



Examination of the Basingstoke and Deane Local Plan (2011 to 2029)

Basingstoke and Deane Borough Council
Rebuttal Statement

Issue 3: Spatial Strategy and Housing Need

2 October 2015

The purpose of this document is to respond to the Inspector's supplementary questions (dated 29 September 2015) and to provide a rebuttal to the related issues raised by third parties in their written statements to the Inspector's original questions.

Spatial Strategy

*Q4.1 Are the overall vision, objectives and **spatial strategy** of the Plan, as set out in policy SS1 and the supporting text, based on a sound assessment of Basingstoke and Deane's demographic and socio-economic needs, environmental characteristics, existing and proposed infrastructure and relationships with neighbouring areas, in accordance with national planning policy?*

Supplementary Question

Q4.1.1 What is the council's response to concerns that the spatial strategy is too 'Basingstoke town centric' with a disproportionately low proportion allocated at the other settlements.

4.1.1 The spatial strategy focuses significant development in and around Basingstoke town, with a smaller proportion of development in the larger settlements of Bramley, Kingsclere, Oakley, Overton and Whitchurch. Additional housing will come forward in the rural areas, including the borough's smaller villages, through such means as neighbourhood planning, small windfall development and rural exception sites.

4.1.2 As outlined in the Sustainability Appraisal (**SA02**) and explained further in the council's rebuttal statement to issue 2 (**PS/04/48**), a number of spatial distribution options were considered in the course of developing the plan. The preferred option was one with a Basingstoke focus and a spread of some development to larger settlements in the borough. This did not specify the exact proportions of how much should be located at Basingstoke as opposed to the larger settlements. Basingstoke is, by far, the largest settlement in the borough and the reasons for the focus on Basingstoke are as follows:

- This is the most sustainable pattern of development, reducing the overall need to travel, and will protect the countryside and landscape character.
- Basingstoke is where most jobs are located and where most new job growth is likely to take place;
- Basingstoke is where the majority of housing need arises and where most services and facilities are concentrated;
- The focus of development in Basingstoke enables a focus on infrastructure investment which would be more difficult to achieve in a dispersed development pattern;
- The ability to travel by a range of modes of transport to employment, services and facilities is more achievable in Basingstoke, given the

comprehensive public transport network, compared to the rural areas of the borough. In addition, the proximity of services and facilities makes walking and cycling a more realistic alternative within Basingstoke;

- The amount of development outside of Basingstoke is proportionate to current population levels and service provision. The Table below shows net dwelling completions by parish for the past 10 years. This shows that the vast amount of development has taken place in and around Basingstoke. The Submission Local Plan is continuing the current spatial distribution, with 86% of allocations in or adjacent to Basingstoke town.

Net Dwelling Completions	Bramley, Oakley Overton, Tadley & Whitchurch Parishes	Basingstoke town, Chineham, Rooksdown and Sherfield on Loddon parishes	Remaining 43 Rural Parishes	Total
2004-2005	67	727	94	888
2005-2006	61	803	60	924
2006-2007	43	502	183	728
2007-2008	108	1,200	110	1,418
2008-2009	136	1,115	51	1,302
2009-2010	285	928	13	1,226
2010-2011	84	664	57	805
2011-2012	7	590	96	693
2012-2013	14	242	47	303
2013-2014	122	378	31	531
2004-2014	927	7,149	742	8,818
% of all completions	11%	81%	8%	100%

Table 1.1: Spatial distribution of housing completions

- 4.1.3 The levels of growth for the settlements set out in the Plan are based on a variety of factors including settlement size, historic and more recent patterns of growth, available services and facilities, employment opportunities, accessibility, housing needs and environmental and infrastructure

constraints. The table below shows how the growth levels in the local plan relate to the size of the relevant settlements.

	Census 2011 - total Dwellings	% change 2001-11	Housing need at 2013	Jobs 2013	Allocations in Submission Local Plan	Predicted minimum % change 2011-2029
Overton	1,885	10%	115	2,100	270	14%
Whitchurch	2,140	7%	137	1,800	350	16%
Bramley	1,662	20%	72	1,300	200	12%
Tadley	4,907	3%			0	0
Oakley	2,242	3%	425	1,500	150	7%
Kingsclere	1,457	3%	93	1,600	50	3%

Table 1.2: Change to dwelling numbers in settlements

- 4.1.4 As the spatial strategy option assumed the majority of development to take place in and around Basingstoke, with smaller levels in the larger towns, the council does not consider that the strategy is disproportionate. This is outlined in more detail in a report to the council's Planning and Infrastructure Overview and Scrutiny Committee, which is attached as **APPENDIX 1**.

Supplementary Question

- Q 4.1.2 *Are the restrictions on development in the countryside too inflexible, especially on the fringes of some of the smaller settlements and villages?*
- 4.1.5 The council considers that the plan, when taken as a whole, sets an appropriate framework for enabling the delivery of suitable rural housing which meets the needs of the area. Policy SS6 deals with new housing in the countryside and provides for a range of circumstances where new development can come forward outside of settlement policy boundaries (SPB). This will include development on brownfield land, the reuse of redundant buildings and housing to support rural businesses that need on-site occupancy. The policy will enable the delivery of residential proposals that have the support of the local parish council whilst protecting the open nature of the countryside and preventing coalescence. This creates flexibility in the policy so that development can take place if it meets local needs and has local support. This would be in addition to any affordable housing rural exception schemes, including those supported by an element of market housing.

- 4.1.6 In addition to Policy SS3 which allocates two sites on the edge of rural settlements, Policy SS5 sets a positive framework for enabling development at rural settlements through neighbourhood planning. It is envisaged that much of this development will take place on the fringes of settlements. The policy does not set a ceiling for such development, offering a high level of flexibility for local communities to allocate development that meets their needs. In addition to the five settlements listed in policy SS5, there are currently eight smaller communities preparing neighbourhood plans or orders and there is on-going interest from other parishes not currently designated. It is therefore considered that the Plan provides significant opportunities for appropriate residential development to come forward in rural areas. This approach recognises the role of neighbourhood planning which provides some flexibility in the context of the countryside protection policies.
- 4.1.7 As set out in SS1, the council intends to review all SPB as part of a subsequent Development Plan Document, which may also provide further opportunities for development in rural areas in appropriate locations. This approach is also likely to address recent announcements by the government to consider rural exception starter home schemes. As set out in the supporting text to SS5, the council will monitor and review delivery of housing in rural areas to ensure that the proposed level of development is being achieved.

Supplementary Question

- Q4.1.3 *What is the council's response to concerns that the housing allocations in and around the town of Basingstoke have an undue emphasis on the west and south-west of the town and would be unsustainable in view of their 'disconnect' from major employment centres in the Borough and distance from town centre facilities?*
- 4.1.8 As set out in the Sustainability Appraisal, options for the distribution of housing around Basingstoke have been considered and the conclusions suggest that there is no overwhelming difference between the distribution options which focus development to either the east or west of the town. Option 1 which gives a distribution of sites around Basingstoke town, is the preferred option, providing, for example, more choice, assisting with deliverability and supporting views expressed through early consultation. This conclusion set the principle for assessing sites around Basingstoke rather than focusing attention in certain parts of the town from an early stage.
- 4.1.9 The detailed site assessment process (**HO5**) considered the benefits of sites both individually and cumulatively against a detailed set of technical criteria. This included accessibility to schools, services, employment and transport networks. The SA also considered accessibility and recognised that all the sites under consideration in relation to the distribution around Basingstoke are within a reasonable distance of services, facilities and employment

opportunities, although, the further the development spreads, the less well located they are. In practice, however, there is no substantial difference in the distance from the town centre between the options.

- 4.1.10 Travel to work data reveals that more outlying areas do tend to have higher car use, and average work journeys are longer, but there is only a limited difference between wards to the north-east and south-west of the town. (**Appendix 2**) shows that, while it is accepted that Hatch Warren and Beggarwood ward has longer distance and higher levels of car commuting, this is not markedly different from, for example, the ward of Chineham. It is also noticeable that these areas tend to have higher levels of people working from home compared to more centrally located wards of the town average. The overall distances into the town from Hounsme Fields and Basingstoke Golf Course are approximately 7km and therefore public transport and cycling options are capable of being provided in both areas. Further, the quantum of development in this corridor will be sufficient to support quality, frequent bus services and the A30 corridor is identified as a priority strategic cycle route in the draft cycling strategy.
- 4.1.11 It is not considered that the allocations in the plan place an undue emphasis on the west and south-west. Given that there were no inherent sustainability reasons for favouring development in one quadrant of the town, and so a spread of development was considered the best option, it became a matter of the detailed assessment of potential sites and those allocated were those that performed best through the site assessment and sustainability appraisal process. It was also considered that a spread of development around the town would maximise delivery rates. Although Hounsme Fields and Basingstoke Golf Course are slightly further from the town centre and rail station than appraised sites to the north-east, distance from the town centre was only one consideration taken into account when appraising the suitability of sites. Also, the proposed allocations to the west will have suitable access to local facilities and services and the size of development will also allow some internalisation of trips with the provision of a primary school and local facilities.
- 4.1.12 Inevitably, all the major strategic allocations are on the edge of the built-up area, and by their nature, more distant from the town centre. However, given the size of Basingstoke, the allocations are capable of being designed to maximise integration with the existing built environment and provide good links by a range of modes of transport to the wider network, town centre and key destinations.

Demography

Q4.2 *Is the Plan's assessment of the household needs for Basingstoke over the plan period (to 2029), as equating to 850 dwellings per annum (dpa), (i.e. an increase from the submitted Plan figure of 748 dpa) expressed in the amended policy SS1 and in the Strategic Housing Market Assessment (SHMA) (PS/02/17) and Housing Topic Paper (PS/02/18), based on **the most up-to-date and robust objective assessment of housing need (OAHN)** for the Borough? In particular: (i) Are the Plan's migration, demographic change and household representative rates (HRR) assumptions realistic? (ii) Has an allowance for existing unmet housing need been factored in? (iii) What are the sustainability arguments for aiming for either the higher or lower end of the range of housing requirements for the Borough?*

Supplementary question

Q4.2.1 *What is the council's response to the view widely held by housing developers and consultants, that the council's own consultants, Edge Analytics, in their latest report [Appendix A to PS/02/17], point to a housing need of 936 dpa? Also, should the LP include an uplift to reflect the worsening AH situation? In the light of recent international migration, should the OAHN be adjusted to reflect this factor?*

*What is the council's response to the view widely held by housing developers and consultants, that the council's own consultants, Edge Analytics, in their latest report [Appendix A to **PS/02/17**], point to a housing need of 936 dpa?*

- 4.2.1 The NPPG states that household projections published by the Department for Communities and Local Government (CLG) should provide the *starting point* estimate of overall housing need (ID: 2a-015).
- 4.2.2 The Edge work (**PS/02/17**) illustrates that with an appropriate vacancy rate, Edge Analytics the NPPG's *demographic starting point* for Basingstoke and Deane Borough is 936 dwellings per annum¹.
- 4.2.3 However this number is only the starting point and the NPPG recommends that they are still tested. One reason they need testing relates to the short base period used to inform the projections used by the ONS and used to inform the CLG household projections. As explained in the 2015 Planning Advisory Service note (Objectively Assessed Need and Housing Targets Technical advice) the ONS use only a short 5 year trend period for internal migration whereas for a long term development plan, which may look 15-20 years into the future, projecting this short period may not be appropriate. The short period used by the ONS may be influenced by the recession (the

¹ A number of representations have incorrectly identified 888dpa as the 'demographic starting point'. This error occurs as a result of the published household data at the beginning and end of the period being rounded to the nearest 1,000, and this has a knock-on impact upon the annualised figure.

ONS project 2007-12) or be untypical rates of development and so migration.

- 4.2.4 This suggestion to use, or at least consider, longer trend projections is also recommended by leading academics who have advocated using a 10 year trend period, as longer data periods tend to be more stable. The paper by Simpson and McDonald (TCPA, April 2015, **Appendix 3**) demonstrates the uneven spatial impact of the recession, and states that, 'a shorter period is more susceptible to cyclical trends, an argument which has particular force when the five year period in question – 2007-12 – neatly brackets the deepest and longest economic downturn for more than a generation'. Although this argument is typically applied in areas where housing delivery has been suppressed, it is equally relevant to Basingstoke and Deane, where the pattern of migration was changed.
- 4.2.5 Recognising this shortcoming the council has therefore tested different trend periods. This testing showed that a short period would not provide the most appropriate basis upon which to project future population change. This analysis is set out in Chapter 3 of the Housing Needs Statement.
- 4.2.6 For internal migration the testing concluded that a 10-year trend period for internal migration was more appropriate. But for international migration a 5 year period was preferred.
- 4.2.7 The five year international migration period is not dissimilar to the six years used by the SNPP but the Edge Analytics Analysis uses more up-to-date data. This is justified because:
- Edge Analytics use the most up-to-date data as a matter of course, to ensure that trends project forward the most recent information.
 - The council's preferred period captures the tail end of the EU8 accession (free movement from Poland et al in 2004), so includes some of these flows but is not overly dominated by it. For the reasons set out in Section 3.2 of the Housing Needs Statement (and detailed further in response to the Inspector's question, below), it is not expected that such great international migration flows will be repeated in the plan period.
 - International migration is a relatively small component of total migration flows, so even if a 10 year period was used (which would include all the flows from the EU8 accession), this would only suggest a requirement for 834 dwellings per annum in Basingstoke and Deane. This can still be accommodated within the council's housing target.
- 4.2.8 This scenario was modeled by Edge Analytics (2015 Edge Report in the 2015 SHMA) and indicates a need for 813 dwellings per annum.
- 4.2.9 It is therefore considered that a housing requirement of 813 dwellings per annum would meet Basingstoke and Deane's full demographic need, rather than the 936 dwellings per annum proposed by the SNPP.

Should the LP include an uplift to reflect the worsening AH situation?

4.2.10 Chapter 6 of the Housing Need Statement identifies that the borough’s full objectively assessed affordable need (as calculated in HNS Appendix 9) can be accommodated within the housing target.

4.2.11 In accordance with Para 29 of the NPPG (ID: 02a-029) it is therefore not necessary to consider adjusting the housing delivery number. Rebuttal of some of the more detailed criticisms of the affordable housing calculation is set out in the response to question 4.8.

In the light of recent international migration, should the OAHN be adjusted to reflect this factor?

4.2.12 It is not considered necessary to make a local adjustment for international migration as it is a national trend. There is also considerable uncertainty about how levels of international migration will change in the future.

