

South Downs Local Plan Examination



Position Statement – Matter 4 ‘Overall Housing Need and Supply’



Boyer

Report Control

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APPENDIX

Appendix One – Duty to Co-operate

1. EXECUTIVE SUMMARY

- 1.1 The Housing and Economic Development Needs Assessment (HEDNA), prepared by GL Hearn, states that as the area in question has been designated as a National Park, the full Objectively Assessed Need (OAN) for the area would be 541 dwellings per annum. However, the HEDNA suggests a policy focus on meeting local needs with a specific focus on providing affordable housing. As such, the assessment of overall housing need within the HEDNA, leaving aside policy constraints is estimated to be around 447 dwellings per year (94 dwellings short of the Council's OAN target).
- 1.2 It is our view that the proposed annual target of 447 dwellings per annum established by the HEDNA is insufficient and significantly lower than the identified OAN for the SDNP of 541 dwellings per annum. As such, this figure will not help address the affordability issues in the National Park or promote economic growth.
- 1.3 In addition, the Local Plan proposes an overall housing target of 4,750 dwellings across the National Park, which equates to 250 dwellings per annum over the 19 year plan period. This is a shortfall of 3,743 dwellings against the identified housing target of 447 dpa (HEDNA) and 5,529 dwellings against the identified OAN figure of 541 dpa (HEDNA). Whilst we acknowledge the special circumstances relating to development within National Parks, a target of 250dpa will only provide just over half of even this low estimate of identified need and less than half of the identified OAN figure (541dpa).
- 1.4 We therefore consider the plan is unsound and falls significantly short of the objectively assessed need and provides no sufficient justification as to why it cannot be met or no clear strategy on how unmet need will be met.
- 1.5 We also consider that Liss should accommodate a higher level of growth, given that it is considered one of the most sustainable settlements in the National Park. Currently, the proposed growth in Liss is limited to only 150 dwellings, a figure which seems to have been taken from the East Hampshire Joint Core Strategy without further testing being undertaken.
- 1.6 Located on the edge of Liss and shown Figure 1 below is the Land North of Hill Brow Road, which is within the control of Wates and is considered suitable to accommodate between 30 and 60 dwellings at a density of 15 to 25 dwellings per hectare. The land North of Hill Brow has been supported by a wealth of technical information including a visual assessment form Hankinson Duckett Associates who comment on the suitability of the site in landscape terms (please see appendix 2 and 3 of the pre-submission representation document).
- 1.7 Overall, in order to address the significant housing shortfall against the objectively assessed need, the plan should allocate sites for development within and adjoining sustainable settlements, particularly Liss which has a good range of services and public transport opportunities.

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- 1.8 We therefore consider that the identified housing target of OAN should be increased by 10% (492dpa) given the issues around affordability and in order to foster an economic growth scenario. The Council should therefore increase its overall housing target from 250 dpa to 350 dpa (an uplift of 40%), which currently falls significantly below the proposed annual housing target set by the HEDNA and the full OAN for the area of 541 dpa.
- 1.9 The Local Plan has the opportunity to ensure adequate housing is provided and any potential shortfalls are allowed for through increased targets by allowing flexibility and earmarking reserve sites in sustainable locations such as these.

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2. INTRODUCTION

- 2.1 This Position Statement to the South Downs Local Plan Local Plan Examination is submitted on behalf of Wates Development Ltd (“Wates”).
- 2.2 This Position Statement has been prepared to address ‘**Matter 4 – Overall Housing Need and Supply**’ which relates to policies SD26 and SD33.
- 2.3 Wates is currently developing a number of housing schemes across the South East and has land interests in the South Downs National Park (SDNP) including a 7. ha (19 acres) edge of settlement site known as land north of Hill Brow Road, Liss (shown in Figure 1 below).
- 2.4 Wates therefore has a particular interest in the National Park’s proposed spatial strategy and wishes to make a number of comments/objections in respect to Submission version of the Local Plan submitted for examination.

