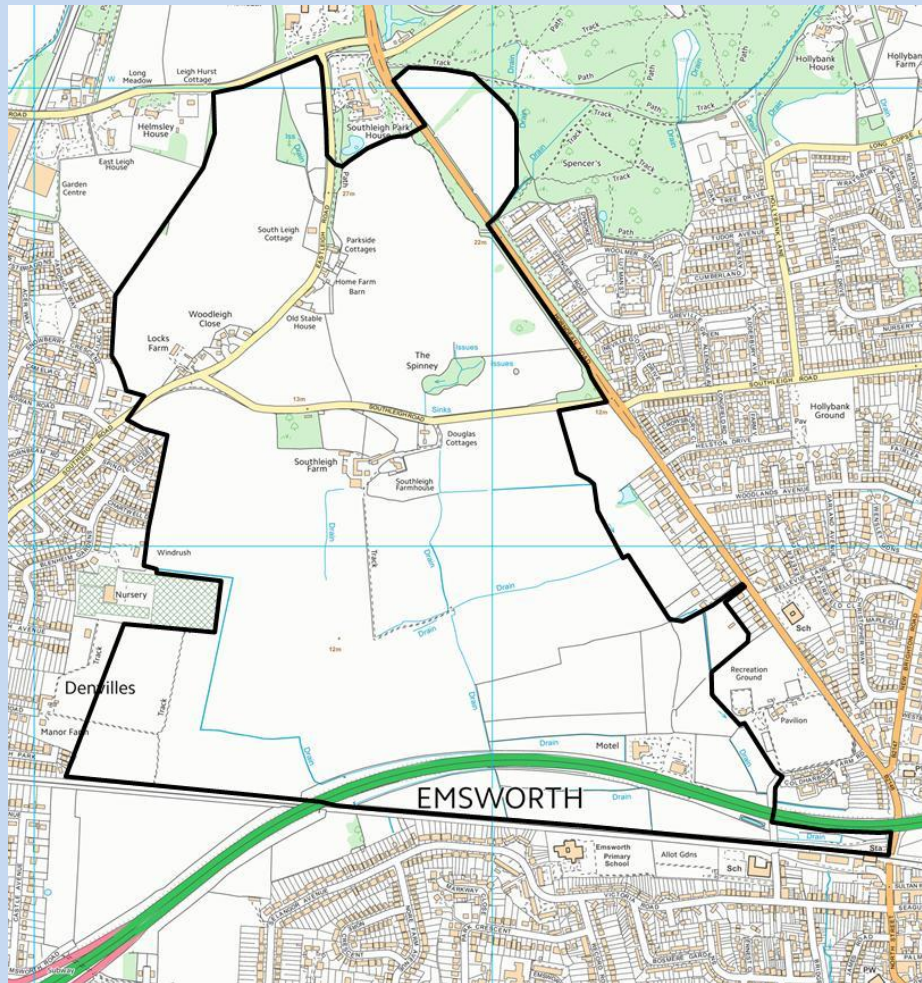


Figure 2: Existing housing supply and urban extension sites compared to the need for new homes as set out in Table 3 of the Local Plan Housing Statement

New Strategic Site

- 3.30 There is one area of the borough which is free from significant high level constraints and which remains undeveloped. Without positively identifying this site and working with the landowners and their representatives to identify the best way to take the site forward for development there is a risk that proposals for the site could be speculatively submitted, potentially in a piecemeal manner. This is likely to undermine the ability to secure the right infrastructure delivered at the right times to support new substantial development. It will also lessen the ability to achieve a sustainable and well planned community.

Strategic Site: Area Between Denvilles and Emsworth



Further details about this site and the potential for new development is included in the Strategic Development Areas Financial Feasibility Study. It is considered that the site is likely to be capable of accommodating a minimum of 1,650 dwellings and a local centre.

The site will require as a minimum improvements to nearby highway infrastructure, a new junction on the A27 and associated link road north, a new primary school, green infrastructure and surface water drainage. The development will need to be laid out in such a way that there remains clear distinction between the settlements of Emsworth, Denvilles and Warblington after completion of the development. Further work regarding infrastructure provision and settlement identity is ongoing and will feed into the allocation for the site in the new Local Plan.

- 3.31 In order to address the Borough's housing need as part of the new Local Plan it is inevitable that this site will need to be considered. Preliminary work looking at the infrastructure requirements, development capacity and timeframes for the site coming forward has started and it is proposed that

this continues through the Local Plan process. All this can feed into appropriate masterplanning and the new Local Plan as appropriate.

- 3.32 Strategic sites of this nature require extensive preliminary work and have longer lead in times than smaller sites. It is intended that public consultation will inform a Masterplan to bring the site forward in the most sustainable way which ensures that it is a high quality community which will stand the test of time. Community and wider stakeholder involvement in the masterplanning of the site will be facilitated through a Development Charrette⁴¹.
- 3.33 Piecemeal development of the strategic site would hinder the ability to ensure the correct type and scale of infrastructure is provided. Poor quality piecemeal development could result in less housing being provided as the most efficient layout across the entirety of the site is not being proposed. As such, it is vital that the site is progressed through the new Local Plan with the appropriate level of background evidence and analysis and with the input of local communities. This will ensure that the benefits from delivering the new strategic site is maximised. Delivery in a comprehensive manner can bring benefits to existing as well as new communities such as through the provision of new educational or sports facilities, highway infrastructure and retail outlets.

Guiding Principle 5

The comprehensive development the Area Between Denvilles and Emsworth will be progressed through the new Local Plan. The strategic site should be appropriately masterplanned, in consultation with local communities, in order to ensure that it is brought forward comprehensively. This will establish the development potential of the site, the mix of development types which should be brought forward, phasing, settlement identity and infrastructure requirements.

So as to ensure that the correct scale and type of infrastructure is provided, development of the site in whole or part will be resisted until allocated through the new Local Plan and appropriately masterplanned.

Following masterplanning, development of the site will need to be coordinated through a single outline planning application which covers the entirety of the strategic site. This will ensure appropriate coordination of the necessary infrastructure which is needed to support the site.

The Council is committed to the comprehensive and coordinated delivery of this key site. Continuous dialogue will take place with landowners, infrastructure providers, other stakeholders and local communities in order to achieve a comprehensive, sustainable and deliverable development. In order to achieve comprehensive sustainable and deliverable development of the strategic site the Council will use all power open to it to facilitate this objective, including Compulsory Purchase.

- 3.34 Policies to support the delivery of the strategic site will be developed as part of the new local plan.
- 3.35 The extensive preliminary work, understanding of infrastructure requirements, anticipated scale and timescale of development at this site means that phasing and overall delivery projections for the strategic site will be separated out from the remainder of the Borough when it comes to housing

⁴¹ A Development Charette is an intensively produced, community-led masterplan for a development site. Usually, in a one or two week session, the charrette assembles key stakeholders, including the public, to collaborate with the design team allowing iterative design proposals, feedback and revisions to take place. This has been shown to be an effective means of encouraging input and producing a valuable masterplan that everyone has mutual ownership of. It is intended that the Design Charette for this site will take place early in 2017 and will eventually inform a masterplan of the site which will be adopted as a Supplementary Planning Document.

policy, monitoring and projected supply. This is to allow for the lead in time required for a scheme of this scale which means a steady annualised delivery spread over a plan period will not be possible.

- 3.36 The details of this Local Plan Housing Statement and supporting Housing Constraint and Supply Analysis Paper demonstrate that 'no stone has been left unturned' in trying to best meet the identified housing need for Havant Borough. The SHLAA has been revisited and a detailed analysis and understanding has been developed on the development potential for the Borough.
- 3.37 When assessing all the above potential sources of supply, including the strategic site at the Area Between Denvilles and Emsworth, a gap remains between what can be sustainably achieved in Havant Borough and the housing need for the Borough. This gap stands at 1,733 dwellings as shown in Table 4 and Figure 3 (overleaf).

	Need requirement	Net Dwellings Completed, committed and further supply
Total Borough Objectively Assessed Need (OAN)	11250	
Completed dwellings (2011/12 – 2014/15)		1693
Permissions (outstanding planning permissions at 01/04/15)		1863
Allocations in current Local Plan (yet to be completed/permited at 01/04/15)		1694
Windfall Development (up until 2036)		1191
Additional sites inside the urban area		65
Additional sites outside of the urban area		1361
Denvilles and Emsworth Strategic Site		1650
Totals	11250	9517
Remaining OAN unaddressed (i.e. the gap)		1733

Table 4: Total Projected commitments, supply and new strategic sites vs OAN



Figure 3: Existing housing supply and urban extension sites compared to the need for new homes as set out in Table 3 of the Local Plan Housing Statement

Phasing/Annual Requirements

- 3.38 New housing provision in the Borough up until 2036 is likely to include a heavy reliance on the new strategic site. Therefore realistic phasing will be required having regard to the lead-in times required to deliver the necessary infrastructure to ensure the delivery of a sustainable community. It is envisaged at this point that the new strategic site will start to have completed dwellings in approximately 2026. Any acceleration would be dependent on significant forward funding of the major infrastructure required to support this scale of development. On the basis of completions on-site starting in 2026 a housing phasing strategy based on Table 5 is proposed. This will need to be refined as part of preparation on the new Local Plan.

	Net Dwellings	Delivery (approx.)
Total New Strategic Site Delivery	1650	Delivery 2026 – 2036 at average of 150 dwellings per annum
Remaining parts of the Borough	7867	Delivery 2011 – 2036 at 315 dwellings per annum

Table 5: Potential target/phasing approach for housing delivery 2011-2036 (figures may not add up due to rounding)

- 3.39 Further work will be undertaken to confirm whether the market can support this quantum of development (i.e. whether housebuilders are able to build out at this rate). This will be investigated as appropriate in preparation for the new Local Plan.

4. Conclusion

- 4.1 The Local Plan Housing Statement is a fundamental part of the process of preparing the Havant Borough Local Plan 2036. Alongside this, once adopted by the Council, it will also provide a clear position statement as to which sites the Council consider constitute sustainable development under the NPPF. This will ensure that positive planning for the Borough's future continues until the new Local Plan is adopted.
- 4.2 The Council has been extremely thorough in examining all potential land across the borough and has 'left no stone unturned' in the search for sustainable sites for development. Taking all the above potential sources into account the total potential supply from 2011-2036 is 9,517 dwellings. The Borough Council will continue to search for additional sustainable sites when formulating the new Local Plan in order to further reduce the 1,733 dwelling gap with the aim of fully meeting the objectively assessed need.
- 4.3 However, as the overall need figure is based on and applied across the HMA (including six local authorities within PUSH), it is expected that the 1,733 dwelling shortfall will need be addressed by those other authorities that have more extensive land availability that is free from similar high level constraints (as used in the background analysis undertaken by Havant Borough Council). Similarly it is acknowledged that Havant Borough is on the edge of the HMA so it is equally important to liaise with our neighbours at Chichester District Council.
- 4.4 The Council will continue to work positively with the other PUSH local authorities in the HMA together with Chichester District Council to ensure it can meet the full objectively assessed housing needs in the Borough in so far that it is consistent with the policies in the NPPF and fulfils its responsibility under the Duty to Cooperate.

Guiding Principle 6

The Council will continue to fully comply with our Duty to Cooperate under the NPPF. We will work with nearby local authorities with the aim of reducing or eliminating any identified but unaddressed housing need. We will also continue to work with other relevant organisations to ensure that the step change in development which must take place in the Borough does so in a way which constitutes sustainable development as defined in the NPPF.



Local Plan Housing Statement

Annex A: Explanation of terms and site map booklet

December 2016



1. Explanation of terms

Overview

- 1.10 This annex sets out a detailed explanation of the terms used in the Local Plan Housing Statement and also includes maps of all the sites identified in Table 2.

Explanation of terms and figures

- 1.11 The need for new housing in Havant Borough has been calculated through the 2016 Objectively-Assessed Housing Need Update⁴², which was commissioned by the Partnership for Urban South Hampshire (PUSH), of which Havant Borough Council is a part. This study uses a set Government Methodology to establish the need for new housing. The figure for Havant Borough's housing need is 11,250 up to 2036.

Term used	Explanation	Number
Completed dwellings (2011/12 – 2014/15)	The existing local plan covers the period 2006 -2026. All the dwellings count that have been built under the existing local plan since 01/04/2011 when the new local plan starts.	1693
Permissions (outstanding planning permissions at 01/04/16)	The amount of new homes provided if all homes with planning permission on 01/04/2016 are built out. This is the most up-to-date data available.	1863
Allocations in current Local Plan (yet to be completed/permitted at 01/04/16)	The allocations set out in the Adopted Local Plan ⁴³ without planning permission at 01/04/2016. This is the most up to date data available.	1694
Windfall Development (up until 2036)	Windfall is housing that comes forward on small sites that could not be foreseen, e.g. a house is demolished and 4 new homes built, make 3 net additional homes. Windfall is based on past trends in each of five areas of the Borough and further detail is available in the Analysis and Justification Background Paper ⁴⁴ .	1191
Additional sites inside the urban area	Further brownfield sites, on top of those identified through the Adopted Local Plan, on brownfield sites in the Borough's urban areas.	65
Additional sites outside of the urban area	The minimum amount of new housing which would be provided from all urban extension sites in Table 2.	1361
Denvilles and Emsworth Strategic Site	Minimum amount of new housing which would be provided from the strategic site.	1650

⁴² This is available on the PUSH website at http://www.push.gov.uk/item_12_-_appendix_2_housing_oan.pdf.

⁴³ Which is comprised of the Local Plan (Core Strategy) (<http://www.havant.gov.uk/planning-and-environment/planning-policy/local-plan-core-strategy>) and Local Plan (Allocations) (<http://www.havant.gov.uk/planning-and-environment/planning-policy/local-plan-allocations>).

⁴⁴ <http://www.havant.gov.uk/sites/default/files/documents/Windfall%20Background%20Paper%202013.pdf>

2. Site maps – Individual sites proposed for ‘early release’ shown in orange

2.1 This section sets out maps of the proposed greenfield urban extension sites which are set out in Table 2 of the Local Plan Housing Statement.