4.2.13 The Oxford Economics Report (HNS, Appendix 7) from August 2015 predicted relatively low levels of future international migration over the Plan period. Their report stated, ‘We expect net migration into Basingstoke and Deane to be weaker over the next decade than recently... This reflects a general reduction in net migration into the UK as the one-off influence of EU enlargement fades and economic growth on the continent improves, thereby reducing the relative attractiveness of the UK as a place to find work’.

4.2.14 However, the ONS Migration Statistics Quarterly Report, August 2015 indicates that levels of international migration are currently increasing and that there were an extra 100,000 net migrants to the UK in the year ending March 2015 (compared to the previous year) - which was principally due to increased in-migration.

4.2.15 Nationally, the increased net international migration came from a range of locations:

Source	Net migration April 2013- March 2014	Net migration April 2014 – March 2015	Difference
EU2	25,000	49,000	+24,000
Rest of EU (Excluding EU2)	105,000	134,000	+29,000
Non-EU	157,000	196,000	+39,000

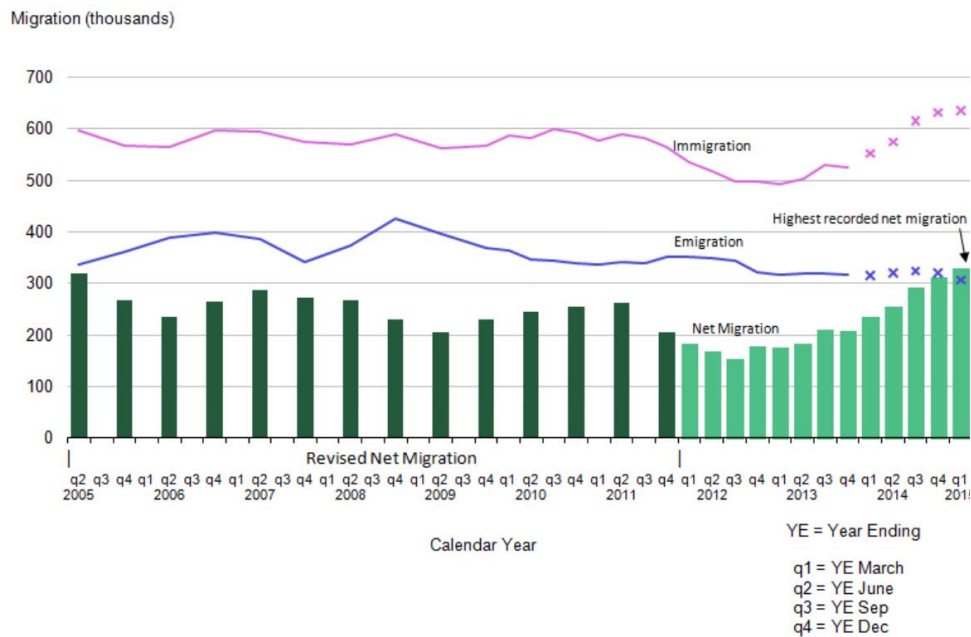
Table 2.1: (Source: Migration Statistics Quarterly Report, August 2015)

4.2.16 Although this shows increased flows from the EU2 countries, these flows are still lower than those seen in the EU8 accession. The ONS states that in the

calendar year of 2007, there were 87,000 net movements to/from EU8 countries.

4.2.17 As the graph below shows, the levels of net migration (nationally) are variable and cyclical over time, and it is difficult to predict with any certainty what will happen in the future.

United Kingdom, 2005 to 2015



Source: Long-term International Migration - Office for National Statistics

Figure 2.1 UK international migration

The following other key issues raised in third parties' statements:

a) *Effect of the UPC*

4.2.18 Implied within the international migration component of change in all scenarios is an 'unattributable population change' (UPC) figure, which ONS identified within its latest mid-year estimate revisions. The POPGROUP model has assigned the UPC to international migration as it is the component with the greatest uncertainty associated with its estimation.

4.2.19 In the Edge report, UPC is used to adjust the flow of international migration (in each historical year) and this resultant adjusted historical flow is used to derive future assumptions on international migration.

4.2.20 However, when considering UPC, the overall impact is very small. Within BDBC, for the scenarios using five years international migration, a UPC of -26 has been applied (as shown in Table 1 of the Edge Analytics Report in the 2015 SHMA). This has the effect of decreasing the future population by just 1.3%.

4.2.21 Edge Analytics consistently recommend including it to adjust the flow of international migration in scenarios, whether the result is positive or negative. Edge Analytics have national level expertise in international and internal migration applications in demographic modelling.

b) Past under-delivery

4.2.22 The trend periods projected forward by the council’s preferred scenario have not been suppressed by past under-delivery. This is demonstrated in Chapter 4 of the Housing Needs Statement; both in terms of direct evidence (benchmarking housing supply against national supply) and indirect evidence (reviewing market signals, and in particular how they compare to neighbouring local authorities and regional and national trends).

c) Should the number be adjusted to account for increased future migration from London?

4.2.23 The council does not consider that an increase in the housing target is required because flows to/from London were not suppressed during the reference period. As Figure 2.2 shows, over the reference period, migration flows to/from London were relatively stable, generally less than about 200 persons per annum.

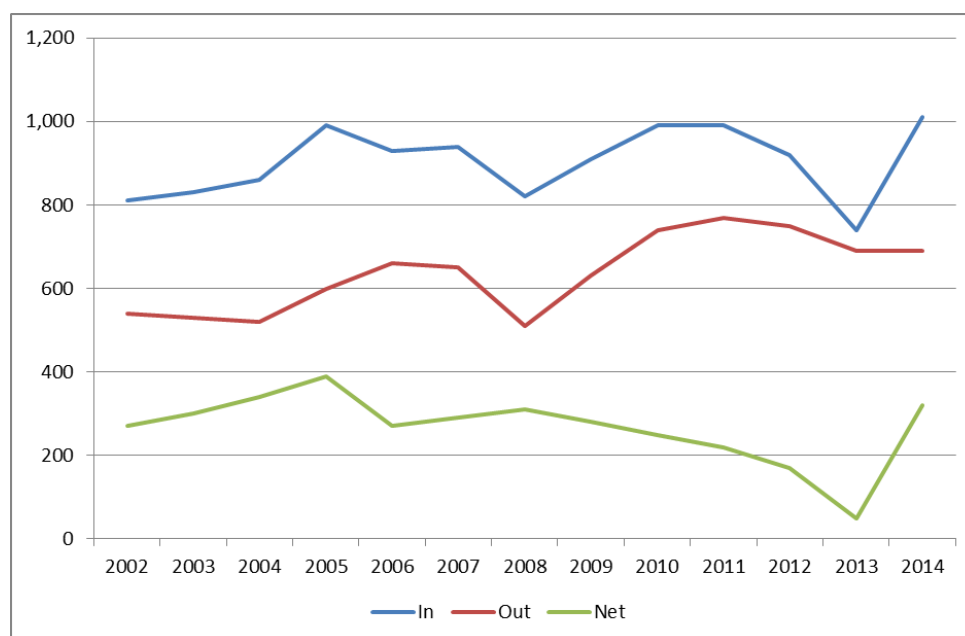


Figure 2.2: Internal migration: In, out and net internal migrants between London and Basingstoke and Deane, 2002-2014 (Source: ONS)

4.2.24 At present, the Mayor is committed to meeting London’s housing needs in the capital itself and although London may need to look at options for meeting its needs beyond its boundary, there is, as yet, no agreement as to

how the housing needs of London may be addressed more widely. This issue was recently considered by the Inspector at Canterbury's examination in public (Inspector's note from stage 1 of the examination in **Appendix 4**), who concluded it would be premature to plan with any certainty about whether or how the London effect would impact upon the borough:

“The possibility that London may not be able to accommodate all its housing needs arose in the Report of the Inspector who examined the Further Alterations to the London Plan, published in November 2014. The Mayor/Greater London Authority have begun a process of dialogue with councils in the South East in which Canterbury are participating and will no doubt continue to do so as appropriate. However, the aim of boosting significantly the supply of housing would not be best served by delaying the Plan until it is clear whether Canterbury should be in receipt of any unmet needs. This should be considered in a future review of the Plan if necessary”

d) Use of the demographic figure

4.2.25 As demonstrated in the HNS, the borough's demographic requirements have influenced the OAN. They form a baseline for calculating the OAN, which has then been adjusted upwards to satisfy other requirements of the NPPG (for example, to balance homes and jobs).

Household Projections

- 4.3 *Have the **2012 based household projections** brought about any amendments to the OAHN?*

Supplementary question

- 4.3.1 *Several representations point to the fact that the 2012-based DCLG headship rates are based on the recession and are therefore suppressed and as a consequence are not appropriate for planning for new housing in an era where the economy is expected to improve? What is the council's response in view of the need to meet the full OAHN?*
- 4.3.1 The NPPG is clear that the 2012-based rates are 'the most up-to-date estimate of future household growth' and so provide the best information available at present. These are reflective of longer term trends and not just 'recessionary'.
- 4.3.2 Representors have suggested that household formation rates in young adults may increase, but there is no evidence to demonstrate that this will occur, and there is no evidence to suggest that this is particularly likely to occur in Basingstoke and Deane.
- 4.3.3 Simpson (2014, **Appendix 5**) asks whether lower household formation is a new trend or a temporary aberration, and suggests that the weight of evidence is very much that the lower household rates are a new long term trend. He makes specific reference to the household formation rates of young adults and notes that the increased number of young people living with their parents began at the turn of the millennium, citing reasons like the introduction of student fees and the growth of part-time work, which look like continuing.
- 4.3.4 Simpson and Macdonald (2015) state that, 'In this context it is no longer sensible to appeal to previous household projections including the 2008-based set as if they were evidence of an underlying trend in household formation. They were produced at a time when household formation had already changed, starting before the economic downturn of the mid-to-late 2000s, and are in themselves only evidence of the optimism of that period.'
- 4.3.5 The 2012 rates of household formation are reasonable to use and are not just driven by the impact of the recession. It is therefore the council's view that applying the 2012 household formation rate will enable Basingstoke and Deane to meet its full objectively assessed housing need, and that no adjustment is required.

Housing Delivery Buffer

Q4.4 *What is the council's response to the representations which argue that the housing buffer figure should be 20% and be factored in using the Sedgfield method, as advised by the PPG.*

Supplementary Question

Q4.4.1 *What is the council's response to the representations which argue that the housing buffer figure should be 20% and be factored in using the Sedgfield method, as advised by the PPG.*

- 4.4.1 The council considers that 5% is a suitable housing buffer figure as there has not been a record of persistent under-delivery of housing in the borough. The council's position is outlined in paragraphs 5.1 to 5.4 of the Updated Housing Land Supply Statement (**PS/02/43**) and also the response to Inspector's question 4.4 (paragraphs 4.4.1 – 4.4.3 in Issue 3 statement). The council's evidence shows that, on a cumulative basis, performance has not fallen into deficit at any point over the last 10 years.
- 4.4.2 The representations indicate a clear difference of opinion over the suitable timescale to use when considering this issue (this varies between 19 and 5 years depending on the representations and the argument being put forward), and also which housing requirements the supply should be judged against.
- 4.4.3 The council considers that a ten year timeframe is suitable and reasonable, representing a full housing market cycle. A longer term view of housing delivery than five years should be taken to enable the peaks and troughs of the housing market to be fully considered. In terms of the requirement figures, the council has taken those which are reflective of the contemporary requirement at the time in question rather than an ex post facto figure which was not known by those responsible for seeking to deliver housing. Measuring performance against a target unknown at the time is using hindsight rather than measuring performance. The requirements, set out in Figure vii) of the Updated Housing Land Supply Statement (**PS/02/43** page 14) are those that the council set itself to meet at the time and so they are an appropriate measure to test performance in terms of seeking whether it has under delivered against what it was seeking to deliver. A cumulative approach has also been used. Simply referring to how many years a council has undersupplied takes no account of the scale of over/under provision in each year and so is a poor measure of the significance of any under-delivery.
- 4.4.4 In terms of the figures outlined in Figure vii), 825 dpa is used as the requirement figure for 2006/07 – 2008/09. The draft South East Plan (SEP) went through various iterations at this time and the council (and others) was pursuing arguments (as reported in the relevant Annual Monitoring Reports) as to what the figure should be. 825 dpa is the figure in the initial SEERA

proposals for the SEP. From 2011/12 onwards, locally derived targets have been used, reflecting the requirement for LPAs to establish their own targets in light of the revocation of the SEP

- 4.4.5 It is important to note that even if different requirement figures are used, including the South East Plan requirement of 945 dpa between 2006/7 and 2012/13 (as suggested by representors such as Woolf Bond in their written statement on behalf of Dandara and Judith Ashton on behalf of Wates who set out detailed evidence in this regard), there was no cumulative under-delivery in the borough until 2012/13 (when it stood at just 20 units). The under delivery in 2006/07 was more than compensated for (even on these figures) in 2007/08 when delivery returned to a substantial surplus. Therefore, at the time of submission and also now, it could not be argued that there has been a record of persistent under-delivery of housing in the borough.
- 4.4.6 Also, as outlined in section 5 of the Updated Housing Land Supply Statement, the under-delivery is not particularly serious, especially in relation to other authorities and national trends, particularly in light of the impact of the economic recession on the housing market, the impact of which during this period is well documented. This position was acknowledged at the exploratory meeting where it was stated that *'the borough's under-delivery record in the recent past is not particularly serious, especially in relation to many other authorities. Therefore the Inspector felt that the 5% buffer was appropriate.* Judith Ashton Associates, who have undertaken a detailed analysis on this matter, agree that a 5% buffer is appropriate in this instance.
- 4.4.7 Turning to how any shortfall should be met moving forward, the Updated Housing Land Supply Statement (**PS/02/43** section 5, para 5.4 onwards) outlines the council's commitment to addressing the accumulated shortfall as soon as possible, with the evidence setting out how this will be met by 2021/22.
- 4.4.8 The council acknowledges that national guidance sets out a preference for the Sedgfield method, where possible, but allows the possibility of a method other than Sedgfield to be used. Whilst representations have highlighted specific examinations where Sedgfield has been accepted, similarly, the Liverpool approach has been accepted as suitable by Inspectors at other examinations, such as Lichfield (January 2015) and Canterbury (August 2015). The key point that emerges from the various Inspectors' reports is that the appropriate approach depends very much on the circumstances of the plan area in question.
- 4.4.9 Section 5.6- 5.10 of the Updated Housing Land Supply Statement (**PS/02/43**) provides the evidence to explain why the Liverpool approach is considered suitable for this borough. Factors include the level of the shortfall (1,450 units), low predicted completions to March 2017 and the limited ability to increase such supply in the short term, lead in times associated with site delivery (as outlined in appendix 1), and the already high levels of delivery expected in 2017-20 and how this relates to the housing market in terms of

being towards the upper limits of what the market has shown itself able to deliver.