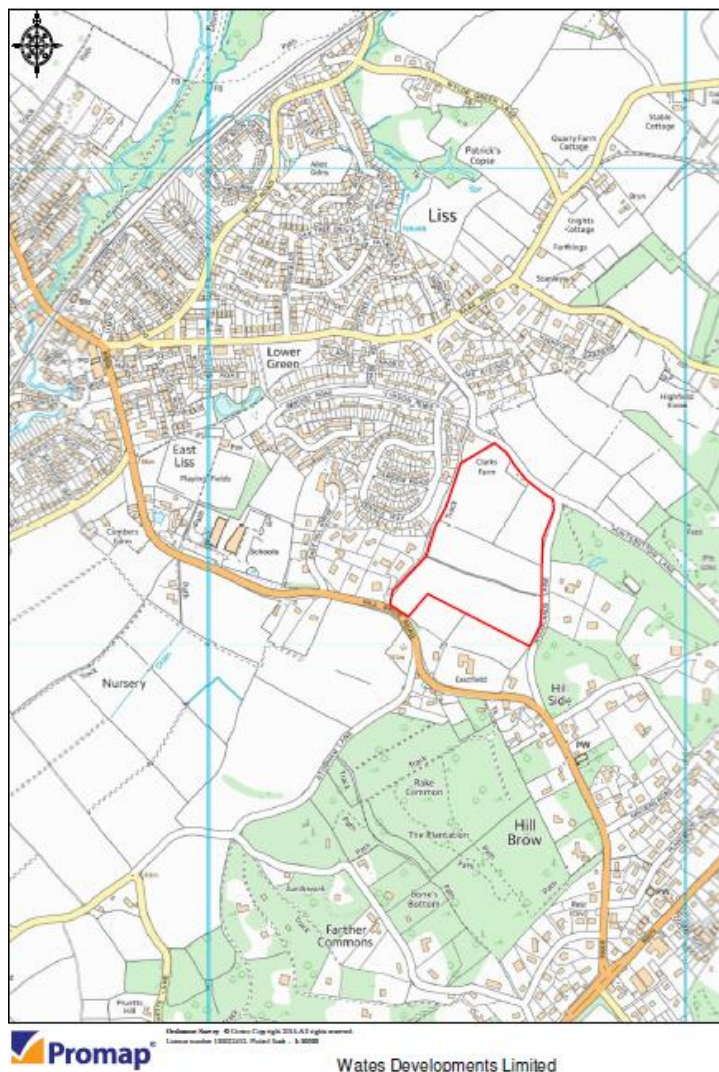


Figure 1 – Land North of Hill Brow, Liss

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3. HOUSING NEED

- 3.1 As part of the evidence for their Local Plan, the South Downs National Park Authority (SDNPA) commissioned GL Hearn to undertake a Housing and Economic Development Needs Assessment (HEDNA) examining housing and employment land need within the National Park.
- 3.2 The report is a targeted and combined update of the previous South Downs National Park Strategic Housing Market Assessment which we provided commentary on as part of our previous representations to the preferred options version of the local plan.
- 3.3 The HEDNA supports much of the previous 2015 SHMA conclusions and reiterates that affordability pressures across the SDNP are significant in comparison to the wider region. It indicates that house prices in the National Park are substantially above those in the wider local authorities / housing market.
- 3.4 The study finds that even if the current population within the SDNP is maintained without net in-migration, the population base, schools and services may be jeopardised (HEDNA Paragraph 11.13).
- 3.5 Taking market signals into account (as required by the PPG) and in an economic growth scenario, the study finds that the OAN for the SDNP is 541dpa (10,279 dwellings).
- 3.6 The HEDNA does not take policy considerations into account; however it does recognise that the SDNP is unlikely to be able to meet its OAN in full due to its National Park status. It therefore suggests a policy focus on meeting local needs with a specific focus on providing affordable housing.
- 3.7 The assessment of overall housing need, leaving aside policy constraints, is estimated to be around 447 dwellings per year equating to 8,493 net additional dwellings over the Plan period.
- 3.8 Whilst we acknowledge the rationale behind this approach, we maintain our concern that the 447dpa identified does not include any adjustment for market signals as required by the PPG. The HEDNA found that there are significant affordability pressures in the SDNP and therefore it would seem appropriate to make some adjustment to the level of need to reflect this.
- 3.9 In addition, we have concerns that the level of housing need (447dpa) is based on a demographic scenario only and does not include any upward adjustment for an economic growth scenario. This is particularly pertinent given the identified population pressures on services and employment provision within the SDNP.
- 3.10 Given the issues of affordability and in order to foster economic growth, we would suggest at least an up lift of 10% would be justified, increasing the identified housing target to 9,343 dwellings over the 19 year period (492 per annum).