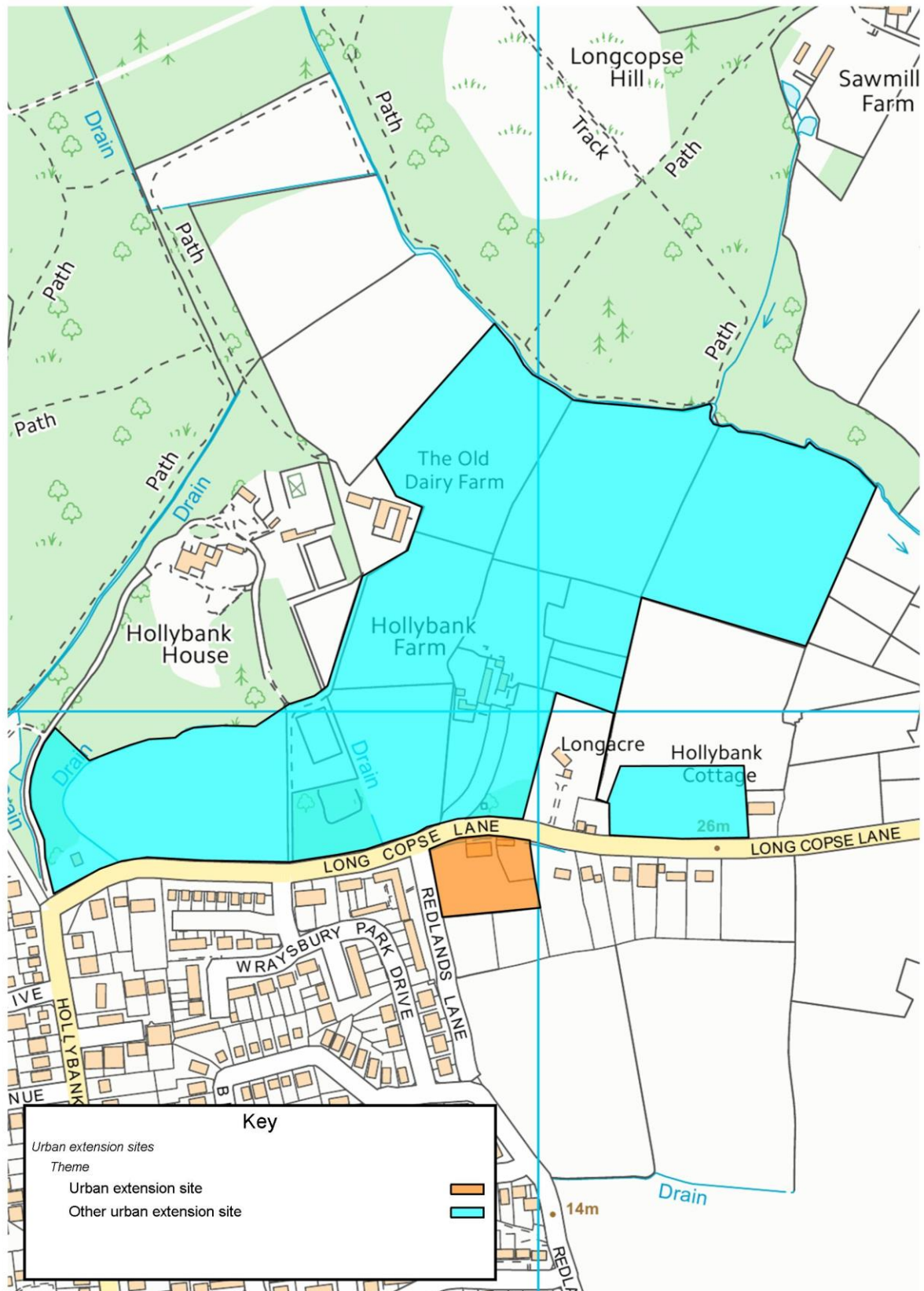
Emsworth Sites

- UE67 Land to the rear of Redlands House (5 dwellings)
- UE76 Land North of Long Copse Lane (260 dwellings)
- UE02b Land north and west of Selangor Avenue (154 dwellings)

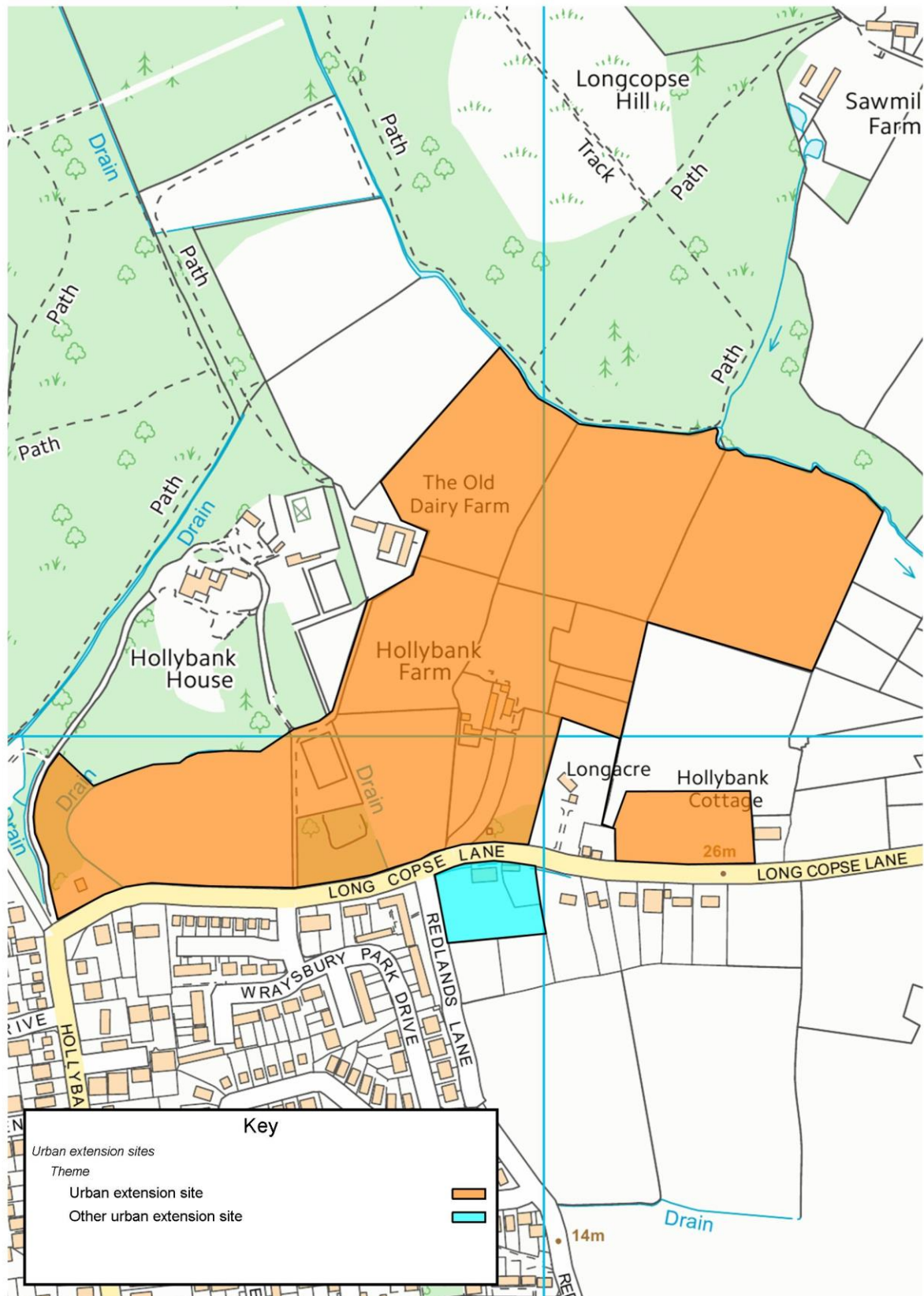
Total through urban extensions in Emsworth: 419 dwellings

N.B. The Urban extension sites are in addition to sites in the Emsworth Area that will have outstanding planning permission, may be allocated in the existing Local Plan but do not have permission plus an allowance for windfall development on small sites.

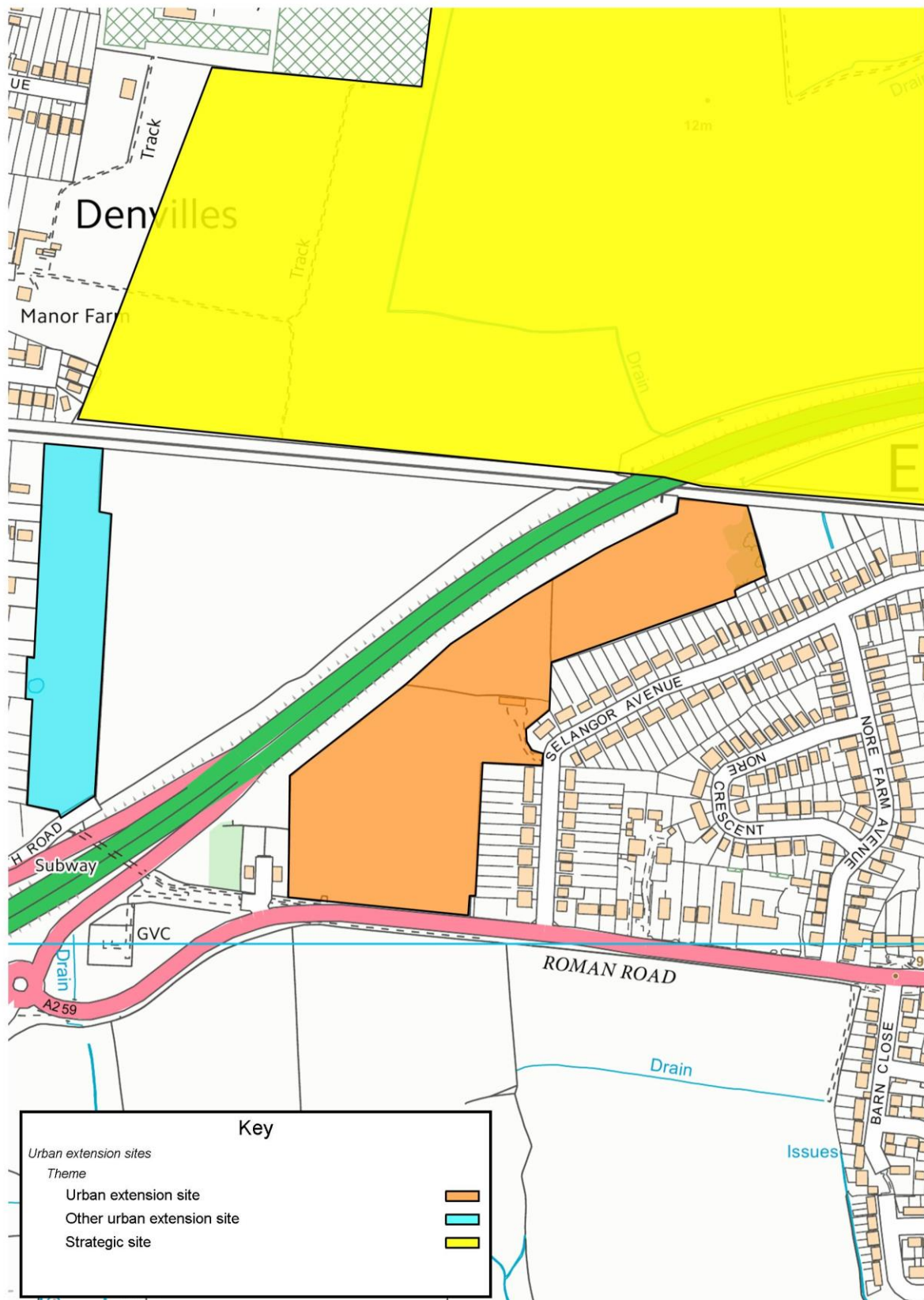
Land to the rear of Redlands House (UE67)



Land North of Long Copse Lane (UE76)



Land North and West of Selangor Avenue (UE02B)