- 4.4.10 The evidence is considered to reflect a realistic projection of delivery rates on development sites in the borough, informed by information gained from the market. Significantly quicker delivery on existing sites is not considered realistic at this stage and therefore additional allocations would be required. However, as outlined in paragraph 5.10 of the Updated Housing Land Supply Statement (**PS/02/43**), additional site allocations would be unlikely to lead to an early resolution of the undersupply for a number of reasons including the time associated with additional work required to include further allocations and also, associated lead in times for the sites themselves.
- 4.4.11 In terms of additional sites in the villages, the figures allocated to the settlements through policy SS5, in addition to other opportunities for housing to be delivered in the rural areas, are considered to reflect a suitable level of development in settlements taking into account their specific characteristics and relevant issues including their sustainability credentials, constraints and needs.
- 4.4.12 Finally for clarity, the council would like to take the opportunity to correct a mistake in Figure 3.1 of the Updated Housing Land Supply Statement (**PS/02/43**). This table should be replaced within the table below which shows that if the buffer is not added to the shortfall the supply remains at 5.3 years.

Total Requirement (2011 to 2029)	15,300 [850x18]
Completions 2011 - 2015	1,951
Shortfall 2011-2015	1,449 [3,400-1,951]
5 year requirement 2015-2020	4,250 [850x5]
5 Year Requirement (plus 5% buffer)	4,463 [4,250 +213]
5 year requirement (plus 5% buffer and annual shortfall (1,449 ÷ 14) x5)	4,983 [4,463 + 520]
Annual Requirement	997 [4,983 ÷ 5]
Supply	5,275
Years Supply	5.3 Years [5,275÷997]

Table 3.1 Housing land supply calculation

Jobs and Homes

Q4.5 *Are the forecast **job growth** figures for the Borough realistic? In particular do they predict reasonably strong growth in the last decade of the plan period?*

Supplementary Question

Q4.5.1 *Several concerns were raised by representors, including: (i) the Cambridge Econometrics forecast, only one year after the Experian forecast, is significantly lower (700 jpa cf 1,377 jpa) and also downplays growth in the transport and distribution sector; (ii) that the arguments advanced by the council to link 850 dpa to 700 jpa rely on substantial falls in commuting and rises in economic activity rates, which are considered to be unrealistic; and (iii) there is a danger of economic underperformance unless the housing requirement is increased; the Regeneris Report suggests a figure of 1,040 dpa as appropriate. What is the council's response to these points?*

(i) The Cambridge Econometrics forecast, only one year after the Experian forecast, is significantly lower (700 jpa cf 1,377 jpa) and also downplays growth in the transport and distribution sector (BDBC Response)

4.5.1 In order to provide an understanding of likely future employment needs, the 2014 Employment Land Review (ELR) was informed by an economic forecast from Experian. The 2015 ELR Update was informed by data from Cambridge Econometrics. The 2014 Experian data indicated a requirement for almost twice as many jobs per annum as the Cambridge forecast.

4.5.2 Given these diverging projections, the council sought updated data from Experian, and data from a third forecasting house (Oxford Economics). The outcomes are set out in Table 5.1

Economic Forecast	Total jobs increase per annum	Change in jobs in transport and distribution sector (2011-2029)
Cambridge (LEFM) 2015	700	-100 ²
Experian 2015	1,382 ³	+1713 ⁴
Oxford 2015	772	-660 ⁵

² Transport and Storage industrial groups only

³ Based upon 2015 Experian data

⁴ Based upon 2015 Experian data

⁵ Calculated by adding 90% of transport category and 80% of wholesale category (as used in SEGRO responses to Inspector's questions T3.1)

Table 5.1 Comparison of employment forecasts

- 4.5.3 The overall jobs requirement indicated by the Cambridge model is broadly supported by the outputs of the Oxford Economics model, and Experian would appear to be the outlier.
- 4.5.4 The Cambridge model would also appear to be better aligned with past job creation rates (based upon ABI/BRES data, as shown in Figure 5.1 of the Housing Needs Statement **PS/02/47**) and current market conditions.
- 4.5.5 This is particularly pertinent in the context of the latest BRES figures released on 24 September 2015. These show a marked decline in job numbers in the borough in 2014, down from 82,300 in 2013⁶ to 77,800 in 2014 (full data in **Appendix 6**).
- 4.5.6 In light of all these considerations, it is therefore considered most appropriate to use the Cambridge Econometrics forecast as the basis for the top end of the jobs target range
- 4.5.7 In relation to the storage and distribution sector, the Experian model also makes radically different assumptions about the transport and distribution sector, forecasting growth whereas the others indicate stagnation or decline (as illustrated by Table 5. 1, above).

(ii) The arguments advanced by the council to link 850 dpa to 700 jpa rely on substantial falls in commuting and rises in economic activity rates, which are considered to be unrealistic (BDBC Response)

- 4.5.8 The Edge Analytics report shows that 850 homes could support 700 jobs, but that the relationship between jobs and homes was very sensitive to the model's labour market assumptions. This is detailed in Chapter 5.2 of the Housing Needs Statement (**PS/02/47**).
- 4.5.9 As the relationship between jobs and homes is so complex, the council asked Experian and Oxford Economic to comprehensively test the relationship through their econometric models. The forecasting models are integrated, such that they do not consider any one variable in isolation but alongside many others including economic activity rates, commuting, unemployment, and the relative position of one economy (one LPA) with its neighbours.
- 4.5.10 Experian concluded that the local economy would not be constrained by a lack of labour and that providing more homes (or residents) would not translate into additional job growth. The model demonstrates that 1,376 jobs per annum could be achieved through a slight reduction in unemployment and a stable aggregate economic activity rate. Experian has confirmed

⁶ This is the revised figure for 2013 published 24 September 2015.

these parameters are 'within normal bounds', and would deliver a jobs total in excess of the council's job range.

4.5.11 The Oxford Economics model is somewhat different because its baseline assumes a level of housing growth below the council's 850dpa scenario (due to lower migration assumptions). The council's 850dpa scenario would therefore result in a greater workforce than Oxford Economics' baseline projection, which is capable of supporting 776 jobs per annum. Oxford Economics' baseline model assumes that economic activity rates will rise above the 2011 level until 2023/24, before declining at the latter end of the period, and that out-commuting would increase.

4.5.12 In conclusion, the council recognises that economic projections are not an exact science, and that small changes to assumptions can have a significant influence over the number of homes required to support different levels of job growth. The forecasts demonstrate that the jobs requirement can be met through the delivery of 850 homes per annum, using reasonable, realistic assumptions.

(iii) Is there is a danger of economic underperformance unless the housing requirement is increased; the Regeneris Report suggests a figure of 1,040 dpa as appropriate (BDBC Response).

4.5.13 The council noted that Regeneris were relying upon forecasting from Oxford Economics to promote their alternative housing number, so the council sought information from them directly.

4.5.14 Oxford Economics' integrated forecasting model (as set out in Appendix 7 of the Housing Need Statement **PS/02/47**) does not support Regeneris' suggested housing number. The baseline Oxford Economics forecast indicates that 772 jobs per annum⁷ (13,900 jobs in total) could be supported by a population increase of 26,766 people.

4.5.15 Although the model output does not identify the equivalent housing number, when Oxford Economics ran the council's scenario using 850dpa, it resulted in a population increase of 30,327 (and 917 jobs per annum). It is therefore implicit that the homes requirement to support the population in the baseline scenario (whether that be to support 772 or 815 jobs) would be less than 850 dwellings per annum.

4.5.16 Oxford Economics' own modelling therefore demonstrates that the forecast growth can be achieved through the delivery of the council's housing target. The council therefore does not agree that it is necessary to increase the housing number above 850 dwellings per annum in order to avoid economic underperformance.

⁷ 772jpa is derived the Oxford Economics Forecast, August 2015. Regeneris' 815jpa is derived from the Oxford Economics Forecast, April 2015

Market Signals

Q4.6 What **other factors** should be taken into account in determining the overall housing provision for Basingstoke over the plan period? For example, what weight should be given to the national Planning Practice Guidance (PPG), covering aspects such as market signals, and historic suppression of household formation rates?

Supplementary question

Q4.6.1 In view of the fact that the affordability ratio (housing prices to earnings ratio for the lowest quartile) has increased from 4.4 in 1997 to 7.7 in 2014, should there be an uplift to the OAHN to account for this, and if so, what should it be?

4.6.1 The NPPG requires market signals (such as affordability) to be considered to determine whether the demographic trends that the projections roll forward have underprovided land against demand. A detailed assessment is set out in Chapter 4 of the HNS.

4.6.2 The PPG is clear that comparison should be made to other places so that adjustments respond to local issues.

‘Prices or rents rising faster than the national/local average may well indicate particular market undersupply relative to demand’

NPPG Para ID: 02a-019

4.6.3 In this area house prices have largely tracked trends. Figure 4.6 in the HNS identifies the ratio between lower quartile house prices and lower quartile earnings (the indicator recommended by the NPPG) has fluctuated within a normal range and not worsened in relation to neighbouring local authorities or regional or national trends.

4.6.4 Neither affordability nor any of the other market signals indicate that the housing market has been constrained or demand was suppressed over the demographic reference period, so this would not justify an upward adjustment of the planned housing number.

Housing Market Area

Q4.7 *In relation to the Framework para 47 [1], is the Basingstoke and Deane **Housing Market Area (HMA)**, as defined by the Borough boundary, the most appropriate ‘building block’ for assessing the area’s housing requirements? Is there a case for Basingstoke’s housing need (and therefore housing provision) to be assessed over a wider area than the Borough boundary, and if so which area?*

Supplementary question

Q4.7.1 *Several representors consider that none of the three main criteria – house prices, migration patterns, and those living and working in the Borough – make a strong case for Basingstoke to be treated as a separate HMA. What is the council’s response to these arguments?*

4.7.1 The council considers that Basingstoke and Deane can be regarded as a separate housing market area, as it meets the requirements of the PPG with reference to migration patterns, commuting patterns, and property market signals. It meets these three main criteria individually, and when taken together provides strong evidence that the borough is a robust approximation of an appropriate housing market area. This is explained in detail in Chapter 2 of the Housing Needs Statement (**PS/02/47**) and summarised below.

4.7.2 It should also be recognised that no neighbouring authorities consider themselves to have sufficiently strong links with the borough to be part of the same HMA. Below is a summary of the council’s position against the N PPG requirements.

Indicator	PPG requirement	How does BDBC comply?
Migration patterns (the extent to which people move house within that area)	70% self-containment excluding long distance moves that reflect ‘a change of lifestyle or retirement’ as ‘most people move relatively short distances due to connections to families, friends, jobs and schools’.	<ul style="list-style-type: none"> 70% of people moving into a dwelling in BDBC had moved from elsewhere in the borough. 75% of residents who moved home, moved to elsewhere in the borough. <p>(with moves over 1hr drive time removed)</p>
Commuting	No specific threshold	<ul style="list-style-type: none"> With the Atomic Weapons Establishment adjacent to the

<p>patterns</p> <p>(the extent to which people live and work within that area)</p>	<p>set in PPG.</p> <p>ONS defines travel to work areas as those with a self-containment rate exceeding 66.7%</p>	<p>borough boundary included, 68.9% of the borough's resident population are self contained in their place of work.</p> <ul style="list-style-type: none"> • Of the borough's working population, 70% live in the borough.
<p>House prices</p>	<p>Identification of area which have clearly different price levels</p>	<ul style="list-style-type: none"> • As explained in Section 2D of the 2015 SHMA, property prices are related to a number of factors, not just geography. However Figure 5.3 shows clear differences in lower quartile and median prices when compared to neighbouring authorities. Figure 7.1 shows the median house price sales in Basingstoke and surrounding settlements for 2013.

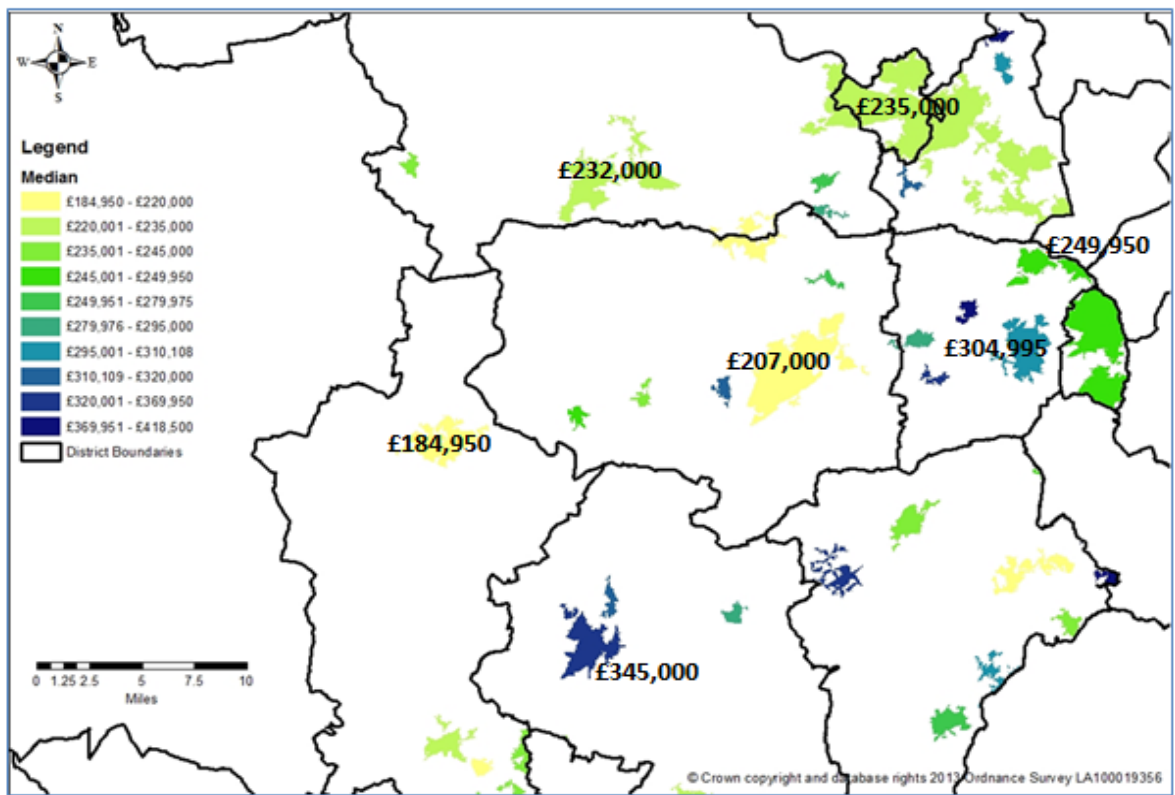


Figure 7.1: Median house sales prices in Basingstoke and surrounding settlements (built-up areas with 50+ sales, 2013)

Affordable Housing

4.8 *Does the household needs assessment for Basingstoke and Deane fully take into account the Borough's **affordable housing** needs? Will the Local Plan maximise the amount of affordable housing delivered? Should the Local Plan include additional requirements, such as percentage dwelling size, which could set a clear strategic marker for the council in its negotiations to maximise affordable housing delivery which meets needs? Are the affordable housing targets viable or will they compromise the delivery of both market and affordable housing?*

Supplementary question

4.8.1 *In view of the fact that the 40% AH policy in the existing LP has not delivered (e.g. 15% in 2013/14), how will the emerging LP tackle the challenges of implementation?*

Delivery of affordable housing

4.8.1 Chapter 6 of the Housing Needs Statement (**PS/02/47**) identifies that the number of affordable dwellings required to meet the borough's objectively assessed affordable need would be equivalent to 36.5% of the total housing figure. Submission Policy CN1 proposes 40% affordable housing on sites of 5 or more dwellings and equivalent financial contributions from smaller housing sites (which would also be used to deliver affordable housing in the Borough). The council is confident that the submission Local Plan policy would meet the need for affordable housing.