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4. HOUSING TARGET

- 4.1 The Local Plan proposes an overall housing target of 4,750 dwellings across the National Park, which equates to 250 dwellings per annum over the 19 year plan period. This is a shortfall of 3,743 dwellings against the identified housing needs figure of 447 dwellings per annum.
- 4.2 This target is significantly below both the identified OAN for the SDNP of 10,279 (541dpa) and the identified housing needs figure of 447dpa within the HEDNA, which, as set out previously, is considered to be an underestimate of the true level of need as it does not account for market signals, economic growth or provide adequate allowance for the non-delivery of sites.
- 4.3 Whilst we acknowledge the special circumstances relating to development within National Parks, a target of 250dpa will only provide just over half of even this low estimate of identified need and less than half of the identified OAN figure (541dpa).
- 4.4 The housing needs figure of 447dpa set out in the HEDNA was based on a scenario that would protect local schools and services. A target well short of this figure is unlikely to sustain these facilities and would exacerbate the issues identified relating to affordability and the ageing population with the SDNP.
- 4.5 Under-providing by this amount is against the economic growth based scenario (541dpa) and is likely to have significant effects on the commuting patterns in the SDNP and the surrounding areas and it is doubtful whether this level of housing will even be able to maintain the present levels of employment in the district.
- 4.6 The recent experience with the emerging Lewes Joint Core Strategy produced by Lewes District Council and South Downs National Park Authority is particularly relevant (the National Park encompasses 56% of the District).
- 4.7 The 2013 submission version of the core strategy proposed a housing requirement of 5,600 against an objectively assessed need of 9,200 and 10,400 net additional dwellings (equivalent to 460-520 dwellings per annum).
- 4.8 The proposed housing requirement was considered by the District and Authority to be the most sustainable option given the constraints affecting the district (i.e. the National Park and infrastructure capacity).
- 4.9 Following an Examination in Public the Inspector’s preliminary findings letter (February 2015) set out his concerns with the proposed housing requirement. Whilst acknowledging the National Park and infrastructure constraints, he was not convinced that “no stone” had been left unturned in terms of seeking as many suitable and appropriate sites for new housing as possible that are realistically deliverable in sustainable locations across the plan area.

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- 4.10 The Inspector commented that *“I cannot find sound a plan that is so far short of even the lowest end of the agreed OAN range and does not provide even enough new dwellings on an annual average basis to maintain the present levels of employment in the district”*.
- 4.11 Consequently, the Inspector recommended that the housing requirement should be increased from 5,600 to 6,900 and identified further strategic allocations to help meet the target.
- 4.12 In particular, the Inspector was not persuaded that, acknowledging the primary purpose of the National Park designation in relation to the protection of the landscape character and assets, the right balance had been found in the plan regarding the town of Lewes, in relation to new housing provision, not least local affordable housing. As such, the Inspector recommended further allocations (within the National Park to help provide a better balance in respect of meeting the social and economic needs of the town and the district, as well as the National Park.
- 4.13 The Inspector therefore recognised that whilst there are constraints to providing land for development in the National Park there needs to be an appropriate balance between the landscape constraints and the social and economic dimension of sustainable development.
- 4.14 Whilst we acknowledge the special circumstances relating to development within National Parks, a target of 250dpa will only provide just over half of even this low estimate of identified need and less than half of the identified OAN figure (541dpa). This may leave the Council open to challenge from planning applicants through under delivery of housing.
- 4.15 The Council should therefore increase its overall housing target from 4,750 dwellings (250 dpa) to 6,650 dwellings (350 dpa); an uplift of 40%. This target will therefore help the Council to 65% of its OAN figure of 541 dpa and 78% of its annual need figure of 447 dpa.
- 4.16 In terms of the wording of Policy SD26 (Supply of Homes) it is important that no upper limits are placed on housing delivery that might be used to unnecessarily constrain housing delivery and we therefore consider that the housing requirement should be expressed as a minimum figure and not ‘approximately’, particularly where there is a significant shortfall against the identified housing need.