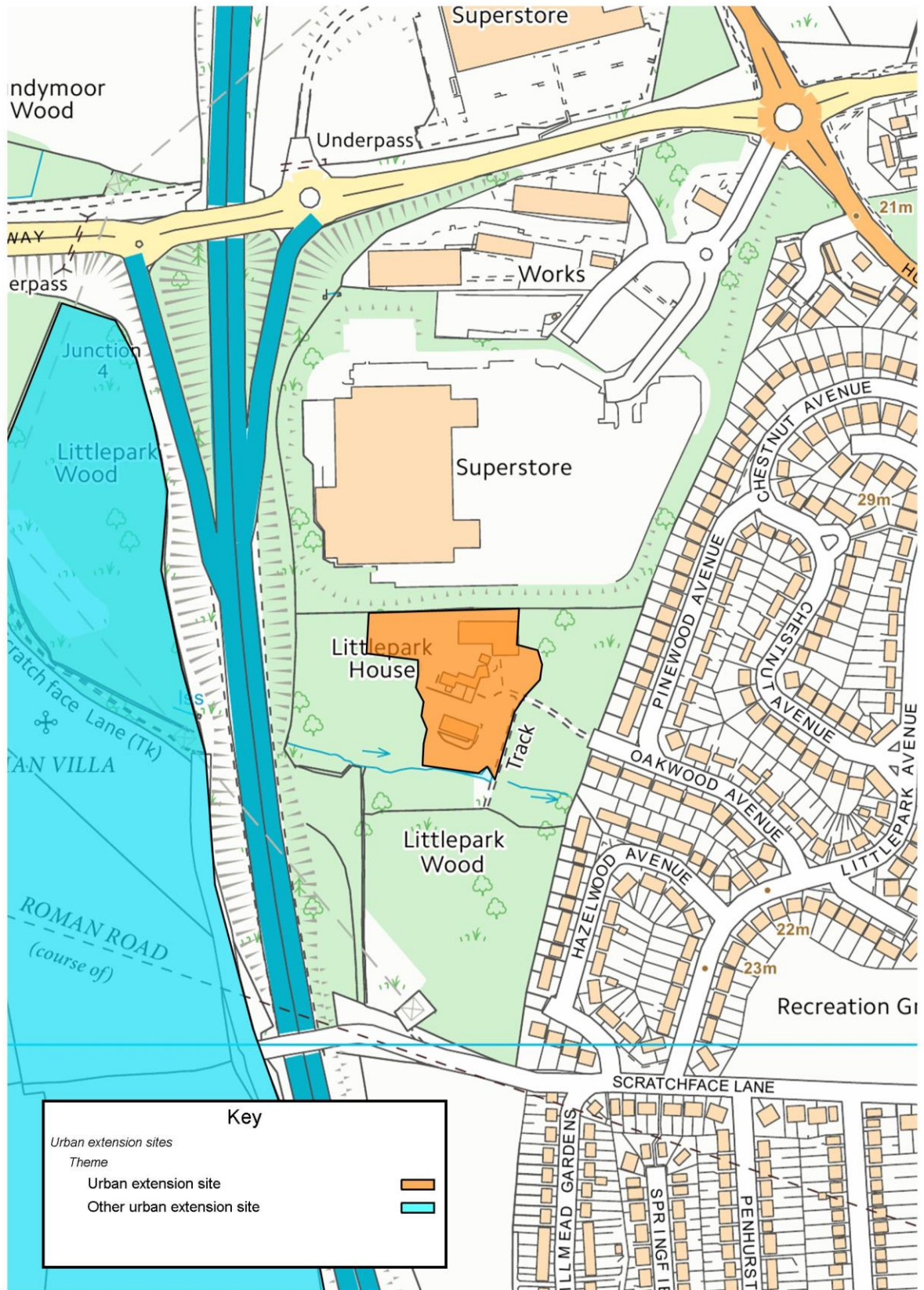
Havant & Bedhampton

- UE28 Littlepark House, Bedhampton (47 dwellings)
- UE30 Land south of Lower Road, Bedhampton (50 dwellings)
- UE53 Land east of Castle Avenue (60 dwellings)
- UE55 Southleigh Park House (35 dwellings)
- UE68 Forty Acres (300 dwellings)

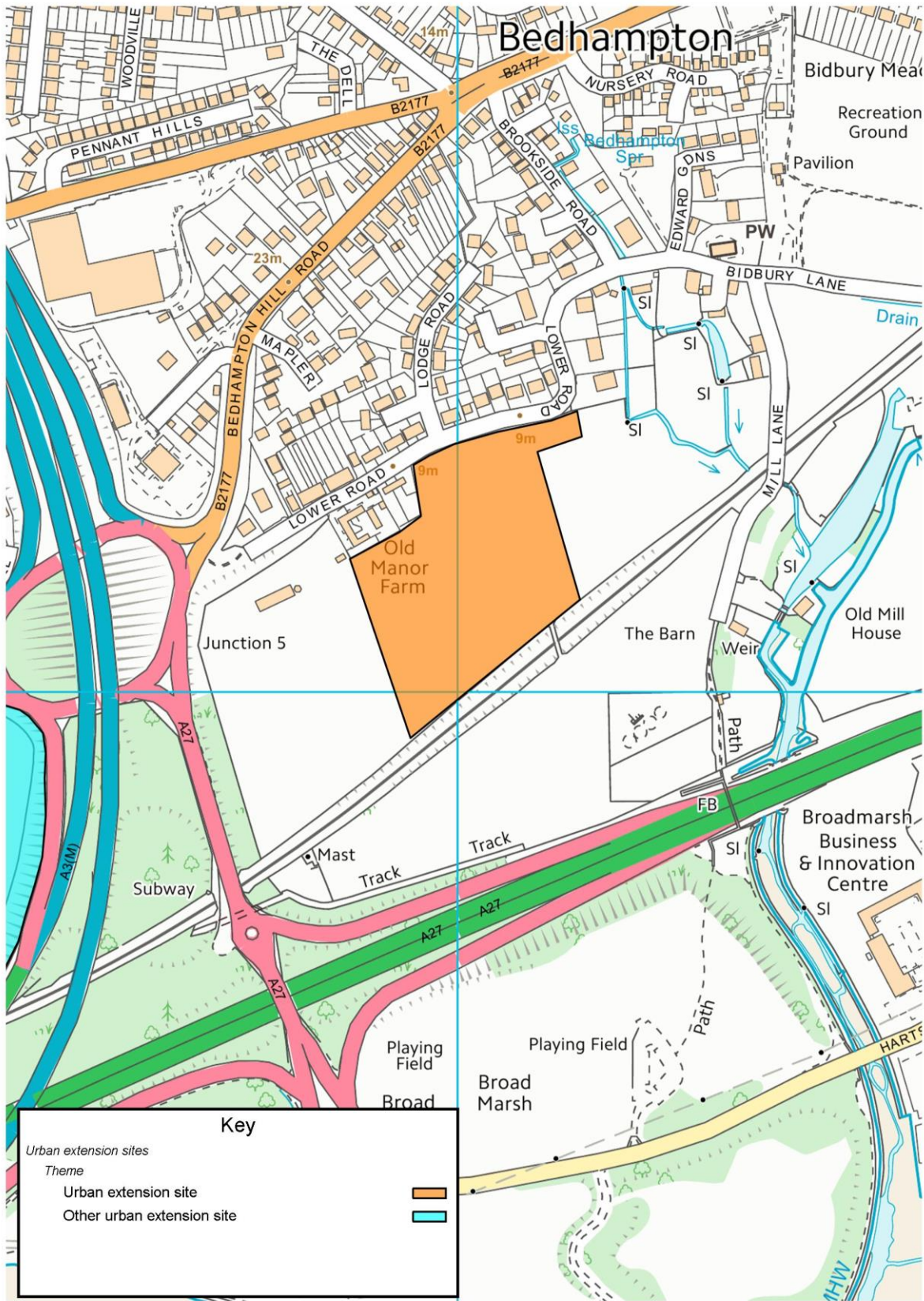
Total in Havant and Bedhampton: 492 dwellings

N.B. The Urban extension sites are in addition to sites in the Havant and Bedhampton Area that will have outstanding planning permission, may be allocated in the existing Local Plan but do not have permission plus an allowance for windfall development on small sites.

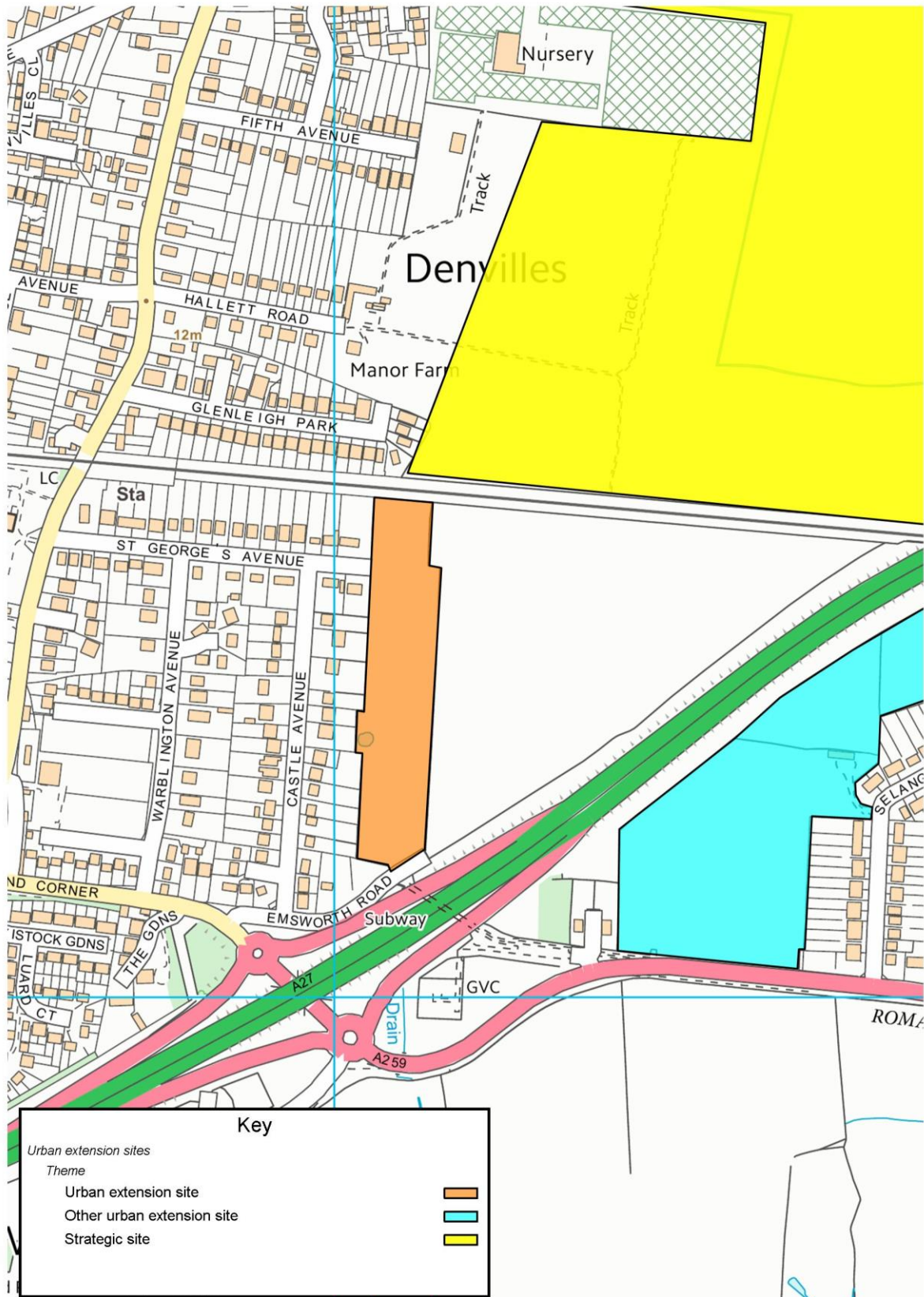
Littlepark House (UE28)



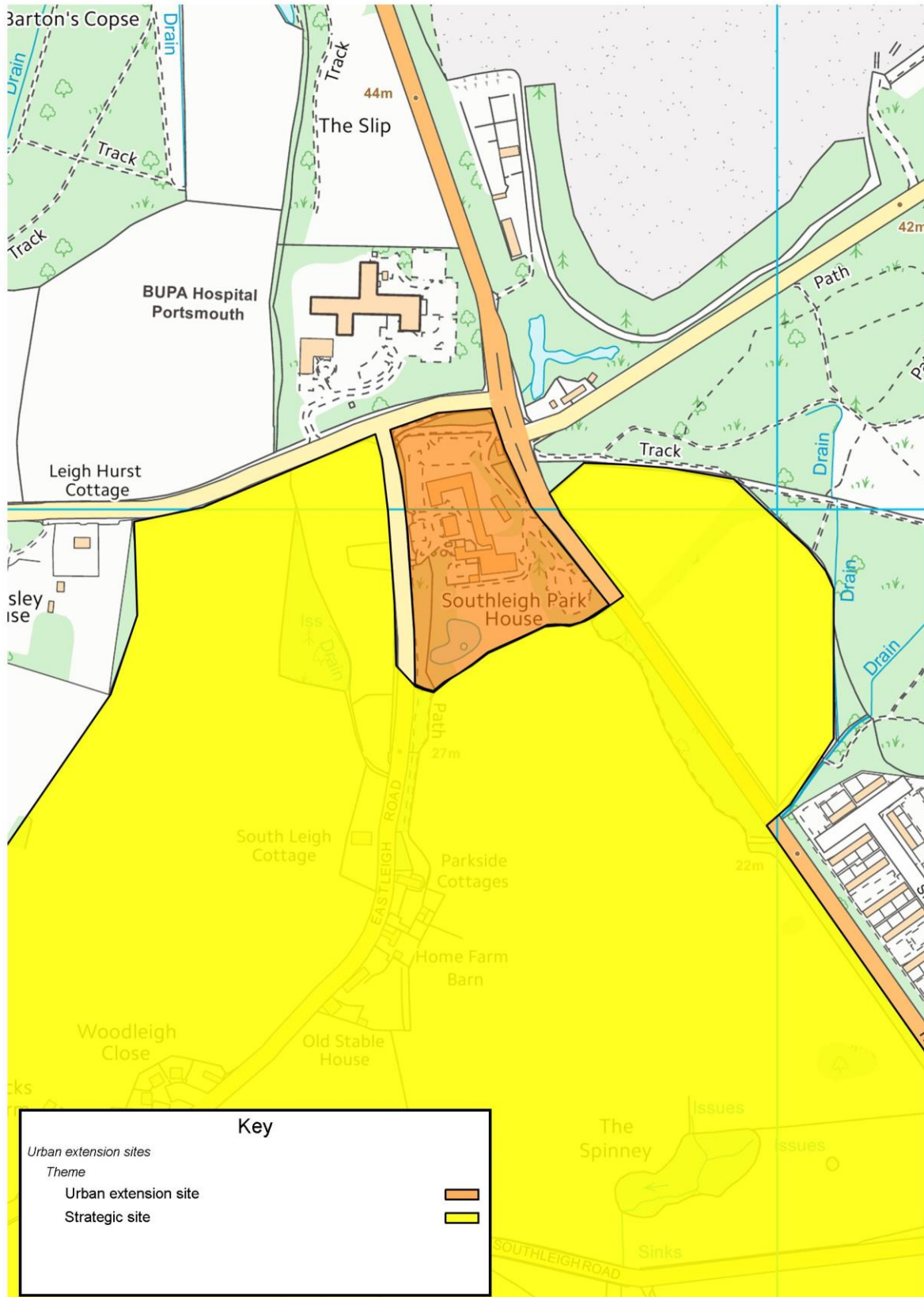
Land South of Lower Road (UE30)



