



Head of Planning Policy
Gosport Borough Council
Town Hall
High Street
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Dear Sir/Madam

GOSPORT BOROUGH LOCAL PLAN 2011-2029

Thank you for consulting with the Home Builders Federation (HBF) on the Gosport Local Plan.

The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing.

We would like to submit the following representations and in due course attend the Examination in Public if new hearing sessions need to be convened.

Relationship of the Gosport Local Plan to other local plans Cross boundary cooperation to address unmet housing needs

The Council has failed to demonstrate a positive planning commitment to addressing cross boundary strategic development needs. It has failed because it is disputing the analysis of housing needs provided by PUSH SHMA 2014 in favour of its own borough specific assessment.

Following an initial reading of the plan one comes away with the impression that the duty to cooperate is working well among the authorities of the Partnership for Urban South Hampshire (PUSH) and Gosport's commitment to the South Hampshire Strategy of 2012 provides evidence that the duty is being met and discharged by virtue of all the authorities of the PUSH area collaborating to assess the needs of the HMA. However, a closer reading of

the background documents shows that this is far from the case. All is not well in South Hampshire.

It would appear that the Council does not support the analysis contained in the PUSH SHMA of 2014.

This is a pity, because this report does assess the housing needs in a consistent fashion across the entire Housing Market Area. This approach would be consistent with planning policy and the guidance in the NPPG. Support for this document and a commitment to plan on the basis of the figures in this document would have provided strong evidence that the Council has discharged its statutory obligation to engage on cross boundary strategic matters.

It is very unclear where one may find what the Council considers represents its objectively assessed housing needs. It is confusing because the Local Plan does refer in paragraph 6.17 to the findings of the PUSH SHMA 2014 as providing an objective assessment of need in accordance with the latest Government methodological advice. Putting to one side the question of whether it is appropriate to address the implications of an up-to-date assessment of need (as, for example, evidenced by the PUSH SHMA 2014 report) through a review of this plan (to accommodate the findings of the 2014 SHMA may demand something more comprehensive than a review) the implication contained in the Local Plan is that this study does provides the NPPF complaint assessment of need by assessing the overall need across the HMA (paragraph 47 of the NPPF) and that the existence of the 2014 SHMA is central to the case of finding the Gosport Plan sound.

However, following closer reading of the background evidence, particularly in the *Housing Background Paper* it would appear that Gosport is questioning the findings of the PUSH SHMA 2014 report (interestingly so are Eastleigh and Test Valley), and instead is relying upon a separate report. This is explained in paragraphs 3.19-3.22 of the *Housing Background Paper*.

This makes things very much more complicated. It is no longer clear whether there is any agreement among the constituent authorities as to what the objective need might be across the two HMAs. If there is no agreement on the numbers it is hard to envisage how they will be able to agree on a strategy of apportionment as paragraph 6.17 of the plan implies. The Plan suggests that there is an intent to cooperate to find the most sustainable and appropriate locations for growth to accommodate the needs identified in the PUSH SHMA 2014, and this is backed up by the SHMA (for example paragraph 11.25) and the *Housing Background Paper*, but it is not clear from Plan whether this really is Gosport's intention.

It is now hard for third parties to judge whether the Council is committed to establishing the objectively assessed housing need across the HMA as a whole and then if it is committed to preparing a coordinated planning strategy of which Gosport's plan will provide an element, to deliver that need in full in the most appropriate manner.

As stated above, paragraphs 6.17-6.17 creates the impression that the Council supports the analysis of housing need provided by the PUSH SHMA 2014 report. The last sentence of paragraph 6.17 implies that Gosport Council accepts the findings but will be unable to reflect the implications of this study until the South Hampshire Strategy 2012 is completed in 2016. This is fair enough but this does give the impression that the Gosport Local Plan is a temporary local plan. This may or may not be the case. It is far from clear.