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5. HOUSING LAND SUPPLY

- 5.1 The Council's Housing Update Background Paper (April 2018) represents the Council's most up to date position on housing land supply. The paper sets out that there is capacity for 4,998 dwellings across the plan period after taking into account the various SDNP constraints.
- 5.2 Based on the Council's proposed housing target of 250 dpa, the SDNPA considers that it can demonstrate a five year housing land supply.
- 5.3 As set out above, it is our view that the housing target should be significantly increased to address the identified housing need in the SNDP.
- 5.4 However, based on the lower housing needs figure of 447 dpa, the SDNPA cannot demonstrate a five year supply of housing land as required by National Policy. The table below sets out the potential five year shortfall for the period 2017/18 - 2021/22 based on the 447dpa figure (figures based on the Council's December 2017 Annual Monitoring Report).

Sources of Supply	
Planning Permissions	888
SDLP Allocations	1,132
Windfall	102
Total	2,122
Five Year Requirement (HEDNA Housing Need Figure)	
447 dpa * 5	2,235
Including 5% buffer	2,347
Shortfall	225 dwellings (4.5 years)
Five Year Requirement (10% Increase)	
492 dpa * 5	2460
Including 5% buffer	2,583
Shortfall	461 dwellings (4.1 years)

- 5.5 As illustrated above, against the housing need figure of 447 dpa, the Council can only demonstrate a 4.5 year supply of housing land.

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- 5.6 In addition against our suggested housing need figure of 492 dpa (a 10% uplift to account for market signals), the Council can only demonstrate a 4.1 year supply of housing land.
- 5.7 The figures do not account for the past shortfall against this target or a non-implementation rate on any source on any other sources of supply other than planning permissions; these deductions would further weaken the Council's five year housing land supply.
- 5.8 In addition, against the OAN figure of 541 dpa, this position would be significantly worse.
- 5.9 On the basis of the above, and in the context of the concerns raised around the Local Plan's housing target, we consider that the Council should allocate additional sites to sustainable settlements to address this shortfall, including land north of Hill Brow Road, Liss. This will ensure a constant supply of deliverable housing, even where sites are earmarked as 'reserve' sites to allow for any potential shortfall from allocated sites.

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6. DISTRIBUTION OF HOUSING

- 6.1 Strategic Policy SD26 (Supply of Homes) sets out the distribution of housing for individual settlements within the SDNP.
- 6.2 The distribution is based on the HEDNA, SHLAA and the Settlement Facilities Assessment 2015.
- 6.3 In regards to development suitability, the four settlements of Lewes, Petersfield, Midhurst and Liss score the highest when compared with the other settlements.
- 6.4 With specific regard to Liss, the Settlement Facilities Assessment 2015 identifies the range of services and facilities available locally including the nursery, junior school, convenience store and importantly a train station with regular services to London.
- 6.5 Despite being listed as one of the most sustainable settlements, the proposed growth in Liss is limited to only 150 dwellings. This number appears a legacy of the East Hampshire Joint Core Strategy which was prepared to accommodate housing needs at the time.
- 6.6 It is our view that the Council should have used this current local plan process as an opportunity to thoroughly assess the potential of Liss to accommodate new and previously developed sites surrounding sustainable settlements in the National Park in order to meet the pressing housing need.
- 6.7 In particular, the Council should consider whether any potential harm to landscape could be appropriately mitigated and whether any harm is outweighed by the benefits of housing delivery.
- 6.8 The above is reflected in the SHLAA assessments, where a number of appropriate sites have been discounted on landscape terms; however they are sustainability located adjacent to settlement boundaries. With specific regard to Liss, sites with known landscape constraints have been allocated in the Liss Neighbourhood Plan without proper justification.

Relationship with Neighbourhood Plans

- 6.9 As set out above, the housing requirement of 150 homes seems to have been carried forward from the East Hampshire Joint Core Strategy published in June 2014.
- 6.10 Since this document was published, the Council has a new OAN figure with a significant shortfall with the proposed housing target. Considering that Liss is one of the most sustainable settlements, there is clear justification to allocate additional sites adjacent to the settlement to help address this shortfall with housing.
- 6.11 The SDNP Local Plan states that 714 dwellings will come forward on windfall sites over the Plan period within the four most sustainable settlements.