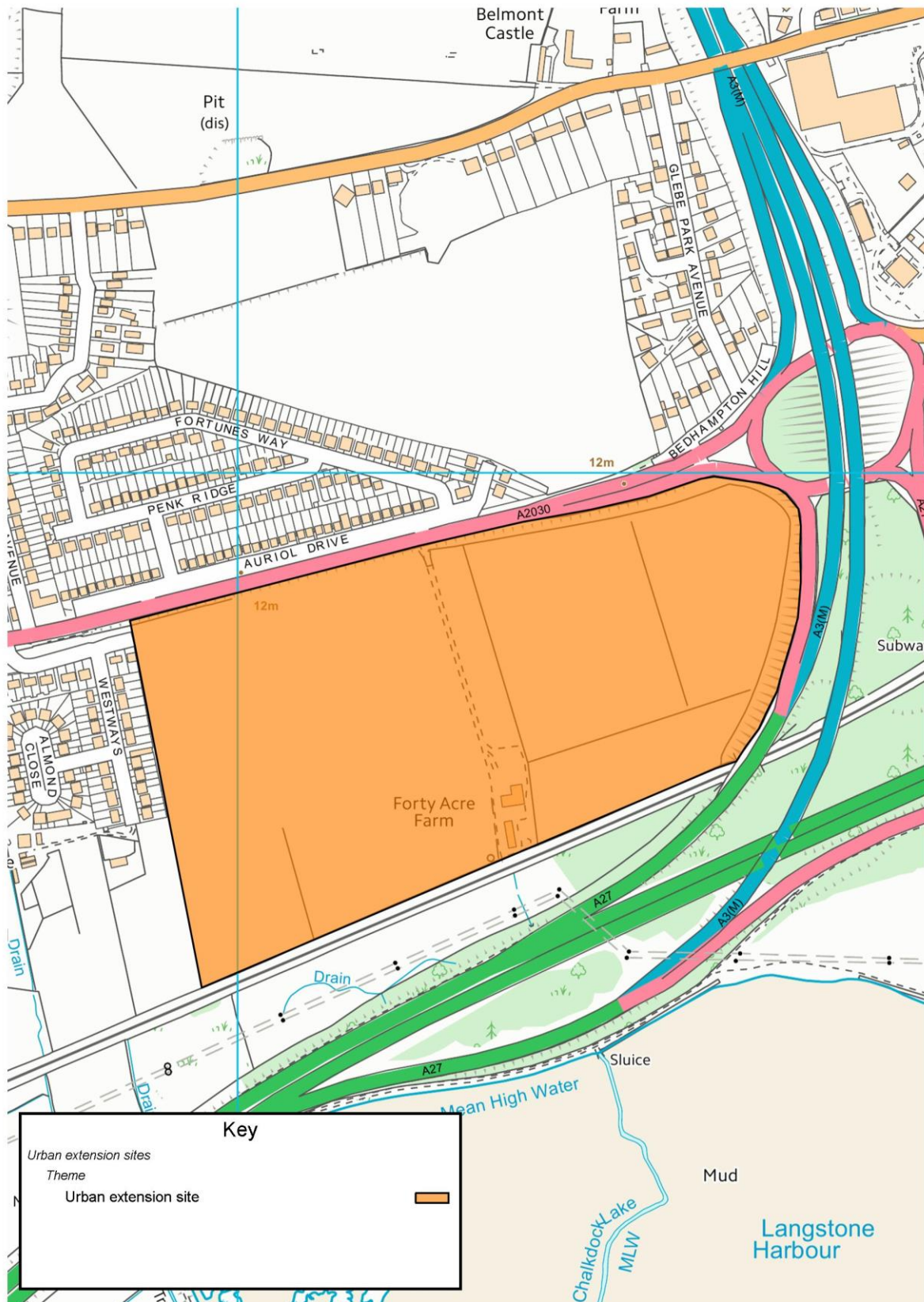
Land East of Castle Avenue (UE53)



Southleigh Park House (UE55)



Forty Acres (UE68)



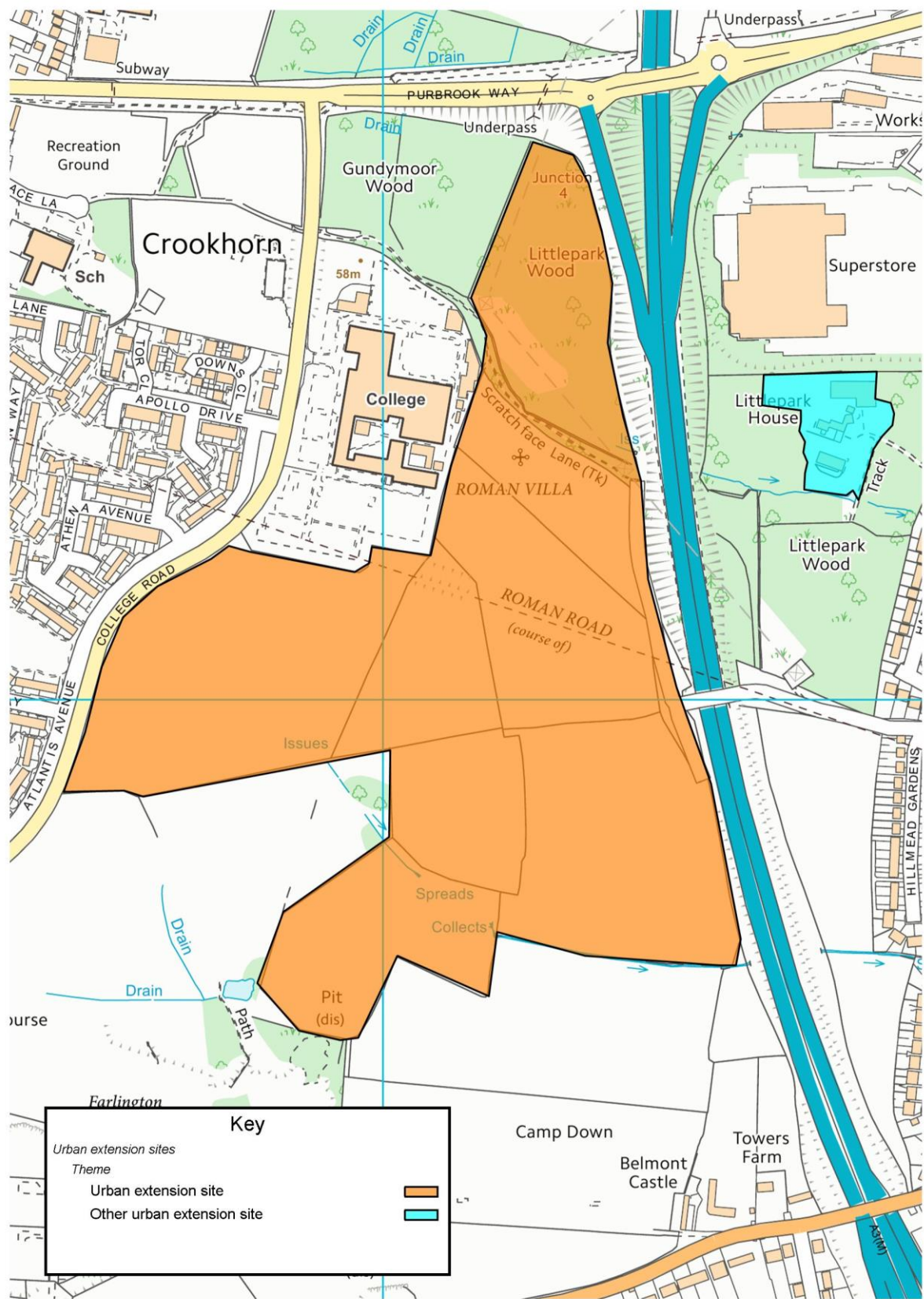
Waterlooville

- UE70 Land East of College Road (350 dwellings)
- UE72 Land North of Fort Purbrook (100 dwellings)

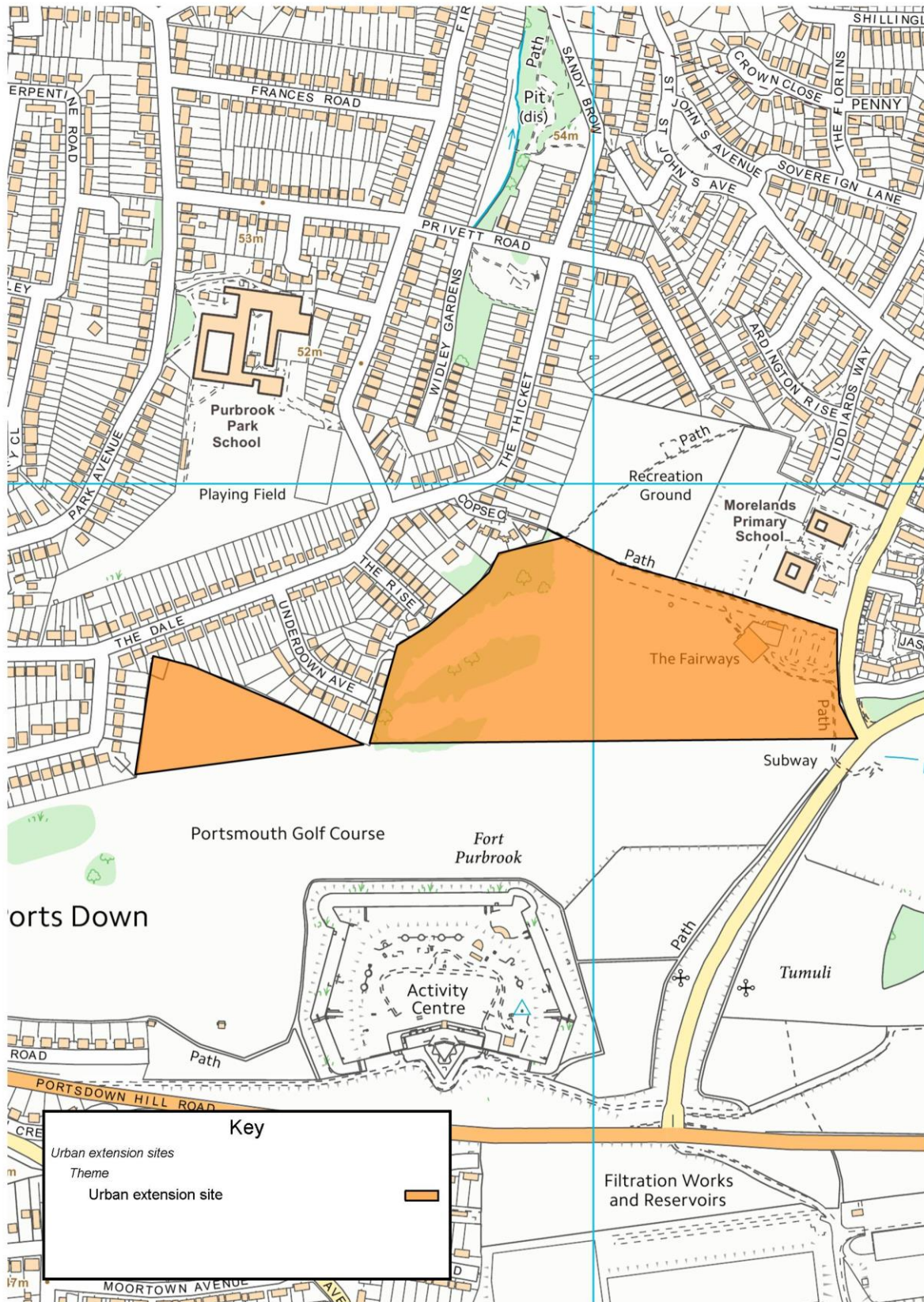
Total in Waterlooville: 450 dwellings

N.B. The Urban extension sites are in addition to sites in the Hayling Island Area that will have outstanding planning permission, may be allocated in the existing Local Plan but do not have permission plus an allowance for windfall development on small sites.

Land East of College Road (UE70)



Land North of Fort Purbrook (UE72)





Summary of developable but not preferred sites (Source: Site Selection Paper (Ref:EV13))

SHLAA Ref:	Site Name	Capacity
1005	Land adjacent to 75 Holly Hill Lane	8
1172	Crofton House Site, Titchfield	12
1335	Land at Addison Road	13
1341	Land south of Oakcroft Lane, Stubbington	144
1356	187 Botley Road – site A proposal, Burridge	8
1974	130-136 West Street, Fareham	24
2853	Land rear of Red Lion, Fareham	30
2890	Egmont Nursery, Warsash	24
2997	187 Botley Road (Site B)	15
2998	187 Botley Road (Site C)	20
3009	Down End West (Land at Down End Road)	628
3010	Land at Southampton Road, Titchfield	15
3017	Land adj Swanwick Lane, Swanwick	46
3018	Land east of Bye Road, Swanwick	8
3022	Land west of Newgate Lane, Stubbington	55
3026	Eyersdown Farm, Burridge	32
3027	21 Burridge Road, Burridge	12
3036	Land west of Sovereign Crescent, Locks Heath	49
3037	Land west of Old Street, Stubbington	6
3040	West of Northfield Park	20
3050	Land at Brook Avenue, Warsash	49
3052	Land to the east of Furze Court, Wickham Road	13
3058	Land east of St. Margarets Lane, Titchfield	14
3060	Land west of St. Margarets Lane, Titchfield	40
3063	Trinity Street Car Park	12
3064	320 Southampton Road, Titchfield	26
3067	119 West Street and land to rear	22
3073	Land at Addison Road, Park Gate	16
3103	Land at Rookery Avenue	16
3106	Land adj to 316 Botley Road, Burridge	10
3107	Land at Rookery Farm, Swanwick	8
3109	Land off Sopwith Way, Swanwick	41
3110	Land south of Holly Hill Lane, Sarisbury	37
3116	Cherry Tree Industrial Park, Burridge	22
3117	Land at Rookery Farm, Botley Road, Swanwick	75
3118	Land at Hope Lodge, Fareham	41
3119	Wicor Farm, Cranleigh, Portchester	10
3120	The Grange, Oakcroft Lane, Stubbington	30
3123	177-181 Botley Road, Burridge	6
3129* (3002)	Land West of Newgate Lane South (B), Stubbington	122
3130	Down End West (northern part above allocation)	113
Total		1892

Appendix 4

FBC and HCC Officer correspondence with regard to Heath Road Site

[REDACTED]

From: [REDACTED]
Sent: 08 December 2014 14:52
To: [REDACTED]
Subject: FW: Land at Heath Road, Locks Heath

[REDACTED]
Principal Planner (Strategy) and Sustainability Co-ordinator
Fareham Borough Council
[REDACTED]



From: [REDACTED]
Sent: 08 December 2014 09:22
To: [REDACTED]
Subject: RE: Land at Heath Road, Locks Heath

Dear Mark,

Thank you for your email.