The next paragraph – paragraph 6.18 – then goes on to state that in the meantime the Council will plan on the basis of a figure of 170 dwellings per annum (dpa) for Gosport. It is not clear from reading the plan what the foundation is for this figure and whether it is the product of an exercise that has attempted to assess objectively the housing needs of the borough. The text of the paragraph implies that this figure is consistent with the South Hampshire Strategy 2012. If so, this is problematic because the housing figures in the South Hampshire Strategy 2012 were derived from the South East Plan figures – targets that were not the product of an objective assessment of need in the manner required by the NPPF. As such they would not necessarily provide an appropriate basis for a new plan.

The figure of 170 dpa is derived from a separate study by the Council called *Analysis of Objectively Assessed Need in light of the 2012-based Sub National Population Projections*. As a matter of principle, the Local Plan should be much clearer that this is the case. Of course, if the Council had done so then this would make it much clearer to third parties that the foundations for future collaborative working are far shakier than the various background documents imply because there would appear to be no common SHMA assessing the need across the HMA. Without agreement on the housing need there can be no basis for cooperation. The PUSH SHMA 2014 has to be an integral part of the evidence base for the PUSH authorities if the duty to cooperate is to have any meaning.

Analysis of Objectively Assessed Need in light of the 2012-based Sub National Population Projections. This professes to assess the need for the Portsmouth HMA but it is unclear if it really does. It does not provide a breakdown of their individual needs of the Portsmouth HMA in the way the PUSH SHMA 2014 does. As such it is difficult for interested parties to compare the conclusions of the PSHM SHMA 2014 report and the results of the Council's *Analysis of Objectively Assessed Need in light of the 2012-based Sub National Population Projections* report. Third parties should not have to search out this basic information.

It is interesting that the Council is ready to refer to the PUSH SHMA 2014 and its commitment to the South Hampshire Strategy 2012 when wishing to demonstrate its cooperation to date, but disassociates itself from the findings of the former report to avoid confronting its implications. The Council cannot have it both ways.

Housing need (paragraph 6.17-6.20 and Table 6.2).

The housing requirement is unsound because it is unjustified and the manner of its derivation is not consistent with national policy.

The housing requirement is also not positively prepared because the requirement would not meet the objective needs of the district based upon the Council's own chosen approach to assessing its needs.

The plan will provide 3,060 dwellings between 2011 and 2029 or 170 dwellings per annum (dph).

We consider this to be inadequate because:

- a) it does not take into account the findings of the most up-to-date SHMA published for the PUSH area;
- b) the Council's own chosen evidence base assesses Gosport's needs in isolation from the rest of the PUSH HMA thereby undermining the argument that the duty to cooperate has been discharged; and
- c) the requirement is lower than the findings of its own evidence base.

Paragraph 6.18 of the plan explains the derivation for the Council's housing requirement. This is based upon the South Hampshire Strategy 2012 for the period 2011-2026. This identified a need for 55,800 dwellings in total for the PUSH area and Gosport's share of this was 2,550 dwellings. An additional 510 dwellings has been added to reflect the additional three years of the Gosport plan.

As we have discussed above, it is necessary to be clear what document constitutes the objective assessment of need for this plan and how this relates to national planning policy. This is important because national planning policy has changed since the South Hampshire Strategy 2012 was devised and adopted.

First of all it is necessary to provide a few benchmark comparators. The NPPG advises that the DCLG's household projections should provide the starting point for undertaking an objective assessment of the housing need (ID 2a-016-20140306). Utilising the free-to-use web enabled toolkit on the *What Homes Where* website we can see that the DCLG 2008 Household Projections indicate a need for 457 dwellings per year for the plan period in question. The DCLG 2008-based Household Projections, however, are now considered somewhat dated. The DCLG 2011 Interim Household Projections which were released by the Government following the 2011 Census and which, incorporate some of the material from the 2011 Census, indicates that some 4,000 additional households may form over the period 2011 to 2021 – or an average of 400 household per annum. If this 400 is multiplied by the remaining eight years of the plan (2021-2029) then this indicates a potential need for 7,200 dwellings in total. We accept the limitations associated with

both sets of household projections – the datedness of the 2008 projection and the provisional and interim nature of the 2011 projection. Nevertheless, both these baseline demographic projections indicate potential levels of housing need in excess of what is being provided for by the new plan for Gosport.