Past delivery

4.8.2 The Council's past affordable housing delivery rates are set out in Table 4.5 of the SHMA 2015 (**PS/02/17**). It is recognized that in some past years, the council has not achieved 40%, and this can be accounted for by the following reasons:

- a. The current Basingstoke and Deane Borough Local Plan Review 2006 does not require affordable housing on all developments. The 2006 Local Plan (adopted July 2006) set a development size threshold for requiring affordable homes of:
 - 25 dwellings in Basingstoke;
 - 15 dwellings in the borough's larger settlements (>3000 population); and
 - 7 dwellings in the smaller villages (<3000 population).

The threshold for sites requiring affordable housing in Basingstoke was reduced to 15 dwellings by the Affordable Housing SPD in July 2007, to bring it into line with PPS3. There is therefore currently no requirement for sites below these thresholds to deliver affordable housing, and as they constitute a significant proportion of the borough's supply, this has the effect of lowering the aggregate delivery rate.

- b. Prior to the adoption of the 2006 Local Plan, its predecessor, the Basingstoke and Deane Borough Local Plan 1991-2001, sought to deliver '20% affordable dwellings across the borough', with the precise rate determined by negotiation on a site-by-site basis. Some of the larger schemes that have only recently been completed, or are nearing completion (such as Park Prewett (1,300 units) and Taylors Farm (944 units)) received outline consent under this older Local Plan, so would typically yield a lower proportion of affordable housing.
- c. The past delivery rate of affordable housing is quite volatile, and this may be accounted for the phasing of affordable housing within developments.

As standard, the council would typically not allow more than 75% of the market dwellings to be occupied before the affordable housing units within that phase have been made ready for occupation. This results in a less regular pattern of delivery with particularly high rates in some years and lower rates in others. Delivery rates can be particularly skewed when single tenure blocks of flats are a component of the supply, as units cannot be completed individually.

4.8.3 In the year 2013/14 (specifically highlighted by the Inspector), the particularly low affordable housing delivery rate can be explained by a number of factors:

- a. The table below shows the number of market and affordable homes delivered on the sites with the greatest overall housing yield.

Site	Application Ref	Completions	Affordable Housing Units	BDBC commentary
Boundary Hall, Tadley	BDB/67609	108	46	43% on-site delivery
New Road (McCarthy and Stone)	BDB/72636	94	0	Financial contribution provided in lieu of on-site delivery
John Hunt School	BDB/57044 (June 2004)	68	2	2004 S106 secured 26.6% affordable housing. Higher rates were delivered in 2011/12 when

				almost half of the units delivered were affordable
Sherfield Park	BDB/56333 (January 2004)	91	9	2004 S106 secured 30% affordable housing.
Park Prewett	BDB/37260 (Outline consent 1997)	56	0	1997 S106 and later variations secured 20% affordable housing.

Table 8.1 Sites with most housing delivery, 2013/14

4.8.4 The County Council's monitoring shows that a further 107 affordable homes were started that year (but not completed). The lower net number of completions is accounted for by the commencement of a regeneration scheme in Popley that required the demolition of existing affordable dwellings.

Future delivery

4.8.5 The council has been successful in achieving the full policy requirement on the major sites in recent years. All the sites with an extant planning permission that have more than 100 dwellings remaining to be built, will deliver 40% affordable housing (almost 3,500 homes contributing more than 1,300 affordable dwellings).

4.8.6 These sites will form a significant component of affordable supply in the future, and demonstrate that the council has been able to achieve its policy target in the past.

4.8.7 The council's Viability Study demonstrates that 40% affordable housing would be viable in the vast majority of cases in the future too (and, in any case, the CIL rate would need to be set at a level that would allow the delivery of policy compliant schemes).

The following additional issues have been raised in third party's statements:

a) *The number of households identified as in current need is fewer than were on the housing register in August 2013*

4.8.8 The Housing Register is a live document that is updated as new applications for housing are made and as those in need are housed. The affordable need calculation has been undertaken in strict accordance with the PPG, and includes all those households in current housing need, as defined by para 02a-024. These groups in need are individually identified in Table 3.1 in the Affordable Housing Needs Assessment (AHNA, Appendix 9 of the Housing Needs Statement **PS/02/47**).

4.8.9 In August 2015, there were 5,662 households on the general needs housing register, of which 3,419 were in housing need and have a local connection.⁸ There were 1,348 households on the transfer register, of which 455 were in housing need and have a local connection. Whilst there are some households on the housing register who do not meet the PPG's definition of need, there are other households in need who may not be on the housing register (such as those in overcrowded households and concealed households). The council adopted a new housing allocations policy and as a result the number of people on the housing register fell to approximately 1,600 as of 1st October 2015, but it is expected to rise.

4.8.10 One respondent has stated that 'There will be households who do not meet the local connection criteria but live in the borough and are in housing need'. Based upon the definition of local connection in the council's Housing Allocations Policy (as at August 2015), if someone lives in the Borough, they would have a local connection.

4.8.11 The AHNA has therefore followed the requirements of the PPG and accurately established the level of current need for affordable housing.

b) The affordability test applied to the current unmet need is unjustified

4.8.12 The affordability test has been applied in line with the Planning Practice Guidance paragraph 2a-024 which states that the unmet need should 'include only those households who cannot afford to access suitable housing in the market'.

c) The affordability threshold (identified in table 3.2) should take account of the size of home required (as larger homes will be more expensive and so less affordable).

4.8.1 Table 3.2 of the AHNA has been simplified for ease of understanding. For households on the housing register, the detailed calculation does take into account the size of the property that is required by the household, the cost of accessing lower quartile market properties of an appropriate different size, the average incomes of households seeking those properties, and the number of households seeking them. As overcrowded and concealed households were derived from the census, information is not available about their incomes or about exactly which size property they require. As such their average income was assumed to be 70% that of the average (in line with the English Housing Survey) and assumptions were made about what size of house they required based on the information available. It therefore provides the best reflection from the information available, of affordability for households in unsuitable housing in Basingstoke.

⁸ There were around 500 households in band 5 which means they did not have any points so had neither a priority housing need nor a local connection, another 1500 households with only a local connection but no priority housing need; and a further 200 households with no local connection.

Regeneration

Supplementary Question

Q4.10.1 Several representors consider that the regeneration targets are unrealistic and only aspirational. What is the council's response?

- 4.10.1 As set out in the council's answer to question 4.10, the Strategic Housing Land Availability Assessment (SHLAA) (Version 10 - August 2015) (PS/02/44, p24), explains that 460 net new dwellings have been provided in the past 14 years (including one scheme which is still under construction), equating to an average of approximately 33 dwellings a year from large scale regeneration projects. It is therefore considered that a target of 200 units is actually a conservative estimate when considered in light of past trends, and creates a prima facie case that future proposed regeneration levels are realistic. If the delivery average of 33 units per annum were to be continued over the remaining 14 years of the Plan period, this would indicate a yield of 462 units by 2029. The target of 200 is therefore already discounted.
- 4.10.2 Basingstoke expanded rapidly in the 1960/1970s resulting in large areas of residential estates comprising of 'Radburn' layouts (which provide separate vehicle and pedestrian networks and under used garage courts), scattered and isolated areas of open space with limited amenity value or community benefit, and buildings of a relatively uniform age now requiring significant maintenance input. In order to consider such areas in more detail and maximise any benefit for the local community, the council is continuing to work in partnership with housing associations operating in the borough regarding regeneration proposals, particularly in the priority areas, as detailed in the adopted Strategic Approach to Regeneration (HO13). This dialogue is on-going, with the council proactively seeking to ensure that suitable regeneration development is progressed.
- 4.10.3 Regeneration development is already underway within one of the priority areas, Norden, which will deliver a net increase of 100 units⁹, namely the development at Taverner/ Freemantle Close (BDB/76932). In light of the work progressing in line with the Strategic approach to Regeneration it is considered that the delivery of regeneration schemes in accordance with the policy is inherently realistic.
- 4.10.4 It should also be noted that the policy does not solely seek to facilitate development in the priority areas, and consequently this maximises the potential for regeneration to come forward and hence increases the realistic nature of the target.

⁹ These 100 units are not included in the 100 unit target in order to avoid to avoid double counting within the council's housing land supply.

4.10.5 The broad locations/priority areas identified are also considered to be development which would come forward after the first five years and this is not therefore included in the five year supply. Accordingly, it would be unrealistic to expect detailed information regarding such development to be available at this point in time. In addition, footnote 12 of the NPPF does not expect more than that there is a “reasonable prospect” that developable sites “could be delivered” at the point envisaged. This does not entail providing detailed viability evidence at the plan-making stage to support such a conclusion. It is sufficient that there are no obvious or major issues that would be likely to jeopardise viability in due course. The council has considered the suitability of the priority areas for development and relevant infrastructure requirements and is not aware of any factors which would create a real risk to the viability of the development of these areas.

5 Year Housing Land Supply

Q4.12 *Is the council confident that the plan makes provision for a 5 year housing land supply on specific and deliverable sites?*

Supplementary Question

Q4.12.1 *There is considerable doubt expressed by several representors that Basingstoke and Deane has a 5 year housing land supply. In particular, the following points are made: (i) there has been persistent under-delivery, so a buffer of 20% should be factored in, to be brought on-stream in the first 5 years; (ii) there is an over-reliance on large sites, which recent research shows conclusively are slow to deliver for several reasons, including major infrastructure requirements; (iii) disagreements over the implementation rates for sites with different planning status and for specific sites. In view of the importance of the first 5 years to the soundness of the LP, it would be helpful if a statement of common ground (SCG) could be prepared between the council and key participants from the house building industry. **Those participants interested in contributing should contact the Programme Officer as soon as possible and by no later than 5 Oct 2015.***

The SCG should set out to agree the following:

1. *The annual housing requirement (based on 850 dpa and/or a range).*
2. *The 4 year requirement.*
3. *The start date for assessing the 5 year supply.*
4. *The housing targets for previous years, say over the last 10 years.*
5. *A completions rate, according to planning status).*
6. *Whether a 5% or 20% buffer should be applied.*
7. *Whether the buffer should be applied to any previous under-delivery.*
8. *What were the past completions?*
9. *What are the current commitments?*
10. *Assumptions over LP allocations and windfalls.*

4.12.1 The following section addresses the point raised in the supplementary questions where they have not been considered elsewhere (for example Point i is addressed under the response to Qu. 4.4.1) and also provides a rebuttal to the related issues raised by third parties in their written statements to the Inspector's original questions. A template addressing the issues relating to the Statement of Common Ground has been circulated to relevant parties, as discussed separately with the Inspector.

4.12.2 The council is confident that the Plan makes provision for a 5 year supply of specific deliverable site, as set out in section 5 of the Updated Housing Land Supply Statement (PS/02/43) and also the response to Inspector's question 4.12 (paragraphs 4.12.1 – 4.12.3 of Issue 3 statement). These documents set out the background evidence base supporting this statement, including the detailed site schedule which is based upon realistic annual delivery rates reflecting the views of the development industry.

4.12.3 Representations raise the issue of whether delivery rates should be discounted, and a number of different discounts are suggested. The council considers this blanket discount approach is not required and that the 5 year supply contains a suitable level of flexibility for the reason set out in the Updated Housing Land Supply Statement (**PS/02/43**). Key points are summarised below:

- The components of supply have been assessed against the deliverability tests set out in the NPPF, in partnership with HCC, and reflect delivery rates based upon robust evidence including the views of the development industry. Sites that do not meet the tests have been either moved outside the 5 year supply or removed from the supply all together. Sites have therefore been discounted on a site by site basis.
- Sources of supply, such as neighbourhood planning and regeneration, have not been included within the 5 year supply as specific deliverable sites cannot be identified at this stage. However, relevant sites are likely to come forward within the 5 year period, especially from neighbourhood plans given the relatively advanced stage of a number of these, leading to an increase in the overall 5 year supply total.
- Only a limited number of brownfield opportunity sites are included in the 5 year supply, each of which are making notable progress towards gaining planning permission. Where there is less certainty, sites have been moved outside the 5 year supply and have been discounted by 10%. This source of supply includes sites previously allocated in the adopted Plan which, it is suggested in representations, should be heavily discounted. The total from this source has already been discounted by 37% with 312 units removed from the overall supply. Only 2 such sites now remain in the 5 year supply, both of which are making significant progress through the planning process.
- The plan does not include a large windfall site allowance despite such sites forming a notable source of supply in the past (average of 21% over the last 10 years from unallocated large sites). Whilst some representations suggest that windfall sites should be acknowledged as a higher component of supply, such sites are difficult to predict by nature and this could lead to an element of double counting with the SHLAA. The non-inclusion of this source contributes towards the plan's flexibility.