The County Council is meeting the third party landowner this week to discuss a potential joint approach and communication arrangements. We will update the Borough Council in due course.

For the purposes of our valuations, we have assumed that the site will be policy compliant in respect of affordable housing.

Kind regards

[REDACTED]
[REDACTED]
Planning and Urban Design Manager
Estates and Development Services

T: [REDACTED]
[REDACTED]
[REDACTED]

'A modern business delivering public services'
HCC Property Services, Three Minsters House, 76 High Street, Winchester, Hampshire, S023 8UL

From: [REDACTED]
Sent: 28 November 2014 10:47
To: [REDACTED]
Subject: RE: Land at Heath Road, Locks Heath

Dear Matthew,

I appreciate the additional information, it was helpful at the examination hearing session.

During the hearing on housing the site was discussed in detail and the Inspector has subsequently asked us to provide further information on certain aspects of the site. He was interested in the different land owners and whilst you previously indicated the numbers could be delivered on HCC land alone, it would be helpful to know whether discussions have been held with any of the adjoining 3rd party landowners, or whether HCC intend to involve them in the overall delivery of the scheme. The current Local Plan site brief for the site mentions the need for a comprehensive development and so understanding the potential interactions between the different landowners is key.

It would also be useful to understand what level of affordable housing you see as deliverable on the site, as we are also having to complete another additional piece of work for the Inspector on affordable housing.

I hope this makes sense, but please feel free to call.

Kind regards,

[REDACTED]
Principal Planner (Strategy) and Sustainability Co-ordinator
Fareham Borough Council
[REDACTED]



From: [REDACTED]
Sent: 20 November 2014 14:08
To: [REDACTED]
Subject: RE: Land at Heath Road, Locks Heath

Dear Mark,

I confirm that the County Council is not reliant on third party land for access and the site is not now being considered for extra care housing.

The 70 dwelling target was based solely on County Council land however we note that the allocation includes third party land (in addition to some unregistered land) and we are due to meet with the third party landowner on 12 December with a view to jointly promoting the site. This additional land provides some flexibility in the layout and design of the housing areas, should there be any shortfall in the amount of housing that can be accommodated on the County Council land. 70 dwellings therefore represents a robust assessment of capacity.

I see that a number of queries were discussed at the recent examination sessions in respect of other County Council sites and I am happy to go through these with you over the 'phone or be email if required.

Kind regards
Matthew

[REDACTED]
Planning and Urban Design Manager
Estates and Development Services
T: [REDACTED]
[REDACTED]
[REDACTED]
'A modern business delivering public services'

HCC Property Services, Three Minsters House, 76 High Street, Winchester, Hampshire, S023 8UL

From: [REDACTED]
Sent: 17 November 2014 13:53
To: [REDACTED]
Subject: RE: Land at Heath Road, Locks Heath

Dear Matthew,

Thanks for this additional information, it is useful for us to understand the trajectory.

However, having considered the nature of some of the likely objections to the allocation of the site it would be helpful for us if you are also able to clarify that HCC are able to deliver all these units on HCC land, and are not reliant upon any 3rd party land for access. It would also be beneficial to clarify whether these units are likely to come forward as standard market housing (as opposed to Extra Care)?

If you have any queries about this matter, please do not hesitate to contact me.

Kind regards,

[REDACTED]
Principal Planner (Strategy) and Sustainability Co-ordinator
Fareham Borough Council
[REDACTED]



From: [REDACTED]
Sent: 13 November 2014 09:11
To: [REDACTED]
Subject: RE: Land at Heath Road, Locks Heath

Dear Claire,

I would anticipate completion rates of 20 dwellings in 2017/18 and 50 dwellings in 2018/19. This will include affordable housing provision. In calendar years this would roughly equate to 10 dwellings in 2017, 50 dwellings in 2018 and 10 dwellings in 2019.

I trust this is of assistance and do let me know if you require anything further.

Kind regards
Matthew

[REDACTED]
Planning and Urban Design Manager
Estates and Development Services
T: [REDACTED]
[REDACTED]
[REDACTED]

"A modern business delivering public services"
HCC Property Services, Three Minsters House, 76 High Street, Winchester, Hampshire, S023 8UL

From: [REDACTED]
Sent: 12 November 2014 21:52
To: [REDACTED]
[REDACTED]
Subject: RE: Land at Heath Road, Locks Heath

Dear Matthew,

Thank you for updating Fareham Borough Council on the timescales for delivery on the Heath Road (Site H11).

Site H11 in the submission version of the Development Sites and Policies Plan (Local Plan Part 2) has an indicative capacity of 70 dwellings (excluding unregistered land). Given the Authority will consequently need to update its housing trajectory in light of this information, I would be grateful if you could just clarify the anticipated completion rates (i.e. the number of residential units per annum) between Autumn 2017 and Spring 2019.

If you have any queries about this matter, please do not hesitate to contact me further.

Kind regards,

[REDACTED]

[REDACTED]
Head of Planning Strategy and Regeneration
Fareham Borough Council
[REDACTED]



From: [REDACTED]
Sent: 12 November 2014 09:38
To: [REDACTED]
[REDACTED]
Subject: Land at Heath Road, Locks Heath

Dear Claire,

Further to our telephone conversation yesterday, you asked for clarification on the timescales for delivery of the above site (Site H11 in the submission Local Plan Part 2).

The site continues to be surplus as a result of new education facilities at Locks Heath Infant and Junior Schools (due for completion by Summer 2015) and proposed schooling in Whiteley.

The timetable for delivery of the Heath Road site is:
Autumn 2015 – submission of an outline planning application
Winter 2015 – planning permission
Spring 2016 - site marketing
Autumn 2016 – submission of reserved matters applications
Winter 2016 – enabling works
Spring 2017 – commence construction
Autumn 2017 – first completions
Spring 2019 – final completions.

It is therefore a fair assumption that the whole of Site H11 will contribute to five year housing land supply.

Finally, the County Council as a landowner does not consider that the site needs a more explicit link to the delivery of Locks Heath District Centre (Policy DSP35) however the relationship will be considered in more detailed masterplanning.

I hope this is helpful and please let me know if you have any queries.

Kind regards

[Redacted signature block]

Planning and Urban Design Manager
HCC Property Services

T: [Redacted]
[Redacted]
[Redacted]

"A modern business delivering public services"

HCC Property Services, Three Minsters House, 76 High Street, Winchester, Hampshire, S023 8UL

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TECHNICAL NOTE

Project No: ITB9287
Project Title: Oakcroft Lane, Stubbington
Title: Proposed Site Access Strategy
Ref: BH/ITB9287-002 TN
Date: 17 November 2017

SECTION 1 INTRODUCTION

1.1 Background and Scope

1.1.1 i-Transport has been appointed by Persimmon Homes to provide highways and transport advice in relation to the proposed development of land to the north and south of Oakcroft Lane, Stubbington.

1.1.2 The site is being promoted to Fareham Borough Council through the emerging Local Plan for residential development of circa 200 dwellings.

1.1.3 This Technical Note sets out the proposed site access strategy for all modes for discussion and agreement with the Local Highway Authority. The remainder of the Technical Note is structured as follows:

- Section Two – sets out the existing transport conditions in the vicinity of the development to provide the context for the proposed access strategy;
- Section Three – sets out the proposed site access strategy for all modes; and
- Section Four – provides a summary and conclusion.

SECTION 2 EXISTING CONDITIONS

2.1 Site Location

- 2.1.1 The site is located to the north and south of Oakcroft Lane, Stubbington and the site location is shown on Figure 1.

2.2 Existing Conditions

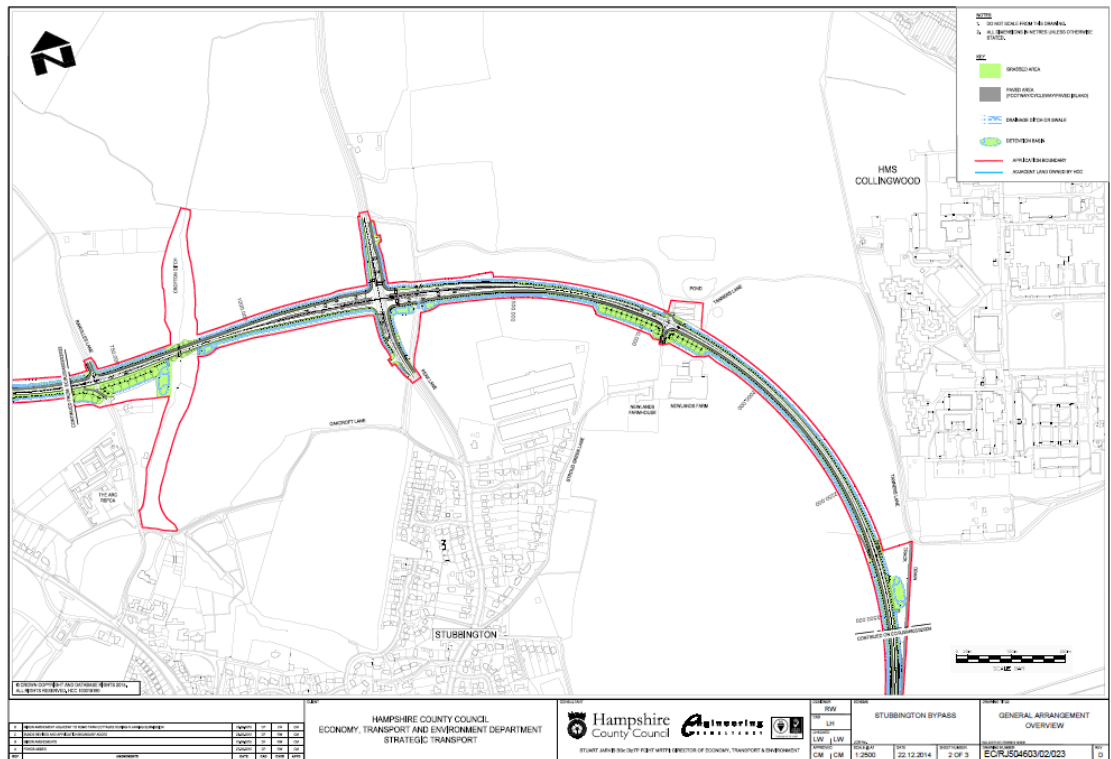
- 2.2.1 At its eastern end, Oakcroft Lane is residential in character, has a 30mph speed limit and frontage access and a footway on the southern side of the carriageway. Currently the footway only continues to the Three Ways Close cul-de-sac.
- 2.2.2 Circa 50m to the west of the Three Ways Close cul-de-sac, the character of Oakcroft Lane changes as there is no longer any frontage development. The speed limit also increases to 'National Speed Limit' and there is no footway on either side of the carriageway. Oakcroft Lane then has a similar character along the remainder of its length until it terminates at the junction with Ranvilles Lane.
- 2.2.3 To the east, Oakcroft Lane forms the minor arm of a priority junction with Peak Lane. In this location Peak Lane has a residential character with frontage access, footways on both sides of the carriageway, a 30mph speed limit and street lighting. To the south of the Oakcroft Lane/Peak Lane junction there are dedicated on carriageway cycle lanes on Peak Lane whilst to the north of the junction there is a shared use off road footway/cycleway on the eastern side of Peak Lane.
- 2.2.4 To the north of the existing built up area of Stubbington the character of Peak Lane changes. Subsequently the speed limit changes from 30mph to 'National Speed Limit' (60mph).

2.3 Stubbington Bypass

- 2.3.1 Hampshire County Council are delivering a bypass around Stubbington to divert traffic around the outskirts of Stubbington and reduce journey times and peak hour congestion onto and off the Gosport peninsula. The scheme has planning approval and is fully funded and it is understood work will commence on site in 2019.
- 2.3.2 The alignment of the proposed bypass in the vicinity of the site is shown in Plate 2.1. Where the bypass intersects Peak Lane a four arm signal junction is proposed. The design of the access to the site therefore needs to be considered in the context of

both the existing conditions and the committed Stubbington Bypass scheme. Plate 2.1 is reproduced in full in Appendix A.

Plate 2.1: Stubbington Bypass Alignment



Source: Hampshire County Council

SECTION 3 PROPOSED SITE ACCESS STRATEGY

3.1 Vehicular Access Strategy

- 3.1.1 Vehicular access is proposed to the site via Peak Lane. The access would be in the form of a new ghost island junction as shown on drawing ITB9287-SK-009.
- 3.1.2 A new length of road would connect the proposed access onto Peak Lane with the development site and would intersect with the existing alignment of Oakcroft Lane. The western part of Oakcroft Lane could be served via this new length of road and the new junction onto Peak Lane as shown on drawing ITB9287-SK-009 resulting in the eastern end of Oakcroft Lane and Three Ways Close cul-de-sac being closed to through traffic. Alternatively, both Oakcroft Lane and the new length of road could remain open to all traffic.
- 3.1.3 Automatic Traffic Count (ATC) surveys were undertaken on Peak Lane to the north and south of the proposed access to determine the design speed for the proposed ghost island junction. The results of the speed survey are summarised in Table 3.1.

Table 3.1: Speed Survey Results and Visibility Requirements

Location	Direction	Recorded Speeds
Northern Survey	Northbound	47.6mph
	Southbound	47.2mph
Southern Survey	Northbound	46.0mph
	Southbound	43.2mph

Source: Speed Surveys

- 3.1.4 Based on the speed survey results, a design speed of 50mph has been used to determine the length of the right turn lane and the tapers provided. As demonstrated on drawing ITB9287-SK-009, a visibility splay of 2.4m x 160m can be achieved to the north. To the south, it is only possible to achieve a visibility splay of circa 2.4m x 130m. This is appropriate for the prevailing speed of traffic from this direction (46mph) based on the formula for driver perception/reaction times and deceleration from the Design Manual for Road and Bridges.
- 3.1.5 A new junction would be formed where Oakcroft Lane meets the proposed access road to the site. The character of the proposed residential streets within the development and the length of the road between the junction and Peak Lane will

constrain vehicle speeds. This new length of road has a 30mph design speed and subsequently 2.4m x 43m visibility splays will be provided.