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- 6.12 The Local Plan identifies Liss as a sustainable settlement suitable for residential development; therefore due to the limited capacity for windfall development within the settlement, it is our opinion that the Local Plan should allocate additional sites adjoining Liss to ensure the housing target can be delivered.
- 6.13 As part of the adopted Liss Neighbourhood Plan (paragraph 3.40) the Council states that *“Land had to be allocated to provide for a minimum 150 homes. In Liss there are no significant brownfield sites to be allocated and greenfield land has had to be found”*.
- 6.14 Given that Liss is one of four sustainable settlement in the SDNP, new allocated sites should be introduced as the neighbourhood plan has progressed and now been adopted in advance of the emerging strategic plan. However, we are concerned that the SDNPA has avoided confronting this issue by simply carrying forward the 150 housing requirement, despite Liss being identified as one of the most sustainable locations for new development, including the availability of suitable sites.
- 6.15 Throughout the Liss Neighbourhood Plan preparation, Wates raised significant concerns with the site selection process, which was undermined by the absence of an objective evidence base. A number of significant inconsistencies were raised with the scores attributed to proposed allocated sites, which Wates considers has resulted in flawed allocations.
- 6.16 We therefore consider that the SDNP should allocate further housing in Liss, including land at Hill Brow Liss, which is capable of being developed.

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7. SUMMARY

- 7.1 This Position Statement to the South Downs Local Plan Local Plan Examination is submitted on behalf of Wates Development Ltd (“Wates”) to address ‘**Matter 4 – Overall Housing Need and Supply**’ which relates to Policies SD26 and SD33.
- 7.2 The South Down National Park Local Plan’s housing requirement is unsound on the basis that it falls significantly short of the objectively assessed need with a result that it would fail to meet the social and economic dimension of sustainable development. There is no clear strategy on how this unmet need will be met under the duty to cooperate.
- 7.3 We have identified concerns with the Housing and Economic Development Needs Assessment (HEDNA) methodology which suggests that the annual need figure of 447 dwellings per annum is likely to be an under-estimate of the true level of need. It is recommended that the housing target should be adjusted to account for market signals; an uplift of 10% equating to a figure of 492 dwellings per annum and to take account of affordability issues and economic growth.
- 7.4 The Local Plan proposes an overall housing target of 4,750 dwellings across the National Park, equating to 250 dwellings per annum; a shortfall of 3,743 dwellings against the identified housing target of 447 dpa and 5,529 dwellings against the identified OAN figure of 541 dpa.
- 7.5 Whilst we acknowledge the special circumstances relating to development within National Parks, a target of 250dpa will only provide just over half of even this low estimate of identified need and less than half of the identified OAN figure (541dpa).
- 7.6 The Council should therefore increase its overall housing target from 4,750 dwellings (250 dpa) to 6,650 dwellings (350 dpa); an uplift of 40%. This target will therefore help the Council to meet 65% of its OAN figure of 541 dpa and 78% of its annual need figure of 447 dpa.
- 7.7 In order to address the significant shortfall and meet our proposed housing target, the Plan should allocate additional sites for development within the sustainable settlements, particularly in Liss which has not been apportioned its adequate share of the development to be delivered across the authority.
- 7.8 In summary, the plan is currently unsound that it has not been positively prepared, is not justified or consistent with national policy and we recommend that the above actions are pursued prior to submission.

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APPENDIX ONE – DUTY TO CO-OPERATE

As set out in the Sections above, the Council cannot meet their identified housing need for the Plan period.

Paragraphs 54 and 178 of the NPPF set out that where a Local Authority is unable to meet housing needs, then it must co-operate with its neighbouring Authorities in order to ensure any unmet needs are delivered elsewhere in the HMA or in another adjoining HMA if necessary.