4.12.4 Representations also suggest that the strategy has an overreliance on large sites, which are generally slow to deliver. The council considers that the land supply is made up of a suitable mix of sites and sources of supply which will ensure that the housing requirement is met. This is illustrated in the table below which sets out the different sources of supply in terms of the percentage of overall supply. It shows how the plan is not over-reliant on any one source:

Source of Supply at 1 April 2015	Number of units	Percentage of supply
Total Requirement	15,300	

Completions	1,951	13%
Commitments	4,668	31%
Windfall	550	4%
Urban/brownfield (SHLAA sites and allocations)	1,323	9%
Regeneration	200	1%
Greenfield allocations	6,300	41% (including Manydown which accounts for 22%)
Neighbourhood Planning	666*	4%

*Reduced from 900 units due to Minchens Lane, Bramley (200 units) and Caesars Way, Whitchurch (34 units) being counted as commitments.

Table 12.1 Housing supply at 1 April 2015

- 4.12.5 The Plan includes a number of greenfield allocations which vary in scale from 100 units to over 3,400 and is not over-reliant on a small number of large sites. The council has entered into discussions with the landowners and promoters to understand likely timescales and is confident that the housing on the strategic greenfield sites can be delivered in the timescales anticipated.
- 4.12.6 The three larger allocations of Manydown, the Golf Course and Hounsome Fields have been phased to take account of relevant lead in times associated with such sites and they account for just 13% (710 units) of the borough's 5 year supply. No delivery is expected on Basingstoke Golf Course over the five year period. Hounsome Fields is expected to provide 190 units over the period, with completions starting in 2017/18.
- 4.12.7 Delivery timescales have been agreed with the relevant landowners and developers, as outlined in the statements of common ground for the three sites (PS/02/48-50), who are well aware of the market conditions in which they are operating. The statements (and the promoter's own statements) outline how these sites will be delivered in line with the suggested phasing and it is considered that the proposed annual delivery rates (70 pa for Hounsome Fields and 150 for the golf course at its peak) are relatively conservative in light of rates that have been achieved in the borough in the past on large sites. Recent examples of comparatively sized sites in the borough include Kempshott Park (South west Basingstoke – 1,252 units) where rates of an average of 260 units per annum over a four year period were achieved, and 157dpa over the full 8 year period, whilst at Park Prewett (North west of Basingstoke – 953 units) rates of nearly 250 units per annum

were achieved over a three year period with 159 dpa over the full six year period.

4.12.8 In the case of Manydown, completions are expected by 2017/18 and rates of 320 units per annum, at its peak, are expected. Such rates are considered suitable in light of the following points:

- It is anticipated that the first housing will be delivered on the smaller sites around Worting which are less reliant upon the provision of strategic infrastructure. The Statements on behalf of Worting Business Park and Flavia Estates demonstrate the willingness of the landowners to bring these sites forwards early and the technical work that has already been undertaken.
- The public ownership of the wider site by BDBC and HCC enables the councils to forward fund and implement the strategic infrastructure. This would enable the infrastructure to be put in 'up front' either for serviced plots to be sold to developers to build homes or as part of an overall joint delivery company involving private sector developers. For developers, the councils' participation in the development of the scheme has fewer complications than the traditional 'developer-led model', and this has the potential to boost delivery rates and facilitate comprehensive masterplanning.
- The scale of development (and public ownership) will allow a mix of products and tenures (such as publicly-owned private rented housing and older people housing), and a range of different priced housing, that would not occur on smaller sites. This diversity in product can allow delivery to be increased and rates to be more consistent.
- BDBC and HCC have a long-term interest in the site and its delivery is a key council priority for both of them. It will be brought forward in line with corporate priorities with the overall objective of meeting the needs of both councils'. A significant amount of technical work has already been completed and the landowners are working towards the submission of a planning application in 2016.
- This level of development has been achieved in the borough previously, for example at Chineham (4,410 units), where an average of 352 units were developed over a 9 year period in the 1980s.

APPENDIX 1

**Report to BDBC Planning and Infrastructure Overview and Scrutiny
Committee, 17 January 2013**

Report To Planning and Infrastructure Overview and Scrutiny Committee	17 January 2013
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Subject:	Outcomes of the Site Assessment Work and Suggested Sites suggested for allocations in the Emerging Local Plan
Status:	Open
Ward(s):	All
Key Decision:	Yes
Key Decision Ref:	793/PL
Report Of:	Policy Manager (Planning Policy and Infrastructure)
Contact:	Andrew Hunter (01256) 845318; email andrew.hunter@basingstoke.gov.uk Mark Lambert (01256) 845750; email mark.lambert@basingstoke.gov.uk Joanne Brombley (01256) 845410; email joanne.brombley@basingstoke.gov.uk Victoria Potts (01256) 845464; email victoria.potts@basingstoke.gov.uk
Appendices:	Appendix 1 – Adopted Vision for Basingstoke and Deane Appendix 2 – Sustainability appraisal of site distribution Appendix 3 – Site assessment and sustainability appraisal conclusions Appendix 4 – Flood Risk Ranking Appendix 5 – Summary of issues raised at the examination of other Local Planning Authorities’ draft Local Plans Appendix 6 - Suggested sites and locations for Development Appendix 7 – Example of a worked up policy for an allocated site
Papers relied on to produce this report	Report to Cabinet – Local Plan Housing Number – 30 October 2012 Report to Cabinet – Local Development Framework Site Assessment Methodology – 29 March 2011

1. SUMMARY

- 1.1 The purpose of this report is to inform Members of the outcomes of the site assessment work in respect of the category one sites in the Strategic Housing Land Availability Assessment (SHLAA), to set out a range of options and preferred locations for development as to how the proposed housing requirement of between 730 and 770 dwellings per annum (DPA) can be delivered in order to achieve a sound Local Plan.
- 1.2 The report follows on from consideration of a report on housing numbers to inform the emerging Local Plan in October 2012, which will cover the period 2011- 2029.

- 1.3 The paper highlights the issues and opportunities of different approaches to the distribution of development across the borough. which the committee may wish to consider in giving views in relation to the location of development and allocation of sites.
- 1.4 The report also pulls together a range of information to inform the discussions, including;
- The housing land supply position, including those sites with planning permission, existing allocations, windfalls, expected yields from regeneration schemes and Neighbourhood Planning opportunities.
 - The conclusions from the Sustainability Appraisal (SA) of the approaches for distribution and category one SHLAA sites; and
 - The findings of the evidence base, including the consultations to date.

These elements have all been used in the preparation of this report, which goes on to identify the recommended distribution approach and suggested site allocations, based on the information currently available. The outcome of this report will inform the emerging Local Plan, alongside other work which will be undertaken on matters such as transport in relation to those suggested locations for development.

2. RECOMMENDATION

2.1 That the committee:

(i) notes the content of this report, including the conclusions of the site assessment work and the sustainability appraisal;

(ii) makes comment to Cabinet on the recommended preferred distribution, including the sites for suggested allocation and settlements where development should be located, for inclusion in the emerging Local Plan;

(iii) notes that further work is being undertaken on transport, and that this will be used to inform the contents of the draft Local Plan, which is intended to be presented to this committee in the Spring; and

(iv) provides comments on the most appropriate approach to dealing with any shortfall in housing supply, as set out in paragraphs 6.58 and 6.59.

PRIORITIES, IMPACTS AND RISKS

Contribution to Council Priorities

This report accords with the Council's Budget and Policy Framework

Council 3 Year Plan References:	A5
Service Plan References:	PL1; PL2; PL12
Other References:	

Contribution To Community Strategy

Community Strategy Objectives:	E3
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Impacts*

	Type	No significant impacts	Some impacts	Significant impacts
Impacts for BDBC	Financial	X		
	Personnel	X		
	Legal		X	
Impacts on Wellbeing	Equality and Diversity	X		
	Crime and Disorder	X		
	Health	X		
	Environment			X
	Economic		X	
Involving Others	Communication/Consultation		X	
	Partners		X	

Risk Assessment

Number of risks identified:		1	
Number of risks considered HIGH or Medium:		1	
Strategic:	Already identified on Corporate Risk Register?	Yes	X
		No	
Operational:	Already identified in Service Plans?	Yes	X
		No	

GLOSSARY OF TERMS

Term	Definition
BASP	Basingstoke Area Strategic Partnership
Category One	(From the SHLAA) Promoted sites considered worthy of further consideration for inclusion as strategic allocations in the Local Plan
Category Two	(From the SHLAA) Promoted sites which are not suitable for strategic allocation through the Local Plan
CLG	Department for Communities and Local Government
DPA	Dwellings Per Annum
DPD	Development Plan Document
EAP	Economically Active Population
ELR	Employment Land Review
EA	Environment Agency
HZNM	Hybrid Zero Net Migration
IDP	Infrastructure Delivery Plan
LDF	Local Development Framework
LPA	Local Planning Authority
P&I OSCOM	Planning and Infrastructure Overview and Scrutiny Committee
PPS	Planning Policy Statement
SA	Sustainability Appraisal
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
SPB	Settlement Policy Boundary
ZNM	Zero Net Migration

3 BACKGROUND INFORMATION

- 3.1 The Local Plan will be the main document that will guide future planning and development in the borough, which will set out the long-term spatial vision for the borough and the overall objectives. It will also set out the strategic policies and will allocate strategic sites, and locations for development. Further supporting documents will be required to assist in the implementation of the Local Plan in the form of Supplementary Planning Documents (SPDs) and monitoring data, in addition to any future review of Settlement Policy Boundaries.
- 3.2 The Local Plan is informed by both the draft Council Plan 2013 and the joint Vision which has been adopted by the borough council and the Basingstoke Area Strategic Partnership (BASP). In terms of the draft Council Plan, this identifies, as a priority, the need to deliver a Local Plan that ensures well planned development which enhances local character and meets local needs with the number and mix of new homes. In respect of the joint Vision, a summary is provided below, with a full version set out in Appendix One.

In 2026 Basingstoke and Deane's people, communities and businesses will be flourishing - enjoying an excellent quality of life and environment which has been improved through well planned growth that draws on our strengths and secures vital improvements.

Regenerating our towns and estates, and enriching the character and vitality of our villages and outstanding countryside will support Basingstoke as a major vibrant centre, leading north Hampshire and fulfilling an influential role in the region.

- 3.3 In terms of meeting the housing requirement for the borough, this report builds upon the process undertaken in 2011 to highlight an appropriate strategy for development, along with the preferred locations for development. It does this by firstly setting out the various components of the borough's housing land supply and the amount of greenfield development that will be required. It goes on to consider the broad approaches to the distribution of development that could be adopted in the Local Plan and then to highlight the outcomes of the site assessment work and those sites which perform best. From this, further work will be undertaken on the agreed sites on their infrastructure requirements, including transport, which will inform the Infrastructure Delivery Plan that will accompany the Pre-Submission Local Plan.
- 3.4 For each stage of the process, including the consideration of sites, a Sustainability Appraisal (SA) has been undertaken to consider the social, environmental and economic implications. The conclusions of this are set out in Appendix Two and Three, with the full Sustainability Appraisal provided in each of the Member Group Rooms (with copies also available on the council's website¹ and at reception). This is also supported by a Flood Risk Ranking, to

¹ Accessed via the Local Plan pages

consider any flooding issues associated with each site. This is available as Appendix Four.

3.5 In addition, it should be noted that the following have been taken into account in the preparation of this report:

- The advice and guidance provided in the National Planning Policy Framework (NPPF);
- Issues that have been raised at the examinations of other authorities' development plans and the advice provided by Inspectors in this respect – a summary of which is provided in Appendix Five;
- Updated information, and comments made on the site assessment criteria when this process was previously undertaken in September 2011.

4 HOUSING LAND SUPPLY COMPONENTS

4.1 In establishing a strategy for the distribution of development in the borough and the allocation of sites, it is important to consider the components of the borough's existing land supply. From this, it is possible to calculate the amount of development needed on greenfield sites. This takes into account the scope for appropriate development within urban areas, and the requirement to manage development on greenfield sites through a phasing policy.

4.2 This section of the report provides details of each component of land supply, which committee will be familiar with, having previously considered this information as a part of the Housing Land Supply report and the SHLAA at meetings of the P&I OSCOM on 18 October 2012. It should be noted that the table below sets out this calculation to determine the greenfield requirement based upon both an annual requirement of 730 homes per year and 770 homes per year, given the decision of Cabinet of 30 October 2012.

Annual Requirement	730dpa	770dpa
Total number of homes to be built 2011 - 2029	13,140	13,860
Completions 2011/12	693	693
What is currently available in the future (supply)		
• Large sites with planning permission	1,893	1,893
• Allocated sites in the saved Local Plan	1,047	1,047
• Small sites with planning permission	174	174
• Un-allocated sites in SPB	1,200	1,200
• Windfalls (50 per year)	700	700
• Neighbourhood Plans	150	150
• Regeneration opportunities	200	200
Remaining requirement	7,083	7,803

Planning Permission and Allocated sites

4.5 Sites with planning permission (1,893) and allocated sites without planning permission (1,047) make up housing supply totalling 2,940 dwellings. This

figure includes those sites allocated for development in the current Local Plan which are still considered to be deliverable, such as land at the former golf course site at Park Prewett, along with sites which have already received planning permission. These sites make up a core element of the council's current housing supply.

Small Site Commitments with Planning Permission

- 4.6 A figure of 174 homes has been included for those small sites with planning permission (sites accommodating less than 9 units or less), as highlighted in the Housing Land Supply report to the P&I OSCOM of October 2012.

Un-Allocated Sites in the Settlement Policy Boundaries (SPBs)

- 4.7 It is also appropriate to factor in the contribution made by sites within Settlement Policy Boundaries (SPBs) which do not have planning permission, but which are likely to provide sites for housing in the future. The figure for this element is primarily based on the sites contained in Appendix Three (brownfield sites and urban opportunity sites) of the SHLAA which has been adjusted to reflect the position that some sites will not deliver during the plan period, and equally that other unknown sites may come forward. This takes into account the site's availability, suitability and achievability and amounts to 1,200 dwellings in total.

Windfalls

- 4.8 Guidance in the NPPF highlights that LPAs may make an allowance for windfalls if they have evidence that such sites have consistently become available and will continue to provide a reliable source of supply. Analysis of past delivery rates has highlighted that inclusion of a windfall allowance is justifiable for the borough, with 50 homes per year being an appropriate figure.

Neighbourhood Planning

- 4.9 Through previous rounds of consultation, a limited number of Parish and Town Councils have indicated that they may be willing to accept a small number of new homes to meet local needs within their communities. Subsequently, a number of Parish and Town Councils have since indicated a desire to proceed with Neighbourhood Plans, (with four formal requests to designate a neighbourhood area), and this approach of providing a small number of homes to meet local needs will be further considered through this mechanism. Accordingly, a figure of 150 homes has been factored in to the land supply figures, to account for this potential over the plan period.