It is interesting that the baseline demographic projections of 457 dpa in the 2008 projection and the 400 dpa of the 2011 projection approximate to the findings of the 2014 SHMA (415 dpa).

The Government considers the household projections to be statistically robust and based upon nationally consistent assumptions (ID 21-017-20140306). They provide an important benchmark against which to test Gosport's assumptions.

The NPPG also advises that plan-makers should take account of the most recent demographic evidence including the latest ONS population estimates.

Demographic projections provide the starting point for the assessment of need. However the NPPF requires and the NPPG advises that this work will need to be augmented by other material such as consideration of market signals and an assessment of the needs of specific groups.

This analysis should be undertaken through a SHMA. Such a SHMA does exist: this is the SHMA January 2014 report produced for the PUSH area. This assesses a need for 415 dpa for Gosport as set out in the appendix V based on the adjusted 2011 SNPP (page 56 tabulates the various results for Gosport). We consider the 2014 SHMA to be a robust piece of work. It is robust because it takes into account many of the requirements of the NPPF and NPPG and the elements of an assessment to understand the objective needs of the district. We consider that the 2014 SHMA provides a much more reliable basis for planning for the future housing needs of the PUSH area.

We are disappointed therefore that the findings from the 2014 SHMA have not been used to inform the housing requirement for this iteration of the Gosport plan. Quite apart from the question of the importance of identifying the objective needs of the district through a SHMA, the decision does not reflect the latest SHMA calls into question the efficacy of planning across the PUSH area.

Instead of the 2014 SHMA the Council is relying partly upon two other evidence base documents to justify its housing requirement of 170 dpa: firstly conformity with the South Hampshire Study 2012 to demonstrate that it has discharged the duty, and secondly its July 2014 report entitled *Analysis of Objectively Assessed Housing Need in the light of the 2012-based Sub National Population Projections (2012 SNPP)* in order to demonstrate that it has assessed objectively its housing need.

We shall consider both in turn and explore whether these documents satisfy the requirements of national policy.

The South Hampshire Strategy 2012

As discussed above, while Gosport's intention to continue with the PUSH collaborative approach is most welcome. The South Hampshire Strategy 2012 is a welcome signal of intent. However, there is a question mark over whether the housing needs assessment that has supported the 2012 strategy is still robust in terms of addressing more recent national policy requirements. The work to inform the South Hampshire Strategy 2012 will have predated the publication of the NPPF. We note paragraph 2.31 of the Council's Housing Background Paper (June 2014). This explains that the *PUSH Economic Development Strategy Preferred Growth Scenario* (by DTZ and Oxford Economics 2010) provided the basis for the housing requirement.

Firstly, we note the 2010 date. This makes it relatively dated. It would not have been able to take into account the outputs from the 2011 Census. Secondly, we are concerned, therefore, that this work on the assessment of needs to support the production of this strategy does not constitute a compliant assessment of housing need in the manner that is now required by Government policy. Among other things, new Government planning policy expects local authorities to respond to take account of the most recent household and population projections and also market signals when planning for future housing needs. In terms of market signals this includes consideration of the following factors:

- Land prices
- House prices
- Affordability
- Rates of development
- Overcrowding

The NPPG advises that if there is worsening affordability or a deterioration in conditions then an upward adjustment may need to be made to the baseline household projections to counteract these problems.

As such, we doubt whether this 2010 study which only considers the baseline demographic needs can be relied upon to provide a sound basis for the future planning of the district's housing needs although it may be a valuable document in other respects.