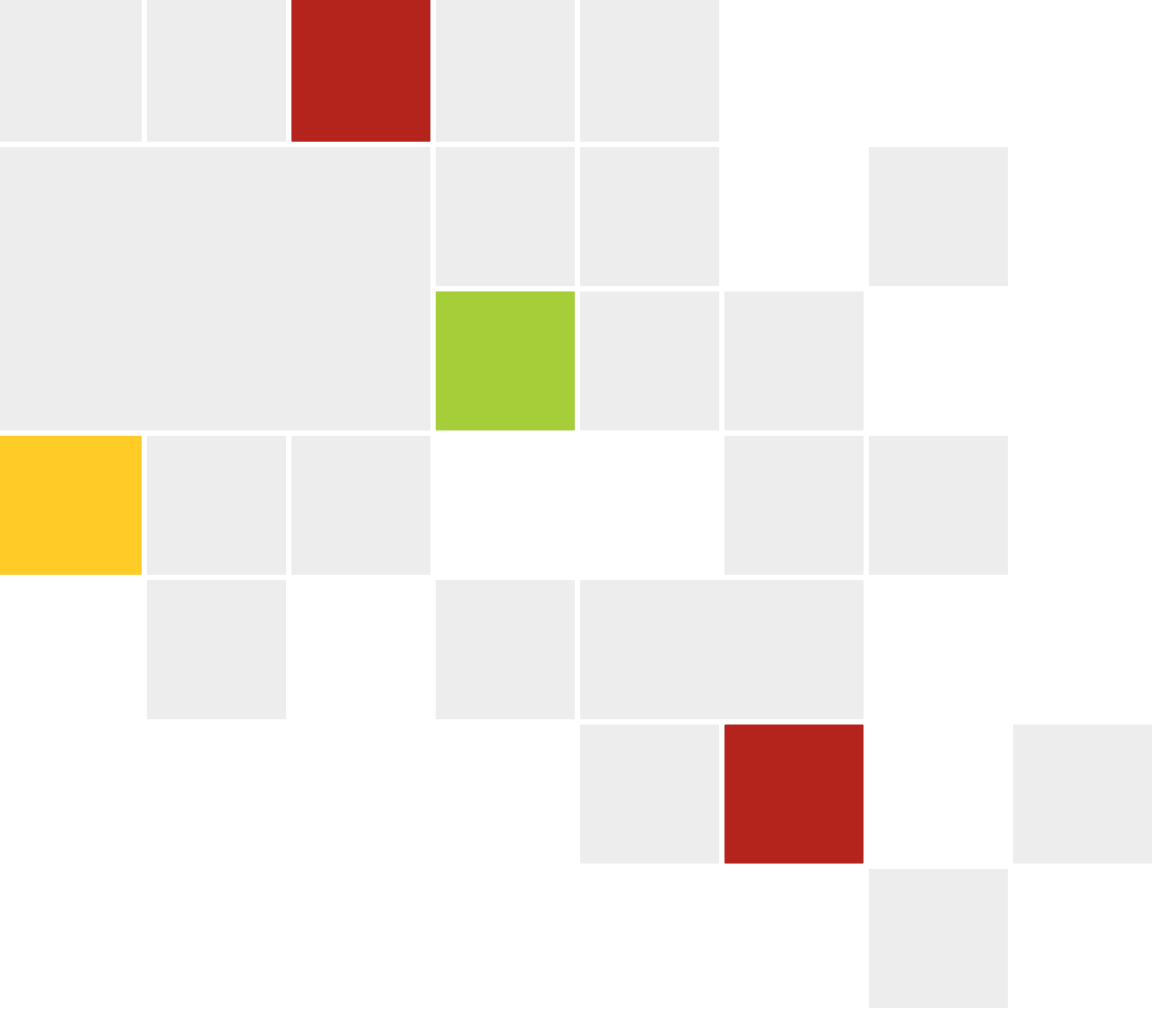
Whilst we acknowledge that the situation with regards to housing needs is complex given the national park's status, there is currently a lack of clarity as to whether the SDNPs assessment of housing need has fully considered the wider housing needs with the HMA.

As the situation is complex, it is imperative that a clear and robust approach is taken to the preparation of evidence across the relevant Local Authority boundaries.

The SDNPA has expressed that MOUs will be prepared; however we consider that such agreements should have formed part of this consultation process to for a full assessment of the relevant matters. Notwithstanding this view, it is vital that these concerns are addressed prior to submission as the Government has been clear that failures on the Duty to Cooperate cannot be addressed after the submission of the Local Plan.

Until such time, there is uncertainty as to how the unmet need will be met across the HMAs; and on this basis, at this stage, we consider that the Plan currently does not meet the statutory Duty and therefore has not been positively prepared in the context of the NPPF requirements.

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