Regeneration

- 4.10 The borough council adopted a Strategic Approach to Regeneration in 2011, which provides a framework for prioritising areas for regeneration on a consistent basis. This builds on the success of delivering new housing in partnership with Housing Associations, which has resulted in the delivery of around 350 new homes through regeneration projects over the past 10 years.

It should be recognised that this delivery was achieved where land ownership and land availability have enabled regeneration schemes to be undertaken. It is considered that the number of homes associated with the Strategic Approach to Regeneration reflects a realistic view, based on the quantum of regeneration which is achievable. This takes account of the availability of public finance, levels of owner occupation and likely yields that can be achieved on potential areas for regeneration. Accordingly a figure of 200 homes over the plan period has been included in the future housing land supply.

Greenfield Land

4.11 Taking into account each of the land supply components above this leaves a requirement for between 7,083 homes and 7,803 homes to be accommodated elsewhere in the borough, based on either end of the housing number range. In order to meet this range, it is necessary to consider the outcomes of the site assessment work and the Sustainability Appraisal on the category one SHLAA sites, in line with the Cabinet decision of 23 March 2011, and the appropriate strategy for distributing development across the borough.

5 DISTRIBUTION

5.1 This section of the report considers the various options for the distribution of housing on greenfield sites across the borough. For each of the options described below, a Sustainability Appraisal has been undertaken, a summary of which is set out in Appendix Two. This has been used to inform the relative opportunities and issues that have been identified. It should be noted that each option takes into account the other components of housing land supply set out in the table under paragraph 4.2 of this report.

- Basingstoke focus for all developments;
- Basingstoke focus and a spread of development to larger settlements in the Borough; and
- A spread of development across the Borough to a greater number of settlements (those with existing settlement policy boundaries (SPBs))

Basingstoke focus for all development

5.2 The Basingstoke focus approach would seek to allocate the majority of greenfield development on the SHLAA sites around Basingstoke. This approach has a number of issues and opportunities which have been considered.

Opportunities	Issues
Focus development to large sites (ability to deliver strategic level infrastructure)	Unlikely to deliver many houses to others settlements in the rural areas of the Borough
Locates development in close proximity to jobs and services	Unlikely to provide a range of sites of different size / location / character to enable choice
Assists in providing local workers	Will not assist in meeting all need

for the town's economy	where it arises across the Borough
Provides housing where greatest need arises	Environmental impacts of the Greenfield sites which would require mitigation
	Potential Soundness of plan at examination with issues of delivery
	Allocating sites which may not have performed so well in the site assessment as those in other parts of the borough.
	Ability to deliver all homes needed in the plan period

5.3 It is considered that this option creates an inequitable approach with Basingstoke delivering all greenfield development. This approach does not enable any growth in the more rural parts of the borough, other than through approaches such as neighbourhood planning and windfall development. This approach also discounts the findings of the Site Assessment work which identifies that some sites adjacent to other settlements in the borough perform better, with fewer barriers to delivery and which requires less mitigation than sites around Basingstoke Town. The findings of the Sustainability Appraisal also suggest that this option should be discounted and not taken forward.

Basingstoke focus and a spread of development to larger settlements in the Borough

5.4 A spatial distribution approach which looks primarily at Basingstoke with suitable growth in the larger settlements in the Borough (Bramley, Kingsclere, Oakley, Overton, Tadley² and Whitchurch) would provide a more diverse option for the Borough where there are services and facilities available. This approach has a number of strengths and weaknesses to consider, compared to a solely Basingstoke focus, as set out below:

Opportunities	Issues
Helps to meet local need where it arises	The ability of some larger settlements to accept growth (eg Tadley)
A number of different housing markets are served	Smaller sites allocated may not provide key infrastructure compared to the scope from larger settlements
Helps to support existing services in larger settlements	High levels of development in some of these settlements in the recent past
Opportunities to provide some infrastructure from larger sites	
Avoids placing too much reliance	

² Note that due to on-going issues around the AWE site at Aldermaston, it is not possible to allocate sites in Tadley.

on a small number of large sites to deliver homes, which can create difficulties in maintaining a five year supply of sites	
Good prospect of delivery of all homes needed during the plan period.	

- 5.5 It is considered that this option provides a more balanced approach than option one and can generally be delivered using the category one SHLAA sites. This option provides a more dispersed approach and makes use of capacity in the existing infrastructure where it exists.

Spreading development across the Borough to those settlements with defined settlement policy boundaries

- 5.6 This approach provides a more dispersed option which would result in the development of new homes in all of the settlements with defined SPBs and would locate new homes in / adjacent to rural areas alongside the more urban parts of the borough. This approach has a number of issues and opportunities to consider and these are set out in the following table;

Opportunities	Issues
Greater choice of housing across the borough	Only limited support for growth in villages from Parish Council's through previous consultations and discussions on Neighbourhood Planning
Some support for local services	Development located in isolated locations, with more limited access to employment and services
Meets housing need where it arises	Limited scope to provide new infrastructure
Helps maintain vitality of smaller villages across the Borough	Limited scope for provision of affordable housing as many sites under threshold
	Limited supply of available sites in these settlements, and no category one sites in any settlements other than adjacent to Basingstoke, Bramley, Overton and Whitchurch.
	Potential impact on the environment and continued requirement for greenfield sites
	Soundness at examination – due to question of deliverability of objectively assessed need over the local plan period

- 5.7 There are number of areas of concern around taking forward such an approach including:

- This may be contrary to the neighbourhood planning approach, given that this may result in the borough council forcing communities to accept a level of development across the borough, when the approach should be based on a 'bottom-up';
- The availability of sites in the SHLAA outside of the larger settlements is limited and there is concern that these may not be the most appropriate locations for development in the individual settlements, nor whether communities would be able to accommodate development without impacting on issues such as traffic or local infrastructure;
- There is not the necessary certainty to ensure that sites in such areas can deliver the required number of homes, which would create difficulties at a future examination; and
- Issues around sustainability identified through the work on the Sustainability Appraisal.

5.8 Should this approach be adopted, it is likely that it would require the allocation of a larger number of smaller sites. This would need to be taken forward through a subsequent review of Settlement Policy Boundaries (SPBs) to supplement the Local Plan or alternatively a second part to the Local Plan. It would, however, be necessary to set out clearly in the Local Plan how such an approach could be delivered, and the timescale in which this would be achieved in order to provide the necessary certainty to the Inspector at a future examination.

Conclusion

5.9 The above three options have been assessed and it is considered that the option of a Basingstoke focus with development spread to the larger settlements is likely to be one which can be fully delivered and would be considered the most appropriate in the light of the evidence base, housing need and the proximity of new homes to existing services and facilities and main centres of employment. This general approach came out most favourably through the Sustainability Appraisal and is considered to be an approach which is 'sound'. It is therefore recommended that this approach be taken forward.

5.10 This approach would be complemented by bottom-up planning by local communities through neighbourhood planning, in addition to the scope for rural exceptions and other measures included in the emerging policies for inclusion in the draft Local Plan.

6. SITE ASSESSMENT

6.1 On the basis of moving forward with the suggested distribution (as set out in para 5.9) the following section of the report sets out the different ways in which this distribution could be accommodated whilst meeting the level of housing as discussed in paragraph 4.2. Accordingly, work has been undertaken to consider the scope for the larger settlements to accommodate development, namely Basingstoke, Bramley, Kingsclere, Oakley, Overton, Tadley and Whitchurch. These settlements have also been selected due to a number of factors including:

- Locally identified need, including that set out in the evidence base and taken from the housing register;
- The level of service provision, employment opportunities and accessibility in these settlements, as evidenced in the background work to inform the Local Plan;
- The availability of SHLAA sites; and
- The outcomes of the site assessment work.

Each of the above settlements is considered in more detail in the following sections.

- 6.2 In respect of site assessment, committee will be aware that this is based on agreed criteria to identify the relative issues and opportunities of the various sites for development. In general terms, the process does not rank sites but provides an overall indication of those that have the most potential to accommodate future development. The assessments draw upon the views of a number of teams in the council and from Hampshire County Council (HCC) as well as service providers and other statutory bodies, such as the Environment Agency (EA). Each site has been assessed in a consistent manner and all sites have some weaknesses or constraints. In addition site assessment has been undertaken for combinations of sites around Basingstoke, since this allows for consideration of wider benefits that may arise from concentrating development in one location (e.g. school / community provision). The conclusions from the site assessment work, in addition to the Sustainability Appraisal are set out in Appendix Three, with full details provided in each of the Member group rooms, on the Council website and to view in reception.
- 6.3 It should also be noted that in considering the category one SHLAA sites, the opportunity has been taken to examine the yields identified in the SHLAA to ensure that these are accurate, broadly reflect the need to make good use of sites and to manage the amount of greenfield land required. Where changes have been made to yields compared to those set out in the SHLAA (as considered by the P&I OSCOM in October 2012), these have been highlighted.
- 6.4 The Manydown site (the largest of all SHLAA category one sites) has been split into 7 different parcels to assess the specific opportunities and constraints associated with different parts of the site. This has highlighted those parts of the site which are the most favourable for development purposes.
- 6.5 The following sections highlight by settlement which sites are the most appropriate, based on the outcomes of the site assessment work.

Basingstoke

- 6.6 Basingstoke is the largest settlement in the borough, with a population of around 102,700 (at December 2012), representing around 61% of the borough's overall population (as at December 2012). The town has a wide range of higher order services and facilities, significant employment opportunities and transport connections.

- 6.7 Basingstoke has been subject to on-going development since its identification as an expanded town, with development continuing throughout the current Adopted Local Plan period. This includes existing allocated sites, which have yet to be built, in addition to a number of committed developments with planning approvals.
- 6.8 The town has a number of category one sites in the SHLAA, which are located on the edge of the built up part of Basingstoke. These sites often lie within neighbouring parishes, but are most closely related to the built up area of Basingstoke.
- 6.9 In terms of the housing need, the housing register identifies that there are 5,300 people in general need (bands 1 to 4) as of December 2012. This is in addition to the requirement to meet the general needs of the growing population. In order to meet this level of need would require the provision of 13,250 homes, based on the provision of 40% affordable housing.
- 6.10 In terms of the Category One SHLAA sites around Basingstoke, the site assessment and the Sustainability Appraisal highlighted that a number of these sites have the potential to accommodate development in the future, subject to appropriate mitigation, where required. Those sites that offer the greatest opportunities and fewest constraints are identified below. These are the preferred sites for development around Basingstoke, subject to the outcomes of further transport related work, to consider the cumulative impact of sites.
- 6.11 It should be noted that in respect of the HCC owned site to the East of Basingstoke (BAS121), the landowner has indicated that only a part of the site is being promoted at this stage, to accommodate 400 homes in the plan period. This is based on the County Council's operational approach to managing its sites, including the longer term management of its assets. It does not appear to reflect specific planning or infrastructure constraints that would affect the whole site or inhibit development taking place comprehensively. Whilst the County Council's position is noted, it is not considered to be an over-riding constraint to the allocation of this site at this point. Officers will be engaging with County colleagues between now and the presentation to this Committee of the Pre Submission Local Plan to further explore the approach being recommended.

Site Reference / Name	Approx Yield	Notes
BAS024 – Swing Swang Lane	100	
BAS098 – Manydown (parcels one, two and six)	2,550	
BAS104 – Land North of Popley Fields	450	
BAS107 – Razors Farm	420*	Yield reflects latest Planning Application
BAS114 – Kennel Farm	250*	Slight reduction in yield to reflect new assessment
BAS121 – East of Basingstoke	900	Note that HCC are now only

		promoting 400 homes in the plan period up to 2029
BAS122 – Cufaude Farm	390	Slight increase in yield to reflect new assessment
BAS132 – Basingstoke Golf Course	1000*	Slight reduction in yield to reflect new assessment
SOL002 – Redlands	150	
TOTAL	6,210	

* indicates a change in yield from the SHLAA as considered by P&I OSCOM in October 2012

6.12 In addition to the above, and in line with paragraph 6.2, the following combinations of sites were also considered through the site assessment and Sustainability Appraisal work:

- BAS139 (West of Cufaude Lane) with BAS107 and BAS122 – to provide a north eastern focus (extra 500 homes)
- BAS102 (Lodge Farm) with BAS121 – to provide an eastern focus (extra 1,350 homes)
- BAS133 (Hounsome Fields) with BAS114 (Kennel Farm) and BAS132 (Basingstoke Golf Course) – to provide a south western focus (extra 1,000 homes)
- BAS098 – (Parcels 3 and 4) with parcels 1, 2 and 6 - to provide a greater focus at Manydown (extra 1,550 homes)

6.13 The conclusions of the site assessment work and the SA for each of the category one sites are set out in Appendix Three. The evidence base suggests that each of the scenarios tested have both issues and opportunities. However, it is the view of officers that development to the West and South West of Basingstoke are preferable to larger scale development to the North and East. The table below sets out the key issues and opportunities facing these combinations of sites:

Sites	Opportunities	Issues
North East - BAS139 with BAS107 and BAS122	Minimal impact on biodiversity	Impact on heritage and landscape; relative inaccessibility and impact on highways network; relationship to Basingstoke and noise
East - BAS102 with BAS121	Relationship to Basingstoke	Impact on biodiversity, heritage and landscape; noise; un-neighbourly uses; relative inaccessibility and impact on highways network; and partial flooding
South West - BAS133 with BAS114 and BAS132	Minimal impact on biodiversity and heritage	Impact on the landscape, noise and /developability availability issues.

Manydown North - (Parcels 1, 2 and 6 and parts of 3 and 4)	Accessibility; Infrastructure provision	Impact on biodiversity and heritage.
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- 6.14 It is suggested that the option of a larger development within the Manydown land offers the greatest scope to deliver housing over the plan period, balancing the least number of issues against the opportunities that development in this location can deliver. Manydown would, for example, bring forward the best opportunity for new infrastructure as a result of the scale of development being suggested, and is in single landownership which is beneficial from a deliverability perspective. For example, this may assist in the provision of new transport infrastructure or the delivery of a new secondary school. This recommended allocation provides a further 530 homes to be delivered on the Manydown site in combination with the 2,570 homes identified in the table at para 6.10 of this report, totalling an allocation of 3,080 units in the plan period. The area suggested for allocation is highlighted on the map in Appendix Six and would consist of parcels 1 and 2, together with a small part of parcel 3, part of parcel 4 (to the north of Worting) and part of parcel 6 (to the north of Pack Lane). This also highlights additional land which should be considered further through the master-planning of the site and the provision of infrastructure to serve the site. This area reflects the boundaries submitted to the Local Planning Authority by the landowners. This may also identify any longer-term potential for the site, beyond the plan period.