Analysis of Objectively Assessed Housing Need in the light of the 2012-based Sub National Population Projections

There are also limitations associated with the Council's July 2014 report entitled *Analysis of Objectively Assessed Housing Need in the light of the 2012-based Sub National Population Projections* (2012 SNPP). While this provides some valuable analysis of the 2012 SNPP, it is purely a demographic exercise. It does not constitute a SHMA in the manner expected

by the NPPF: it does not assess need on an HMA basis; it does not consider market signals; it does not assess the needs of particular groups.

The wider needs of the HMA is an important issue. The study considers Gosport's needs in isolation (although we recognise that the Council's consultants have run similar reports for other districts in the PUSH). This would be inappropriate and contrary to the NPPF which advises assessing needs on the basis of the HMA. It would be difficult to assess one's housing needs in isolation from the wider influences of the HMA because there are migration and commuting issues to consider. Also, because the Council has already accepted that it is part of a wider HMA by virtue of being a signatory to the PUSH initiative, it is curious that it has decided to assess its needs alone. Any assumptions that Gosport may apply regarding migration rates and headship rates would need to be consistent with those being applied by other authorities in the PUSH and agreed with them. If it does not do this, then there is a risk that Gosport is applying different assumptions regarding headship rates and migration to the other authorities of the PUSH. The NPPG provides some guidance on this question (ID 2a-018-20140306).

Notwithstanding these reservations, we note that the baseline demographic need based on the Council's own assumptions applied to the 2012 SNPP has been re-assessed to be 297 dpa (paragraph 8 of the summary). This is a figure that is much higher than the 170 dpa contained in the plan.

The study also provides several other scenarios based on different headship rates. All of the scenarios modelled indicate higher levels of housing need. This is illustrated in figure 8.3 on page 24. The plan does not provide an adequate explanation for why the housing requirement has been set at 170 dpa.

Under the circumstances we consider that the sound approach would be for Gosport Council to acknowledge the findings of the 2014 SHMA and reflect this in its plan. The risk otherwise is that there will be no consistent methodological approach to assessing the objective housing needs across the PUSH area. It would consequently be much harder for Gosport to demonstrate that it has prepared its plan in a positive manner that meets the duty to cooperate and the argument that the PUSH's South Hampshire Strategy of 2012 provides the framework for cooperation has less and less credibility.

Policy LP24: Housing

The policy is unsound because it is unjustified. The proposed rate of 40% is inconsistent with the conclusions to the CIL viability assessment and the Council's proposed approach.

In keeping with national policy, rates for affordable housing in combination with other national regulations and local policy have to be viable to ensure that the plan is deliverable.

We note the Council's CIL Viability Assessment: Addendum Report in Response to the Consultation, dated July 2014. This recommends the following CIL rates:

Charging Zone 1:

£60 with no affordable housing, or £0 when affordable housing is provided.

Charging Zone 2:

£100 with no affordable housing, or £80 when affordable housing is provided.

Charging zone 3:

£100 in all cases.

Gosport Waterfront regeneration site - £40 for residential development only

Firstly, the Council should clarify what status this July 2014 CIL report has and whether it is the Council's intention to follow through with its consultant's recommendations.

Secondly, if the answer to the above is 'yes' it does support the conclusions of this report, Gosport Council will need to revise Policy LP24 to reflect this, otherwise the policy wording would not be consistent with the Council's proposed approach to collecting CIL and paying for infrastructure. For example, the policy would need to reflect the possibility that contributions to affordable housing will be waived in charging zone 1 if the CIL of £60psm is paid.

We note that in paragraph 9.3 of this report the Council's consultants conclude that 40% affordable housing in combination with the Council's proposed CIL rates will place pressure on residential development under some scenarios. This will require the flexible application of affordable housing. We do not believe that a flexible application of an affordable housing policy is the correct approach.