3.1.6 A shared use footway / cycleway will also be provided along the length of the new road to connect with the existing facility on Peak Lane and further details are provided in relation to this in Section 3.2.

3.1.7 Appropriate vehicular access can therefore be achieved to the site in the context of the existing conditions on Peak Lane.

Stubbington Bypass

3.1.8 As set out in Section 2.3, the County Council are proposing to deliver a bypass around Stubbington to the north of the proposed development. Where the bypass intersects with Peak Lane a signal junction is proposed.

3.1.9 Drawing ITB9287-GA-010 shows the proposed access arrangement in the context of the proposed Stubbington Bypass alignment. As shown on drawing ITB9287-GA-010, the access is still proposed in the form of a ghost island junction. The provision of the bypass and the signal junction will significantly change the character of Peak Lane in the vicinity of the proposed access and it is anticipated that this will reduce vehicle speeds. Subsequently the design speed for the proposed access has been reduced to 30mph (and the length of the right turn lane shortened). The commencement of the two lane approach to the signal junction has been marginally altered so that it starts to develop to the north of the proposed junction.

3.1.10 Appropriate vehicular access can therefore be achieved to the site in the context of the proposed Stubbington Bypass.

Operational Assessment

3.1.11 An operational assessment of the site access junction has been undertaken using Junctions 9. A 'One Hour' profile has been used which models a synthesised peak within the peak hour. Table 3.2 summaries the results with the full Junctions 9 report provided in Appendix B.

3.1.12 The provision of the bypass is anticipated to significantly alter traffic movements in the area and further information is sought from Hampshire County Council on the

changes anticipated on Peak Lane and Oakcroft Lane. For the purpose of an initial assessment however the following assumptions have been used:

- A morning and evening peak trip rate of circa 0.5 – 0.6 per dwelling;
- 70% of traffic from the development will travel north on Peak Lane and 30% of traffic from the development will travel south;
- All traffic that currently uses Oakcroft Lane will use the new junction and link road. The current traffic levels have been determined from an Automatic Traffic Count survey and the turning proportions used for the development traffic have been applied to the existing turning movements; and
- Traffic growth has been applied to the 2017 traffic survey results to determine 2022 design year traffic volumes.

Table 3.2: Proposed Site Access Junction – Operational Assessment Results

	Morning Peak			Evening Peak		
	Max RFC	Max Queue (vehicles)	Delay (S)	Max RFC	Max Queue (vehicles)	Delay (S)
Site Access Left Turn	0.77	3	54	0.16	<1	9
Site Access Right Turn	0.73	2	99	0.19	<1	24
Peak Lane Right Turn	0.15	<1	12	0.30	<1	10

Source: Junctions 9

3.1.13 As demonstrated in Table 3.2, there is limited queueing in the morning and evening peak for traffic turning right from Peak Lane onto the new link road providing access to the development and Oakcroft Lane.

3.1.14 In the morning peak the queue of vehicles wishing to turn left or right from the site access onto Peak Lane is short (two – three vehicles) but the level of delay experienced by vehicles wishing to turn right is relatively high. The retention of Oakcroft Lane could reduce the level of vehicle delay with some traffic continuing to use the existing junction with Peak Lane. The provision of the bypass may also reduce traffic movements on Oakcroft Lane and Peak Lane subsequently reducing the level of delay in the morning peak for this right turn movement.

- 3.1.15 In the evening peak there is limited queuing and delay for vehicles wishing to turn left or right from the site access onto Peak Lane.

3.2 Sustainable Modes Access Strategy

- 3.2.1 Figure 1 illustrates the location of everyday services and facilities in close proximity to the proposed development and the pedestrian routes available to access these facilities. The location of the closest bus stops to the development are also shown.

Access to the South

- 3.2.2 There is an existing Public Footpath (509) through the site connecting Marks Tey Road and Oakcroft Lane. According to the 'Definitive Statement' the Public Footpath has a width of 1.8m. Initially the Public Footpath has a metalled surface connecting to the existing footway on Marks Tey Road. It is considered that there is an opportunity to improve the surface of the existing Public Footpath between the metalled section and the streets proposed within the development. This will provide pedestrian access from the development to the destinations to the south including Stubbington Village and Meoncross School and Crofton School.

Access to the North

- 3.2.3 A new section of footway/cycleway will be provided between the proposed development and Peak Lane on the western side of the proposed new road. At the new junction with Peak Lane a refuge will be provided in the ghost island to assist pedestrians and cyclists to cross to the existing shared use footway/cycleway on the eastern side of Peak Lane. This provides facilities for pedestrian and cycle journeys to the north to destinations within Fareham.

Access to the East

- 3.2.4 Oakcroft Lane to the east of the proposed access road to the development could be closed to through traffic. If this occurred, this road would be lightly trafficked with the western section which has no footway only providing vehicular access to the turning head. Even if Oakcroft Lane was not closed to through traffic it is anticipated that existing traffic levels would reduce (with existing traffic and development traffic travelling to the north using the new road and junction). Pedestrians and cyclists travelling to the extremely limited number of destinations best served by this route (only the bus stops on Peak Lane) could therefore use this as a shared surface.

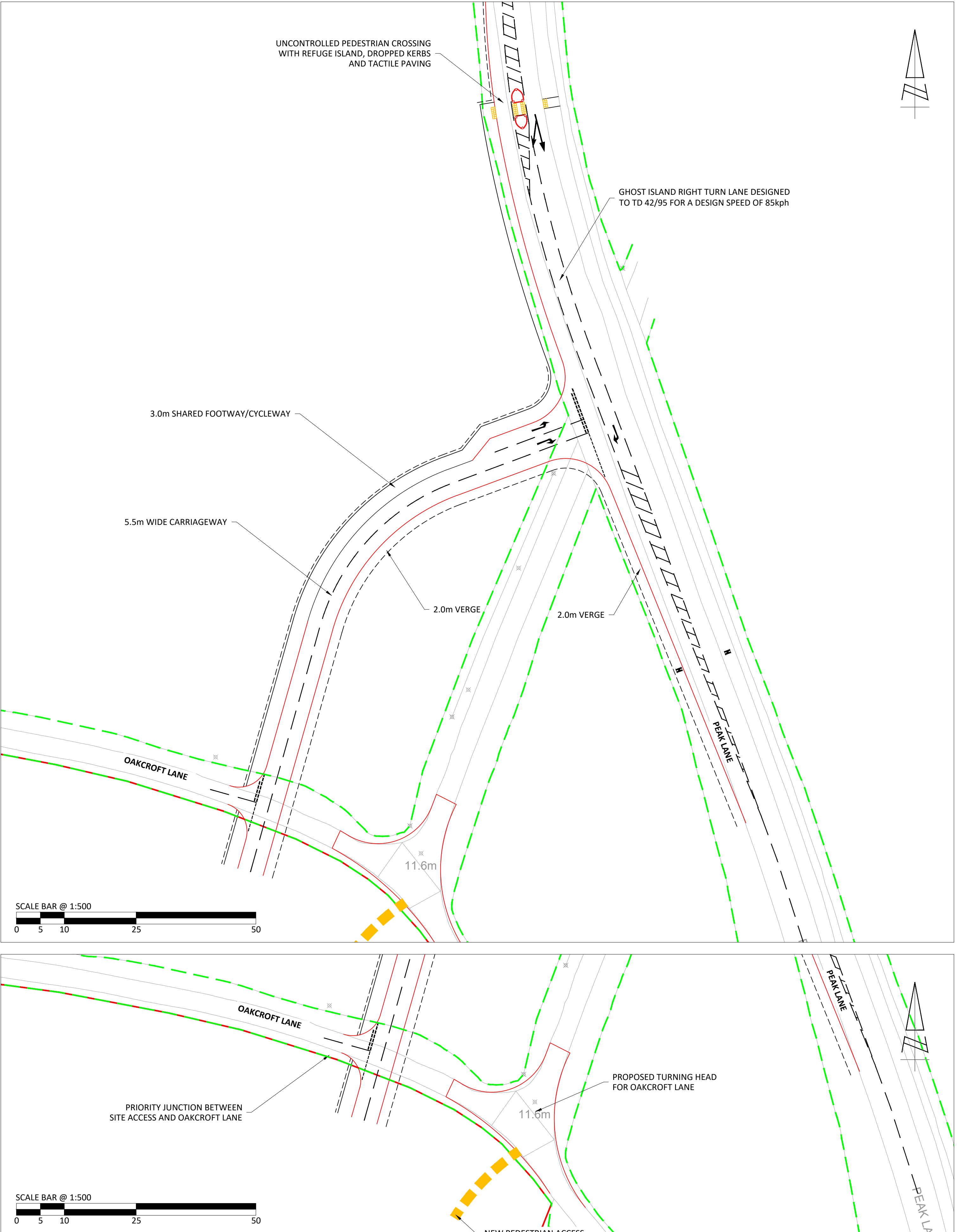
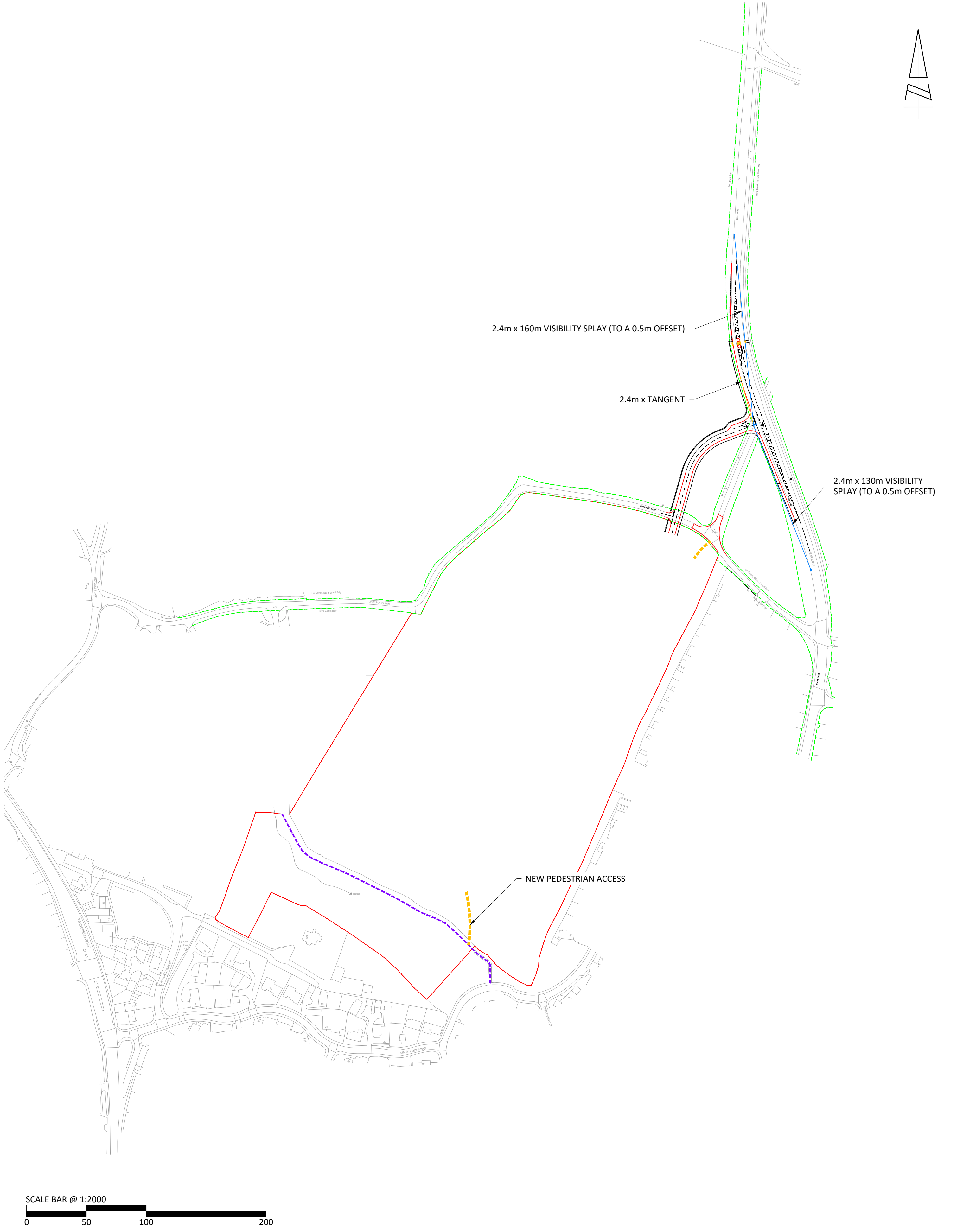
SECTION 4 SUMMARY AND CONCLUSION

4.1 Summary

- 4.1.1 i-Transport has been appointed by Persimmon Homes to provide highways and transport advice in relation to the proposed development of land to the north and south of Oakcroft Lane, Stubbington. The proposal is to develop the site to provide circa 200 dwellings. This Technical Note sets out the proposed access strategy for all modes for discussion and agreement with the Local Highway Authority.
- 4.1.2 Vehicular access is proposed via a new ghost island junction onto Peak Lane. A new length of road would connect the ghost island junction with the proposed development and Oakcroft Lane. The ghost island junction is considered appropriate in the context of the existing conditions on Peak Lane and in the context of the proposed Stubbington Bypass. The eastern end of Oakcroft Lane could be closed to through traffic.
- 4.1.3 Pedestrian access is proposed on the southern boundary of the site onto Marks Tey Road via the existing Public Footpath. This provides the most direct and appropriate access to the services and facilities in Stubbington Village and Meoncross School and Crofton School. A new section of footway/cycleway will be provided between the proposed development and Peak Lane to the north. This provides facilities for pedestrian and cycle journeys to the north to destinations within Fareham.
- 4.1.4 Pedestrians and cyclists travelling to the extremely limited number of destinations best served by Oakcroft Lane (only the bus stops on Peak Lane) can use Oakcroft Lane as a shared surface. Alternative routes to the bus stops on Peak Lane are also available via the pedestrian accesses to the north and south.