Bramley

- 6.15 Bramley is one of the borough's larger villages, having a population of 4,457, which comprises 2.65% of the borough's overall population (as at December 2012). There are approximately 72 people in general need (bands 1-4) on the Housing Register (as of December 2012). In order to meet this level of need would require the provision of 180 homes, based on the provision of 40% affordable housing.
- 6.16 Bramley has recently accommodated additional development at German Road, a development which amounted to 271 dwellings, in addition to a care home; a development which was completed in 2010/2011. Over the last 10 years, 337 new homes have been built in Bramley, which includes the German Road development. A further three additional homes are expected to come forward through committed development.
- 6.17 The evidence base that has been prepared to support the Local Plan identifies that Bramley has some local facilities including a primary school, a local one stop shop, a public house, a doctors surgery, a bakery and local community facilities, such as village halls. In addition, the village is served by regular trains on the Reading to Basingstoke line, and local bus services. It is noted that residents are likely to be reliant on nearby main settlements, notably Basingstoke, for higher order services.

- 6.18 The SHLAA identifies two Category One sites at Bramley, one at Minchens Lane (BRAM005) and one at Strawberry Fields (BRAM010). The site assessment process highlighted the following issues and opportunities for the sites.

Site	Yield	Issues	Opportunities
BRAM005 – Minchens Lane	200	Impact on heritage assets, noise and impact on highway infrastructure	Relatively close to existing services
BRAM010 – Strawberry Fields	200	Impact on conservation Area, potential flooding	Relatively close to existing services

- 6.19 Given local housing need, the size of the settlement and the facilities available, and the availability of potentially developable sites, it is suggested that an allocation of 200 homes be made at Bramley. The recent relatively high level of development in the village is taken into account in this figure.
- 6.20 Bramley Parish Council is currently at the early stages of preparing a Neighbourhood Plan and have formally applied to designate a Neighbourhood Area for these purposes. It is considered that given the local desire to guide future development in the village through this mechanism, in addition to the Council's wish to support neighbourhood planning, an allocation of a housing number is a more suitable approach for Bramley than the allocation of a specific site. The Local Plan will contain a policy which enables the Local Planning Authority to step in if no progress is being made within a suitable timescale.
- 6.21 Units could be brought forward on multiple sites or on one phased site to ensure proposals respond positively to the character of the village and create a more integrated community. Organic, phased growth would help to meet local needs and would allow Bramley to grow in an appropriate way that would potentially be more acceptable to the community.

Overton

- 6.22 Overton is a relatively large village to the South West of the Borough having a population in the region of 4,398, which represents 2.62% of the Borough's population. There are 115 people in general need (bands 1-4) on the Housing Register (as of December 2012). In order to meet this level of need would require the provision of 288 homes, based on the provision of 40% affordable housing.
- 6.23 Overton has seen recent development at Foxdown and Overton Hill which, together with other housing completions, means that 216 new homes have been built over the last 10 years. In addition, a further three new homes are expected to come forward through recent planning consents.

- 6.24 Overton has a number of local facilities including a primary school, local shops including a food store as well as more specialist stores, a railway station with links to Andover, Basingstoke and London and bus connections. It is, however, noted that residents are likely to be reliant on nearby main settlements for higher order services.
- 6.25 The site assessment for Overton in general has highlighted issues regarding education, sewerage infrastructure and the road network as key issues in deciding what level of development should take place and how this could be accommodated using the Category one SHLAA sites.
- 6.26 The SHLAA identifies five category one sites in Overton, including:
- OV002 – Overton Hill (120 dwellings);
 - OV003 – West of Kingsclere Road (150 dwellings);
 - OV004 – Two Gate Lane (150 dwellings);
 - OV006 – Off Pond Close (200 dwellings); and
 - OV007 – North of Court Farm (35 dwellings).
- 6.27 Appendix 3 sets out the detailed conclusions of the site assessments for the above sites. In general the following table highlights the issues and opportunities of each site.

Site	Yield	Issues	Opportunities
OV002 – Overton Hill	120	Landscape, heritage, SSSI	Scope for mitigation close to services
OV003 – West of Kingsclere Road	150	Landscape, heritage, relationship with village	Close to existing services
OV004 – Two Gate Lane	150	Access issues	Minimal landscape impact and close to services
OV006 – Off Pond Close	200	Peripheral, poor access, contamination	Minimal landscape impact
OV007 – North of Court Farm	35	Landscape, heritage, relationship with village	Close to existing services

- 6.28 Based upon the site assessment work and the conclusions of the Sustainability Appraisal work, the following two sites have the least constraints and offer the greatest opportunities.
- OV002 – Overton Hill – yielding approximately 120 dwellings; and
 - OV004 – Two Gate Lane – yielding approximately 150 dwellings.

- 6.29 Given local housing need, the size of the settlement and the facilities available, and the availability of potentially developable sites, it is suggested that these two sites are allocated to accommodate approximately 270 units over the plan period. Given the scope of the village to accommodate this level of development it is proposed that a phasing approach is used. This will mean that homes are provided over the whole plan period, ensuring that needs continue to be met, whilst services and facilities are able to suitably accommodate the growth.

Tadley

- 6.30 Tadley is the second largest settlement in the borough, having a population of 11,238, which comprises 6.69% of the borough's population (as at December 2012). There are 293 people in general need (bands 1-4) on the Housing Register (as at December 2012).
- 6.31 The proximity of the Atomic Weapons Establishment (AWE) has created a significant constraint on further development. The Health and Safety Executive continues to 'advise against' further development in Tadley which results in a net permanent gain of night time accommodation. This has affected further development taking place in the town, to the extent that 113 homes have been completed in the last 10 years.
- 6.32 Members will be aware that the planning application for 115 homes at Boundary Hall was approved by the Secretary of State in 2011. There also remains a saved allocation in the Local Plan for 40 units at Mulfords Hill. Given the above issues in relation to AWE, there is limited scope for further future development in Tadley. Discussions with those responsible for resourcing the Emergency Off-Site Plan associated with AWE have considered in detail the potential to accommodate further development in Tadley and are not supportive of locating further development in the town. It is therefore inappropriate to make any allocations in this location. Instead, it is recommended that a policy is developed to set out the proposed approach to further development, which is to be formulated with the Health and Safety Executive (HSE) and through liaison with local councillors. It is expected that this will limit further development, albeit, there may be some scope for limited infill development where the HSE do not raise objections.

Whitchurch

- 6.33 Whitchurch is one of the borough's larger settlements with a population of 4,747, which represents approx 2.82% of the borough's population (as at December 2012). There are approximately 137 people in general need (bands 1-4) on the Housing Register (as of December 2012). In order to meet this level of need would require the provision of 343 homes, based on the provision of 40% affordable housing.
- 6.34 Over the past 10 years 153 dwellings have been completed in Whitchurch, which includes 61 dwellings at Park View. A further 17 homes are expected to come forward through committed development.

- 6.35 In terms of service provision in Whitchurch, the town benefits from a number of key services including a railway station providing links to Basingstoke and Andover, a primary and secondary school, local shops including two small food stores and bus connections to Basingstoke Andover and Whitchurch, in addition to employment opportunities. It is, however, noted that residents of the town may also be reliant on nearby towns, such as Andover and Basingstoke for higher order services, including main food shopping.
- 6.36 The site assessment work has identified that there are a number of general infrastructure constraints in Whitchurch, which would need to be addressed if future development was to come forward here. These issues include education, road infrastructure and sewerage treatment and are common to all of the sites.
- 6.37 The SHLAA identifies four category one sites in Whitchurch;
- WHIT006 – Bloswood Lane (100 dwellings);
 - WHIT007 – Manor Farm (50 dwellings);
 - WHIT010a – East of the Knowlings (200 dwellings); and
 - WHIT018 – Land off of Winchester Road (200 dwellings)

These four sites have been subject to the sites assessment process and the conclusions for each site are set out in Appendix Three. The following table demonstrates the key issues and opportunities of these sites:

Site	Yield	Issues	Opportunities
WHIT006 – Bloswood Lane	100	Biodiversity, heritage, noise	Well related to Whitchurch, close to services, defined boundary
WHIT007 – Manor Farm	50	Noise, heritage	Well related to Whitchurch, close to services, defined boundary
WHIT010a – East of the Knowlings	200	Local access issues	Well related to Whitchurch Landscape
WHIT018 – Land off of Winchester Road	200	Scope for un-neighbourly uses	Potential to be well related to Whitchurch

- 6.38 The constraints affecting the sites and Whitchurch in general have been considered through the site assessment work and it is considered that most of these could be dealt with through mitigation associated with development and in conjunction with service providers. Accordingly, it is recommended that WHIT006 and WHIT007 be allocated for development in the emerging Local Plan. This would provide a yield in the region of 150 new homes over the plan period.

- 6.39 In addition, given local need, the size of the settlement and the facilities available, it is suggested that a further allocation be made for 200 homes in order to address the longer-term needs of the town. Whitchurch Town Council is currently at the early stages of preparing a Neighbourhood Plan and have formally applied to designate a Neighbourhood Area for these purposes. It is considered that given the local desire to guide future development in the town through this mechanism, in addition to the Council's wish to support neighbourhood planning, an allocation of an additional number is a suitable approach for longer term development at Whitchurch.
- 6.40 These additional 200 homes will be phased to ensure that sites continue to meet local needs. This will mean that homes are provided over the whole plan period, ensuring that needs continue to be met, whilst services and facilities are able to suitably accommodate the growth.

Other Settlements

- 6.41 In addition to allocating development in the settlements identified in paragraphs 6.6 – 6.40, it is also considered to be appropriate to examine the scope for development in other settlements in the borough, where:
- There is an existing level of housing need;
 - Recognition by the Parish Council that some growth will be required to meet this need;
 - There are local services and facilities, including primary schools and shops for day to day needs and public transport; and
 - The availability of sites in the SHLAA, albeit these are not Category One sites.
- 6.42 In terms of settlements, this includes Kingsclere and Oakley.

Kingsclere

- 6.43 Kingsclere is a local centre that has a population of 3,428, which comprises 2.04% of the borough's overall population (as at December 2012). Housing Services has confirmed that there are currently 93 people in general need (bands 1-4) on the Housing Register for Kingsclere (as of December 2012). In order to meet this level of need would require the provision of 233 homes, based on the provision of 40% affordable housing.
- 6.44 Kingsclere has accommodated 39 dwellings over the last 10 years.
- 6.45 The evidence base prepared to support the Local Plan identifies that Kingsclere has a local range of facilities, including a primary school, a doctors surgery, local shops serving day to day needs, public house / restaurant and community facilities, in addition to limited local employment opportunities. Kingsclere is served by an hourly bus services between Newbury and Basingstoke.
- 6.46 Kingsclere currently has only three new homes coming forward as committed development, and has no identified category one sites in the SHLAA. This

does, however, identify a number of category two sites around the village which may offer scope for limited development through an exceptions scheme, or Neighbourhood Planning.

- 6.47 It is important to balance the housing needs of the village with its relatively constrained nature in comparison to other settlements. Given that Kingsclere does benefit from some limited local services to serve day to day needs, it is considered to be an appropriate location to accommodate some further small scale growth over the plan period particularly in light of the distributed approach recommended by officers. It is therefore recommended that 50 dwellings be attributed to Kingsclere for the plan period

Oakley

- 6.48 Oakley is one of the borough's larger settlements with a population of 5,236, which comprises 3.12% of the borough's overall population (as at December 2012). There are currently 425 people in general need (bands 1-4) on the Housing Register for Oakley (as of December 2012), albeit, account should be taken of the issue of double-counting in considering needs for Oakley, alongside preferences for Basingstoke; Oakley has accommodated 66 new homes over the last 10 years and there are a further nine dwellings coming forward through committed developments.
- 6.49 The evidence base prepared for the emerging Local Plan identifies that Oakley has a range of local facilities, including a primary school, a doctor's surgery, public house / restaurant and local shops serving day to day needs. Oakley is also served by regular buses, providing connections to Basingstoke, Andover and Winchester.
- 6.50 The SHLAA identifies eight greenfield sites around the edge of Oakley, which are all category two sites. This means that they may be suitable for rural exception sites, or for Neighbourhood Planning.
- 6.51 Given that Oakley does benefit from local services and a relatively large population which has seen little housing development in recent years, it is considered to be an appropriate location to accommodate some further growth over the plan period; provided this growth is appropriate, respects the character of the area and is supported by the necessary infrastructure.
- 6.52 It is proposed that 200 units can be accommodated within Oakley over the Plan period, to reflect the size of the settlement and the availability of local services and facilities. These dwellings could be brought forward through neighbourhood planning mechanisms, community engagement and/or rural exception sites. This level of growth would help to meet local needs and would allow Oakley to grow in an appropriate way that would be acceptable to the community.

Approaches to Other Settlements

- 6.53 Given the support expressed in the 2011 housing consultation for the development of additional housing across the borough, it is considered to be appropriate to ensure that there is a robust planning framework to allow them to deliver this. This supports local communities to develop their own plans and proposals which may include additional homes, reflecting the localism approach of the Government.
- 6.54 In addition to the proposals for Kingsclere and Oakley, and given the positive approach for communities to plan to meet their own aspirations through previous consultation, the following approaches are suggested:
- Neighbourhood Planning, as outlined in paragraph 4.9;
 - Rural Exceptions – Through the formulation of a policy to deliver homes in rural areas in response to local needs, which would both replicate the existing ‘exceptions’ policy in the Local Plan (saved policy D6) and which would also permit an element of market homes to support the delivery of the scheme (in the absence of grant funding);
 - Opportunities for infilling within SPBs – existing SPBs provide a general presumption in favour of development, subject to detailed considerations such as design and access. The continuation of this approach will assist in facilitating a limited level of development in the borough’s settlements with SPBs in the future;
 - Review of SPBs – in addition to the above, it is proposed that once the Local Plan is adopted, and the strategic framework for future development is in place, that a review be undertaken to consider SPBs in the borough. This will not only establish which settlements should have an SPB, but also to consider where these should be located, including looking at scope to accommodate additional land within the defined SPB. In doing this, it is expected that there will be additional opportunities for development, and this will consider those non-strategic, category two sites that are included in the SHLAA.
- 6.55 In conclusion, it is considered that taking forward and developing the above approaches will assist in encouraging communities to meet their local housing needs, primarily through a bottom-up approach.

Overall Conclusions

- 6.56 Taking into account the conclusions reached in respect of the overall suggested approach for distribution across the borough and the suggested sites for each settlement, the following sites should be worked up prior to agreeing a Pre Submission Local Plan in the Spring. This table overleaf also sets out an indicative delivery timescale for each site.