The Council in the second paragraph explains that its policy will be to negotiate on a case-by-case basis the amount of affordable housing required for a scheme of 10 dwellings or more. We consider this to be contrary to national planning policy. The Council is required to establish a viable level of affordable housing in its plan (paragraph 174). This is necessary to enable applications to be determined in accordance with the development plan (paragraph 196). Furthermore, as the NPPF makes clear in paragraph 154, only policies that provide a clear indication of how a decision maker should react to a development proposal should be included in the plan. The possibility that the rate of affordable housing will be revisited with each application would delay the decision making process, inject uncertainty and require the negotiation of every application. We consider this to be contrary to the positive planning principles of the NPPF including the presumption in favour of sustainable development: an application that satisfies the requirements of the development plan should be approved without delay. To revisit local policy with every application would be contrary to national policy and the principle of the plan-led system. In this respect the Council may wish

to refer to the Inspector's conclusions with regard to Leeds City Council's affordable housing policy (paragraph 36). Plan policy needs to clearly signal to potential land owners and applicants the Council's expectation in terms of financial contributions and policy requirements.

We would also query some of the assumptions of the viability modelling. We note that allowances have been added for residual s106 costs, but this has only been factored-into the calculations for schemes of 50 units or more. Since the 40% rate of affordable housing will apply to schemes of 10 or more units we struggle to understand the logic of excluding these sites.

Also, we note that payments under the Solent Disturbance and Mitigation Project (SDMP) which the Council refers to on pages 198 and 199 of its plan require a contribution of £172 per dwelling (paragraph 4.2.4). Firstly, these payments are not referred to in the plan. We think they should. Secondly, again it is unclear why the Council's consultants have only applied this charge to schemes of 50 + units. If this charge will not apply to schemes smaller than 50 units then the plan at pages 198-199 and in policy LP42 should make this explicit. If it does apply to all residential schemes then the viability modelling will need to account for this to ensure that it provides an accurate reflection of the costs placed on development. Clearly it is not the case that the Council's housing supply will consist only of large (50+) schemes. Table 6.2 includes a small site windfall allowance.

Policy LP38: Energy Resources

Part 2 (b) of the policy is unsound because it is contrary to national policy.

The Council cannot require that applicants connect to or contribute to the expansion of CHP and District Heating and Cooling networks. How an applicant will meet the current and future requirements of Part L of the Building Regulations will be a matter for him/her to decide. The Council cannot prescribe how this is achieved. This is no longer a planning matter but a matter for Building Control. This is made clear in the Written Ministerial Statement on the Building Regulations issued on the 13 March 2014.

We also refer the Council to the Government's response to its consultation on its approach to zero carbon homes entitled: *Next steps to zero carbon homes – Allowable Solutions*, July 2014. In its conclusions the Government is clear that the most appropriate route by which house builders achieve the energy efficiency standards is a matter for the developer to decide (see paragraph 8).

Part 2 (c) is also unsound because it is contrary to national policy. Similar to above, the Council cannot require that applicants incorporate on-site renewable energy measures. How a developer meets the Building Regulations will be a matter for him/her to decide. This could include the use of on-site renewables; equally it may not. This is not a planning matter.

Policy LP42: Internationally and nationally important habitats

The policy should be revised to provide clarity. This is necessary for the policy to conform to national planning policy and to be effective.

Part 2 of the policy explains the Council's requirement for residential development to mitigate its effect on internationally important habitats.

Paragraph 12.74 of the plan explains that the requirement for mitigation payments under the Solent Disturbance and Mitigation Project (SDMP) relates to this policy. It is necessary, therefore, for the plan to be clear how much these payments will amount to, how they are calculated, and how they will be collected. We understand from the CIL Viability assessment that these have been set at a cost of £172 per dwelling. This figure should be clearly stated in the plan. If these payments increase at any point then this will trigger a need to review the CIL and/or the affordable housing requirement as this will have an effect on the overall viability calculation. The plan should be amended to make this clear.

Furthermore, the CIL viability assessment implies that these payments will not be levied on schemes involving fewer than 50 units. If this is the case then the plan should make this explicit. If this is not the case, then the CIL viability assessment is flawed and will need to be revisited to consider the effect of this policy requirement on smaller sites.

Yours faithfully,

James Stevens
Strategic Planner