FIGURES

DRAWINGS



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KEY:

- HIGHWAY BOUNDARY
- SITE BOUNDARY
- EXISTING FOOTPATH LINK
- PROPOSED FOOTPATH LINK

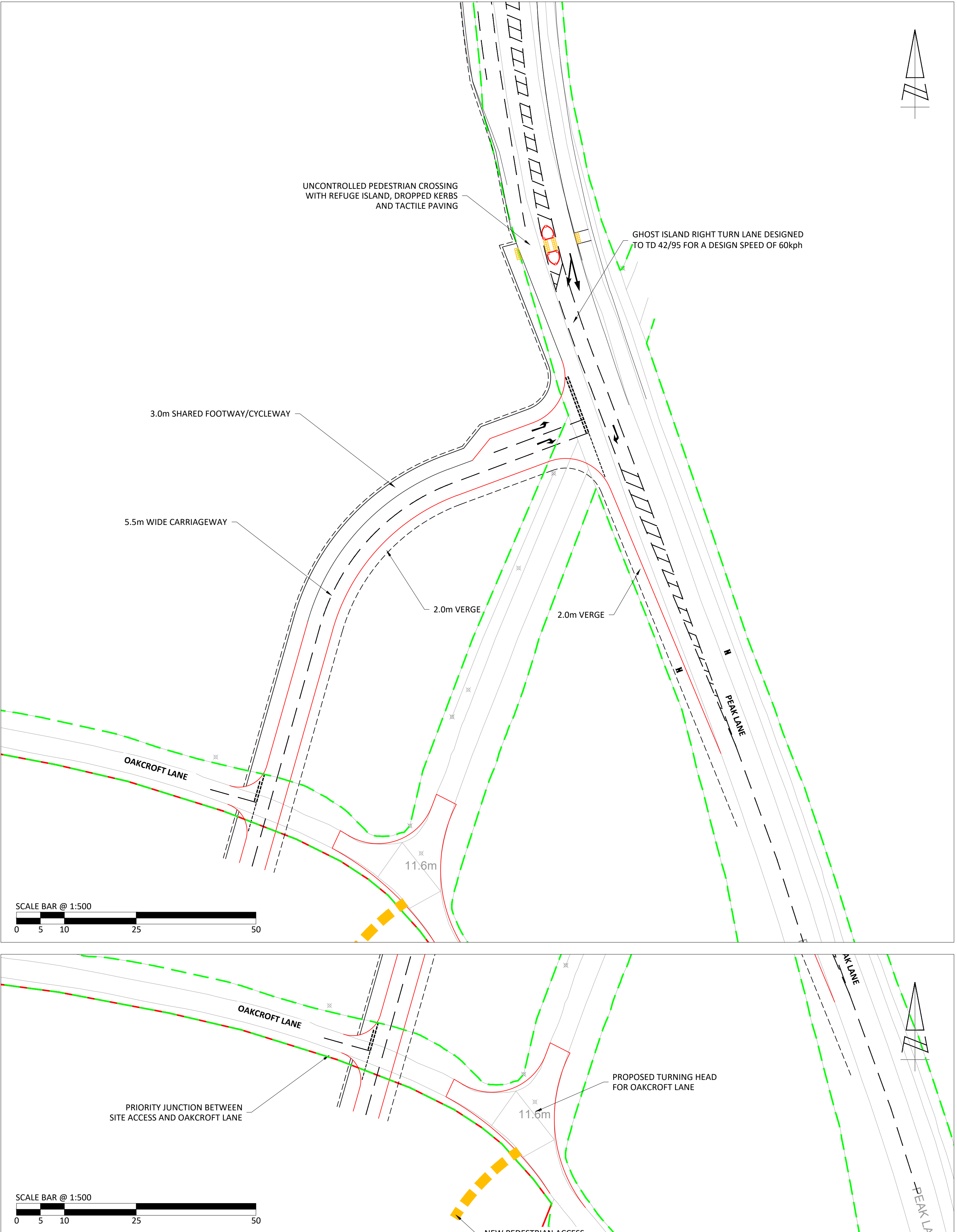
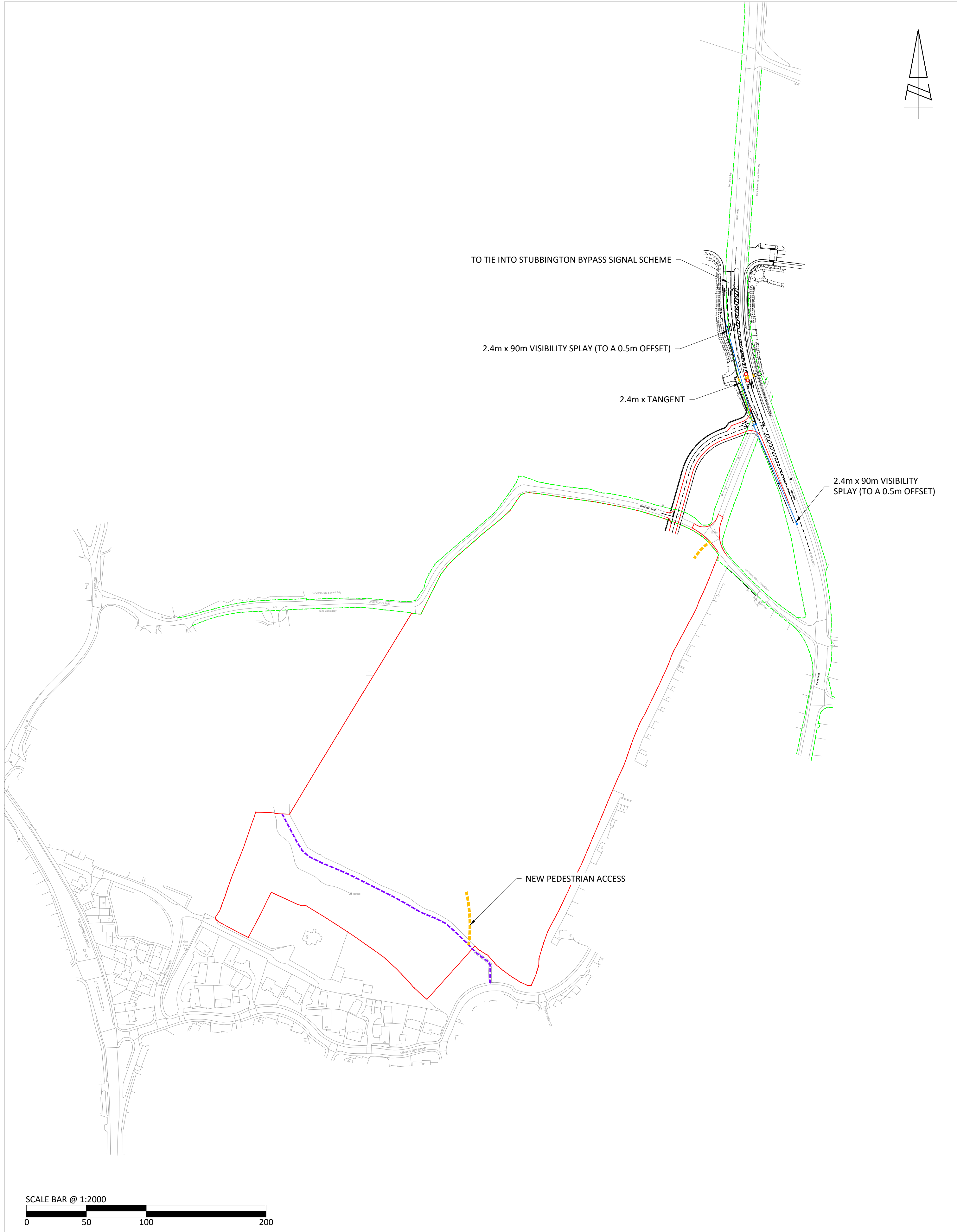
i-Transport

Grove House, Lutyens Close, Chineham
Basingstoke, Hampshire, RG24 8AG
Tel: 01256 338640
Fax: 01256 338644
www.i-transport.co.uk

REV	DATE	BY	DESCRIPTION	CHK	APP
STATUS: DRAFT					

PROJECT:		CLIENT:	
OAKCROFT LANE, STUBBINGTON		PERSIMMON HOMES SOUTH COAST	

SCALE @ AS:	AS SHOWN	CHECKED:	BH	APPROVED:	BH
FILE REF:	ITB9287	DRAWN:	MC	DATE:	16.11.17
DRAWING NO:	ITB9287-SK-009				
PROJECT NO:	ITB9287				REV:



- KEY:
- HIGHWAY BOUNDARY
 - SITE BOUNDARY
 - EXISTING FOOTPATH LINK
 - PROPOSED FOOTPATH LINK

i-Transport

Grove House, Lutyens Close, Chineham
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REV	DATE	BY	DESCRIPTION	CHK	APP
STATUS: DRAFT					

TITLE:		OAKCROFT LANE ACCESS STRATEGY - WITH STUBBINGTON BYPASS	
PROJECT:		OAKCROFT LANE, STUBBINGTON	
CLIENT:		PERSIMMON HOMES SOUTH COAST	

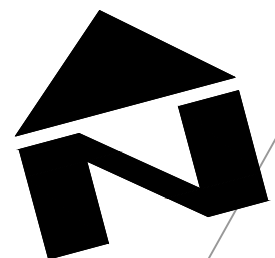
SCALE @ AS:	AS SHOWN	CHECKED:	BH	APPROVED:	BH
FILE REF:	ITB9287	DRAWN:	MC	DATE:	16.11.17
DRAWING NO:	ITB9287-SK-010				
PROJECT NO:	ITB9287				
REV:					

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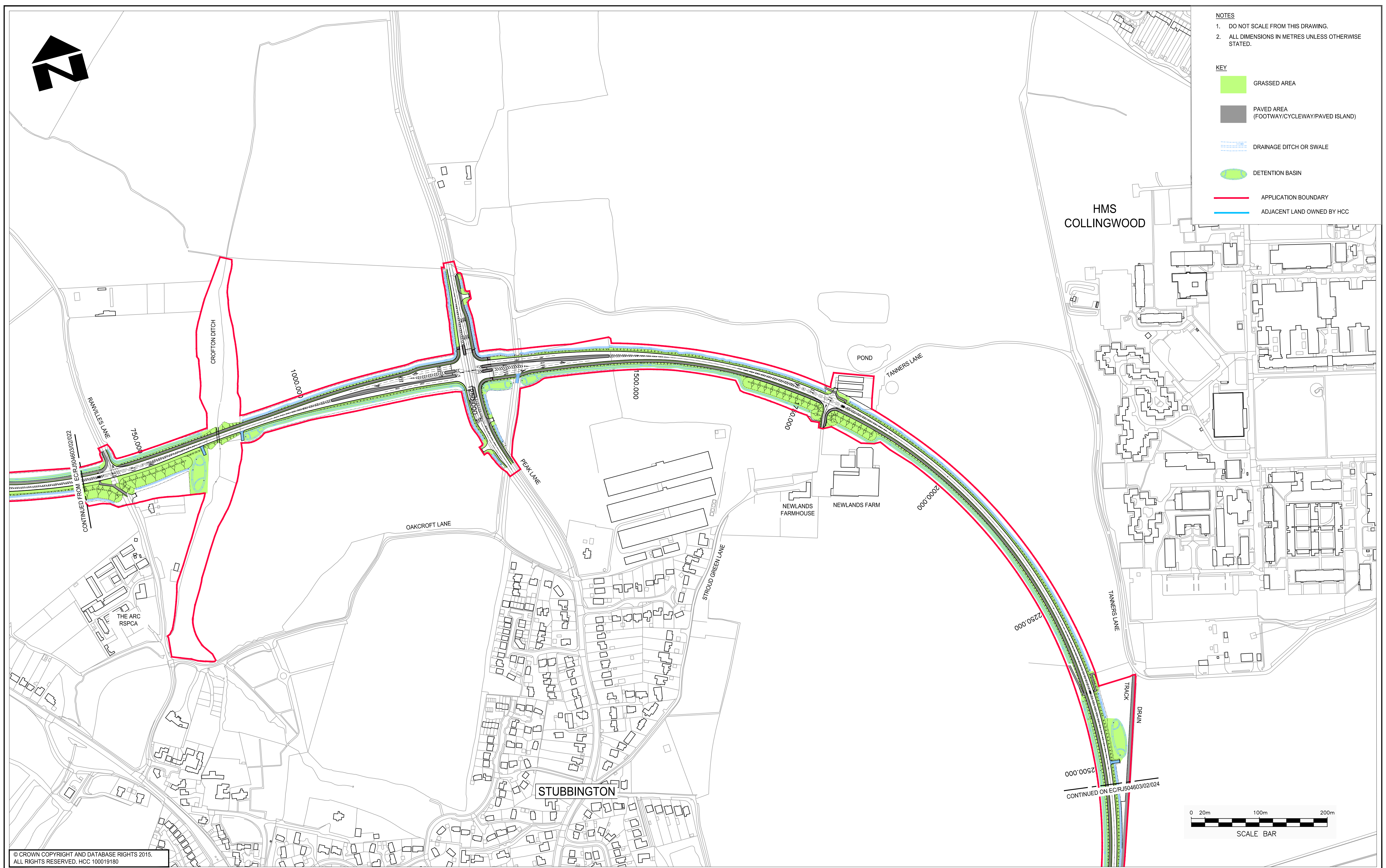
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APPENDIX A

STUBBINGTON BYPASS ALIGNMENT



- NOTES
- DO NOT SCALE FROM THIS DRAWING.
 - ALL DIMENSIONS IN METRES UNLESS OTHERWISE STATED.
- KEY
- GRASSED AREA
 - PAVED AREA (FOOTWAY/CYCLEWAY/PAVED ISLAND)
 - DRAINAGE DITCH OR SWALE
 - DETENTION BASIN
 - APPLICATION BOUNDARY
 - ADJACENT LAND OWNED BY HCC



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CLIENT						CONSULTANT				DESIGNER		SCHEME		DRAWING TITLE	
HAMPSHIRE COUNTY COUNCIL ECONOMY, TRANSPORT AND ENVIRONMENT DEPARTMENT STRATEGIC TRANSPORT						Hampshire County Council STUART JARVIS BSc DipTP FCIHT MRTPI: DIRECTOR OF ECONOMY, TRANSPORT & ENVIRONMENT				RW LH LW CM		STUBBINGTON BYPASS		GENERAL ARRANGEMENT OVERVIEW	
D	MINOR AMENDMENT ADJACENT TO ROME FARM COTTAGES DURING PLANNING SUBMISSION	22.02.2015	DF	LW	CM					CAD		JOB No.		HCC CAD FILE: K:\EngRoads\Schemes\RJ504603.01 Stubbington Bypass\AutoCAD\02-Planning\EC_RJ504603-02-022_024_GA-OVERVIEW.dwg	
C	BUNDS REVISED AND APPLICATION BOUNDARY ADDED	29.05.2015	DF	RW	CM					CHECKED		SCALE @ A1		DRAWING NUMBER	
B	MINOR AMENDMENTS	01.04.2015	DF	RW	CM					LW		DATE		REV	
A	PONDS ADDED	27.02.2015	DF	RW	CM					APPROVED		22.12.2014		D	
REV	AMENDMENTS	DATE	CAD	CHKD	APPD					CM		SHEET NUMBER		EC/RJ504603.02.023	
												1:2500		2 OF 3	

APPENDIX B

JUNCTION MODELLING

Junctions 9					
PICADY 9 - Priority Intersection Module					
Version: 9.0.2.5947 © Copyright TRL Limited, 2017					
For sales and distribution information, program advice and maintenance, contact TRL: +44 (0)1344 770558 software@trl.co.uk www.trlsoftware.co.uk					
The users of this computer program for the solution of an engineering problem are in no way relieved of their responsibility for the correctness of the solution					

Filename: Site Access.j9

Path: T:\Projects\9000 Series Project Numbers\9287ITB Oakcroft Lane, Stubbington\Tech\Junction Assessments\Picady

Report generation date: 17/11/2017 10:19:14

»2022 with Development , AM

»2022 with Development , PM

Summary of junction performance

	AM					PM				
	Queue (Veh)	Delay (s)	RFC	LOS	Network Residual Capacity	Queue (Veh)	Delay (s)	RFC	LOS	Network Residual Capacity
2022 with Development										
Stream B-C	2.9	54.30	0.77	F	-13 % [Stream B-A]	0.2	8.55	0.16	A	16 % [Stream B-A]
Stream B-A	2.2	98.96	0.73	F		0.2	24.11	0.19	C	
Stream C-AB	0.2	11.56	0.15	B		0.4	10.12	0.30	B	

Values shown are the highest values encountered over all time segments. Delay is the maximum value of average delay per arriving vehicle. Network Residual Capacity indicates the amount by which network flow could be increased before a user-definable threshold (see Analysis Options) is met.

File summary

File Description

Title	(untitled)
Location	
Site number	
Date	13/11/2017
Version	
Status	(new file)
Identifier	
Client	
Jobnumber	
Enumerator	I-TRANSPORT\Hotdesk
Description	

Units

Distance units	Speed units	Traffic units input	Traffic units results	Flow units	Average delay units	Total delay units	Rate of delay units
m	kph	Veh	Veh	perHour	s	-Min	perMin

Analysis Options

Calculate Queue Percentiles	Calculate residual capacity	Residual capacity criteria type	RFC Threshold	Average Delay threshold (s)	Queue threshold (PCU)
	✓	Delay	0.85	36.00	20.00

Demand Set Summary

ID	Scenario name	Time Period name	Traffic profile type	Start time (HH:mm)	Finish time (HH:mm)	Time segment length (min)
D3	2022 with Development	AM	ONE HOUR	07:45	09:15	15
D4	2022 with Development	PM	ONE HOUR	16:45	18:15	15

Analysis Set Details

ID	Network flow scaling factor (%)
A1	100.000

2022 with Development , AM

Data Errors and Warnings

No errors or warnings

Junction Network

Junctions

Junction	Name	Junction Type	Major road direction	Junction Delay (s)	Junction LOS
1	untitled	T-Junction	Two-way	11.07	B

Junction Network Options

Driving side	Lighting	Network residual capacity (%)	First arm reaching threshold
Left	Normal/unknown	-13	Stream B-A

Arms

Arms

Arm	Name	Description	Arm type
A	Peak Lane N		Major
B	Site Access		Minor
C	Peak Lane S		Major

Major Arm Geometry

Arm	Width of carriageway (m)	Has kerbed central reserve	Has right turn bay	Width for right turn (m)	Visibility for right turn (m)	Blocks?	Blocking queue (PCU)
C	7.00		✓	3.00	100.0	✓	6.00

Geometries for Arm C are measured opposite Arm B. Geometries for Arm A (if relevant) are measured opposite Arm D.

Minor Arm Geometry

Arm	Minor arm type	Width at give-way (m)	Width at 5m (m)	Width at 10m (m)	Width at 15m (m)	Width at 20m (m)	Estimate flare length	Flare length (PCU)	Visibility to left (m)	Visibility to right (m)
B	One lane plus flare	8.75	6.00	6.00	3.00	2.20	✓	2.00	48	57

Slope / Intercept / Capacity

Priority Intersection Slopes and Intercepts

Junction	Stream	Intercept (Veh/hr)	Slope for A-B	Slope for A-C	Slope for C-A	Slope for C-B
1	B-A	493	0.086	0.217	0.137	0.310
1	B-C	707	0.104	0.262	-	-
1	C-B	687	0.255	0.255	-	-

The slopes and intercepts shown above do NOT include any corrections or adjustments.

Streams may be combined, in which case capacity will be adjusted.

Values are shown for the first time segment only; they may differ for subsequent time segments.

Traffic Demand

Demand Set Details

ID	Scenario name	Time Period name	Traffic profile type	Start time (HH:mm)	Finish time (HH:mm)	Time segment length (min)
D3	2022 with Development	AM	ONE HOUR	07:45	09:15	15

Default vehicle mix	Vehicle mix source	PCU Factor for a HV (PCU)
✓	HV Percentages	2.00

Demand overview (Traffic)

Arm	Linked arm	Use O-D data	Average Demand (Veh/hr)	Scaling Factor (%)
A		✓	928	100.000
B		✓	266	100.000
C		✓	483	100.000

Origin-Destination Data

Demand (Veh/hr)

	To			
		A	B	C
	A	0	21	907
	B	80	0	186
	C	435	48	0

Vehicle Mix

Heavy Vehicle Percentages

	To			
		A	B	C
	A	10	10	10
	B	10	10	10
	C	10	10	10

Results

Results Summary for whole modelled period

Stream	Max RFC	Max delay (s)	Max Queue (Veh)	Max LOS
B-C	0.77	54.30	2.9	F
B-A	0.73	98.96	2.2	F
C-AB	0.15	11.56	0.2	B
C-A				
A-B				
A-C				

Main Results for each time segment

07:45 - 08:00

Stream	Total Demand (Veh/hr)	Capacity (Veh/hr)	RFC	Throughput (Veh/hr)	End queue (Veh)	Delay (s)	LOS
B-C	140	432	0.324	138	0.5	12.193	B
B-A	60	240	0.251	59	0.3	19.736	C
C-AB	36	447	0.081	36	0.1	8.756	A
C-A	327			327			
A-B	16			16			
A-C	683			683			

08:00 - 08:15

Stream	Total Demand (Veh/hr)	Capacity (Veh/hr)	RFC	Throughput (Veh/hr)	End queue (Veh)	Delay (s)	LOS
B-C	167	381	0.439	166	0.8	16.645	C
B-A	72	196	0.367	71	0.6	28.557	D
C-AB	43	412	0.105	43	0.1	9.751	A
C-A	391			391			
A-B	19			19			
A-C	815			815			

08:15 - 08:30

Stream	Total Demand (Veh/hr)	Capacity (Veh/hr)	RFC	Throughput (Veh/hr)	End queue (Veh)	Delay (s)	LOS
B-C	205	278	0.736	198	2.4	42.084	E
B-A	88	125	0.707	83	1.9	78.469	F
C-AB	53	364	0.145	53	0.2	11.542	B
C-A	479			479			
A-B	23			23			
A-C	999			999			

08:30 - 08:45

Stream	Total Demand (Veh/hr)	Capacity (Veh/hr)	RFC	Throughput (Veh/hr)	End queue (Veh)	Delay (s)	LOS
B-C	205	266	0.770	203	2.9	54.300	F
B-A	88	121	0.729	87	2.2	98.957	F
C-AB	53	364	0.145	53	0.2	11.555	B
C-A	479			479			
A-B	23			23			
A-C	999			999			

08:45 - 09:00

Stream	Total Demand (Veh/hr)	Capacity (Veh/hr)	RFC	Throughput (Veh/hr)	End queue (Veh)	Delay (s)	LOS
B-C	167	374	0.448	175	0.8	18.839	C
B-A	72	195	0.369	78	0.6	32.364	D
C-AB	43	412	0.105	43	0.1	9.770	A
C-A	391			391			
A-B	19			19			
A-C	815			815			

09:00 - 09:15

Stream	Total Demand (Veh/hr)	Capacity (Veh/hr)	RFC	Throughput (Veh/hr)	End queue (Veh)	Delay (s)	LOS
B-C	140	430	0.326	141	0.5	12.542	B
B-A	60	240	0.251	61	0.3	20.260	C
C-AB	36	447	0.081	36	0.1	8.777	A
C-A	327			327			
A-B	16			16			
A-C	683			683			

2022 with Development , PM

Data Errors and Warnings

No errors or warnings

Junction Network

Junctions

Junction	Name	Junction Type	Major road direction	Junction Delay (s)	Junction LOS
1	untitled	T-Junction	Two-way	1.87	A

Junction Network Options

Driving side	Lighting	Network residual capacity (%)	First arm reaching threshold
Left	Normal/unknown	16	Stream B-A

Traffic Demand

Demand Set Details

ID	Scenario name	Time Period name	Traffic profile type	Start time (HH:mm)	Finish time (HH:mm)	Time segment length (min)
D4	2022 with Development	PM	ONE HOUR	16:45	18:15	15

Default vehicle mix	Vehicle mix source	PCU Factor for a HV (PCU)
✓	HV Percentages	2.00

Demand overview (Traffic)

Arm	Linked arm	Use O-D data	Average Demand (Veh/hr)	Scaling Factor (%)
A		✓	427	100.000
B		✓	106	100.000
C		✓	955	100.000

Origin-Destination Data

Demand (Veh/hr)

	To			
	A	B	C	
From	A	0	58	369
	B	32	0	74
	C	819	136	0

Vehicle Mix

Heavy Vehicle Percentages

	To			
	A	B	C	
From	A	10	10	10
	B	10	10	10
	C	10	10	10

Results

Results Summary for whole modelled period

Stream	Max RFC	Max delay (s)	Max Queue (Veh)	Max LOS
B-C	0.16	8.55	0.2	A
B-A	0.19	24.11	0.2	C
C-AB	0.30	10.12	0.4	B
C-A				
A-B				
A-C				

Main Results for each time segment

16:45 - 17:00

Stream	Total Demand (Veh/hr)	Capacity (Veh/hr)	RFC	Throughput (Veh/hr)	End queue (Veh)	Delay (s)	LOS
B-C	56	553	0.101	55	0.1	7.230	A
B-A	24	268	0.090	24	0.1	14.728	B
C-AB	102	543	0.189	101	0.2	8.142	A
C-A	617			617			
A-B	44			44			
A-C	278			278			

17:00 - 17:15

Stream	Total Demand (Veh/hr)	Capacity (Veh/hr)	RFC	Throughput (Veh/hr)	End queue (Veh)	Delay (s)	LOS
B-C	67	533	0.125	66	0.1	7.715	A
B-A	29	233	0.123	29	0.1	17.598	C
C-AB	122	527	0.232	122	0.3	8.883	A
C-A	736			736			
A-B	52			52			
A-C	332			332			

17:15 - 17:30

Stream	Total Demand (Veh/hr)	Capacity (Veh/hr)	RFC	Throughput (Veh/hr)	End queue (Veh)	Delay (s)	LOS
B-C	81	503	0.162	81	0.2	8.531	A
B-A	35	185	0.191	35	0.2	23.996	C
C-AB	150	506	0.297	150	0.4	10.089	B
C-A	901			901			
A-B	64			64			
A-C	406			406			

17:30 - 17:45

Stream	Total Demand (Veh/hr)	Capacity (Veh/hr)	RFC	Throughput (Veh/hr)	End queue (Veh)	Delay (s)	LOS
B-C	81	503	0.162	81	0.2	8.547	A
B-A	35	184	0.191	35	0.2	24.110	C
C-AB	150	506	0.297	150	0.4	10.115	B
C-A	901			901			
A-B	64			64			
A-C	406			406			

17:45 - 18:00

Stream	Total Demand (Veh/hr)	Capacity (Veh/hr)	RFC	Throughput (Veh/hr)	End queue (Veh)	Delay (s)	LOS
B-C	67	532	0.125	67	0.1	7.737	A
B-A	29	233	0.123	29	0.1	17.682	C
C-AB	122	527	0.232	123	0.3	8.917	A
C-A	736			736			
A-B	52			52			
A-C	332			332			

18:00 - 18:15

Stream	Total Demand (Veh/hr)	Capacity (Veh/hr)	RFC	Throughput (Veh/hr)	End queue (Veh)	Delay (s)	LOS
B-C	56	552	0.101	56	0.1	7.255	A
B-A	24	268	0.090	24	0.1	14.778	B
C-AB	102	543	0.189	103	0.2	8.187	A
C-A	617			617			
A-B	44			44			
A-C	278			278			