Site Reference	Site Name	Yield	730dpa	770dpa	Indicative Delivery phase
BAS024	Swing Swang Lane, Basingstoke	100	100	100	0-5
BAS098	Manydown (parcels 1,2 and parts of 3 and 4)	3,080	3,080	3,080	5-15
BAS104	North of Popley Fields, Basingstoke	450	450	450	0-5
BAS107	Razors Farm, Basingstoke	420	420	420	0-5
BAS114	Kennel Farm	250	250	250	0-5
BAS121	East of Basingstoke	900	900	900	5-15
BAS122	Cufaude Farm	390	390	390	5-10
SOL002	Redlands, adjacent to Basingstoke	150	150	150	5-15
BAS132	Basingstoke Golf Course, Basingstoke	1,000	1,000	1,000	10-15
OV002	Overton Hill, Overton	120	120	120	0-5
OV004	Two Gate Lane, Overton	150	150	150	10 -15
WHIT006 / 007	South of Bloswood Lane, Whitchurch	150	150	150	0-5
Bramley	Housing number for local determination	200	200	200	5-15
Kingsclere	Housing number for local determination	50	50	50	5-15
Oakley	Housing number for local determination	200	200	200	5-15
Whitchurch	Housing number for local determination	200	200	200	5-15
Total		7,810	7,810	7,810	
Total requirement			7,083	7,803	
Buffer			727	7	

6.57 It should be noted that the above table is in addition to the other components of the Borough's Housing Land Supply, as set out in the table under paragraph 4.2.

- 6.58 As can be seen from the table, there is a buffer of 727 homes under the 730 scenario and a small buffer of 7 homes under the housing requirement of 770 homes per year. Moving forwards, account will need to be taken of this range, alongside separate 'critical friend' work which is currently being undertaken on the identified housing numbers of 730 to 770 homes per year. The results of this could be important in terms of the sites allocated. It should be noted that if a shortfall is subsequently identified, then consideration should be given to the following options:
- The identification of a reserve site;
 - A review of Settlement Policy Boundaries (SPBs) across the borough, taking into consideration those Category Two sites from the SHLAA, in addition to the potential for further SPBs (as referred to in paragraph 6.54);
 - Commitment to review the Local Plan 5 years into the plan period, to ensure delivery and identify new sites which may be required to support deliver in the 10-15 year phase of the plan.
- 6.59 Members views are sought on the most appropriate way of addressing any shortfall, such that this can be considered further in preparing the draft Local Plan, which is to be reported to Members in the Spring 2013.

7. NEXT STEPS

- 7.1 Once Members have provided their views on the recommended strategy for distributing development and the suggested locations for development, these will be considered by Cabinet at their meeting on 29 January 2013. Subsequent to that, as highlighted in paragraph 3.3, further work will be undertaken in terms of transport impacts and any implications of this reported prior to final decisions being made on the form and content of Pre Submission Local Plan. Officers will also be contacting relevant landowners for the suggested sites to discuss any issues that may have come to light through the work that has been undertaken. This will include, for example, discussions with HCC with regard to their position on the land to the east of Basingstoke.

Draft Site Allocation Policies

- 7.2 In progressing towards consideration of the draft Local Plan in March and following consideration of the preferred distribution and locations for development highlighted in this report through the transport work, officers will draft up site specific policies for individual sites. This will describe in greater detail individual sites, and will set out the requirements for each site, including the number of homes to be provided, in addition to any on and off-site facilities or contributions that may be required, together with any specific features that need to be considered. An example of such a policy is provided in Appendix Seven. It is proposed that a set of draft policies are distributed to Members in time and that an opportunity is provided for informal discussions with officers.

Phasing and Release

- 7.3 Each of the draft site policies will ultimately need to provide guidance on the phasing and release mechanism for the site, and this will be worked up, taking into account the availability of infrastructure and the requirement to maintain a supply of sites over the plan period, and specifically a five year supply of sites. An indicative delivery phase has been provided in the table under para 6.56 for information.

Infrastructure and the Infrastructure Delivery Plan

- 7.4 The Infrastructure Delivery Plan (IDP) seeks to identify the infrastructure required during the plan period, when it will be needed, the responsibility for its provision and how it will be funded. The document is part of the Local Plan evidence base and as a 'living document' will need to be updated annually – complementing the AMR and responding to changes to economic conditions and public sector investment.
- 7.5 Officers are continuing to work with key service providers and site developers to consider the overall implications of the distribution of sites to consider how best to mitigate any strategic infrastructure issues. This will involve running the Basingstoke Transport model with all the selected sites and yields to understand how the existing transport network would respond to the distribution and level of development within the Borough. Work will also take place with HCC on the education implications and the water companies and the Environment Agency regarding water infrastructure. This work along with the site based mitigation work will help inform the Infrastructure Delivery Plan which will set out the key infrastructure requirements, when these would need to be in place, indicative cost and who would be responsible for delivering these.

Communication and Consultations

- 7.6 As highlighted in paragraph 7.2 above, subject to the completion of the transport work, it is proposed that a draft of the Local Plan will be presented to the P&I OSCOM on 11 and 12 March 2013, followed by consideration of the draft plan for consultation by Cabinet, on 26 March 2013. After this decision, it is proposed that consultation on the draft Local Plan will be undertaken from mid-May to the end of June 2013, and a report on the proposed approach to consultation will be presented to Members in parallel with the draft plan. Members of the public who are on the Council's database will continue to receive updates on progress with the preparation of the draft Local Plan, including the publication of relevant committee reports and dates for consideration.

8 FINANCIAL AND LEGAL IMPLICATIONS

- 8.1 There are no financial implications associated with this report at present. However, it should be noted that there will be legal issues to consider in progressing the Local Plan, in relation to both the necessary regulations and meeting the tests of soundness. Having a clear methodology to decide which

sites and locations should be allocated for housing development is essential to avoid legal challenge by developers whose sites have not been allocated. It is also essential that the Sustainability Appraisal has been undertaken correctly and there is clear evidence that this has shaped and informed relevant aspect of the Local Plan in order to ensure that the soundness tests are fulfilled.

- 8.2 Should the council fail to make progress on the Local Plan and it is not possible to identify a five year supply of deliverable sites, then there is a risk of receiving planning applications for un-allocated greenfield sites. There is concern that these may result in challenges through the appeal process which may result in a loss of control by the council in respect of such un-allocated sites. This is particularly the case given the principle of the presumption of sustainable development, as set out in the NPPF.

APPENDIX 2

Travel to Work by Mode and Distance by Ward (ordered by Percentage of Journeys less than 10 Km)

Ward	Work mainly at or from home	Train	Bus, minibus or coach	Driving or passenger in a car or van	Bicycle or on foot	Underground, metro, light rail, tram, taxi, motorcycle, scooter or moped, or other method of travel to work	Average distance (km)	Less than 10km
BASINGSTOKE TOWN								
Hatch Warren and Beggarwood	11.3%	5.3%	2.8%	75.6%	3.6%	1.4%	20.7	44.6%
Basing	14.7%	6.2%	2.7%	69.0%	6.2%	1.2%	18.7	45.5%
Chineham	10.2%	5.6%	3.8%	73.5%	5.8%	1.0%	18.1	48.5%
Kempshott	13.0%	3.9%	2.2%	75.7%	4.4%	0.8%	18.1	49.0%
Rooksdown	7.8%	5.3%	4.2%	70.6%	11.6%	0.6%	17.3	50.0%
Basingstoke town wards (16 wards)	8.8%	5.0%	5.2%	66.8%	12.9%	1.4%	16.0	54.8%
Eastrop	7.9%	10.6%	6.7%	46.1%	27.4%	1.4%	16.5	56.6%
Grove	8.9%	4.2%	3.3%	66.5%	15.6%	1.4%	13.3	57.6%
Buckskin	7.3%	3.0%	7.7%	69.9%	10.7%	1.5%	13.2	57.9%
Brookvale and Kings Furlong	7.2%	8.9%	6.7%	50.5%	25.2%	1.5%	14.8	58.1%
Popley West	7.1%	3.8%	6.6%	67.5%	13.4%	1.6%	14.4	58.1%
Brighton Hill North	7.2%	2.7%	5.0%	71.6%	12.0%	1.6%	13.7	58.4%
Winklebury	7.5%	3.0%	7.2%	68.0%	12.9%	1.4%	14.0	59.0%
Brighton Hill South	6.0%	3.4%	6.6%	72.4%	10.0%	1.6%	13.0	59.5%
South Ham	7.0%	2.7%	6.8%	67.0%	14.5%	2.1%	11.8	61.0%
Norden	6.3%	6.2%	5.6%	55.6%	25.0%	1.3%	13.6	61.5%
Popley East	5.5%	2.8%	9.0%	65.5%	15.2%	2.0%	12.5	64.0%

RURAL AREAS								
Overton, Laverstoke and Steventon	16.0%	7.9%	3.2%	63.9%	7.6%	1.4%	23.9	18.8%
Whitchurch	13.4%	6.6%	2.5%	64.6%	11.7%	1.2%	23.8	24.8%
Upton Grey and The Candovers	24.8%	8.4%	0.4%	59.1%	5.6%	1.7%	25.6	28.5%
Kingsclere	17.1%	3.5%	1.8%	70.1%	6.2%	1.3%	20.9	30.9%
Burghclere, Highclere and St Mary Bourne	21.0%	5.3%	1.3%	66.2%	5.0%	1.3%	23.4	32.7%
East Woodhay	23.2%	4.8%	0.9%	65.8%	4.0%	1.4%	24.5	32.8%
Pamber and Silchester	17.6%	4.3%	1.4%	70.1%	5.4%	1.2%	19.8	33.0%
Basingstoke non-town wards (13 wards)	15.7%	5.2%	2.1%	68.3%	7.4%	1.3%	20.0	34.2%
Baughurst and Tadley North	11.7%	2.8%	3.1%	67.9%	13.4%	1.0%	16.0	35.3%
Bramley and Sherfield	14.0%	9.4%	1.2%	70.4%	4.1%	1.0%	19.6	37.5%
Sherborne St John	19.1%	7.9%	1.4%	66.1%	4.1%	1.4%	21.9	39.0%
Oakley and North Waltham	16.8%	4.7%	2.8%	70.8%	3.6%	1.3%	20.2	42.4%
Tadley Central	7.5%	2.1%	3.0%	72.4%	14.0%	1.0%	13.5	43.0%
Tadley South	8.7%	1.9%	3.3%	73.7%	10.9%	1.4%	15.0	43.2%
Basingstoke and Deane Borough	11.1%	5.1%	4.2%	67.3%	11.0%	1.3%	17.0	47.7%

Source: ONS 2011 Census

APPENDIX 3

Making sense of the new English household projections, Simpson and McDonald (Extract from Town and Country Planning, April 2015)

making sense of the new english household projections

Ludi Simpson and Neil McDonald review the latest DCLG household projections for England and make suggestions for how they might be used intelligently

Household need is difficult to assess at present because it is not clear to what extent significant changes in household formation and dissolution are temporary effects of economic cycles, or structural changes that should be taken as part of a new landscape. We have each reviewed the evidence in the past two years,^{1,2} and in this article we attempt to bring the story up to date and to advise how best to use the new household projections.

Household projections are the starting point for objectively assessing housing need for Local Plans. The latest update of housing projections for each local authority area in England was published by the Department for Communities and Local Government (DCLG) in February.³ They are a step forward from the 2011-based interim projections produced in 2013, but they are not the full Census-based update that had been hoped for.

A growing population is the main source of estimates of growing housing need, and these projections incorporate the latest, 2012-based, sub-national population projections from the Office for National Statistics (ONS) that reach to the year 2037. This extension is a major advantage over the interim projections, which extended only to 2021.

The other major component of household projections is the projection of 'household representative rates' – the proportion of each age, sex and relationship group which is in a statistical sense the head of a household. This is calculated separately for those in couples, for those not in couples who have never married, and for those who are widowed,

separated or divorced. For example, spending more of our lives outside a couple makes a significant difference to the future demand for housing.

The new projections make use of more information from the 2011 Census to estimate these household representative rates than was available for the previous interim projections. This extra information includes the age, sex and relationship status of the population in households. However, the 2011 Census has not yet yielded the age, sex and relationship status of those who are household representatives, which is required for fully updated household projections for England and for each local authority area. The DCLG's analysis of this extra information is 'planned to be in a secondary publication later in the year after further interrogation'.⁴ In the recent projections, the DCLG has decided to provide a quick-fix solution by estimating what we don't yet know, using information from past projections, in order to help the formulation of Local Plans.

What do the new projections say?

England

The new projections suggest that the number of households in England will grow from 22.3 million in 2012 to 27.5 million in 2037. The annual growth rate is 1% a year for the first ten years. It then tails off a little.

The projected growth for England is very slightly slower than in the 2011-based projections: 220,000 households a year between 2012 and 2021, rather

Table 1**Interim and revised projected change in the number of households, 2011-21**

	2011-based projection (Interim, 2013)	2012-based projection (February 2015)	Revision, as % of interim projected change
Kensington and Chelsea	+2,950	+100	-97%
Oadby and Wigston	+1,500	+350	-78%
Barrow-in-Furness	+1,100	+350	-70%
Rutland UA	+1,850	+800	-56%
Tendring	+10,100	+4,850	-52%
East Lindsey	+7,600	+3,650	-52%
:			
:			
Sefton	+4,000	+6,050	+51%
Hackney	+12,950	+19,950	+54%
Brighton and Hove UA	+8,000	+12,600	+58%
Wycombe	+3,750	+5,950	+58%
Leicester UA	+7,000	+11,200	+60%
North East Lincolnshire UA	+1,550	+2,550	+62%
Rushmoor	+1,900	+3,100	+64%
Brent	+10,150	+16,900	+67%
Reading UA	+2,750	+4,700	+71%
Halton UA	+1,900	+3,200	+71%
Stevenage	+2,200	+3,850	+75%
Worcester	+2,000	+3,750	+87%
Newham	+14,100	+26,600	+89%
Walsall	+4,150	+7,850	+89%
Lincoln	+1,200	+2,450	+105%
Greenwich	+8,600	+17,800	+107%
Wirral	+3,350	+6,950	+108%
Watford	+2,350	+5,400	+130%
Blackburn with Darwen UA	+950	+2,400	+155%
Blackpool UA	+300	+1,000	+244%
Burnley	-300	+600	+294%
Cambridge	-1,450	+2,900	+299%
Oxford	-1,400	+3,550	+358%
Liverpool	+2,450	+14,400	+483%

Source: DCLG Live Tables for 2001- and 2012-based household projections
City of London and Isles of Scilly excluded

than 221,000. However, at the local authority level a much more diverse picture emerges.

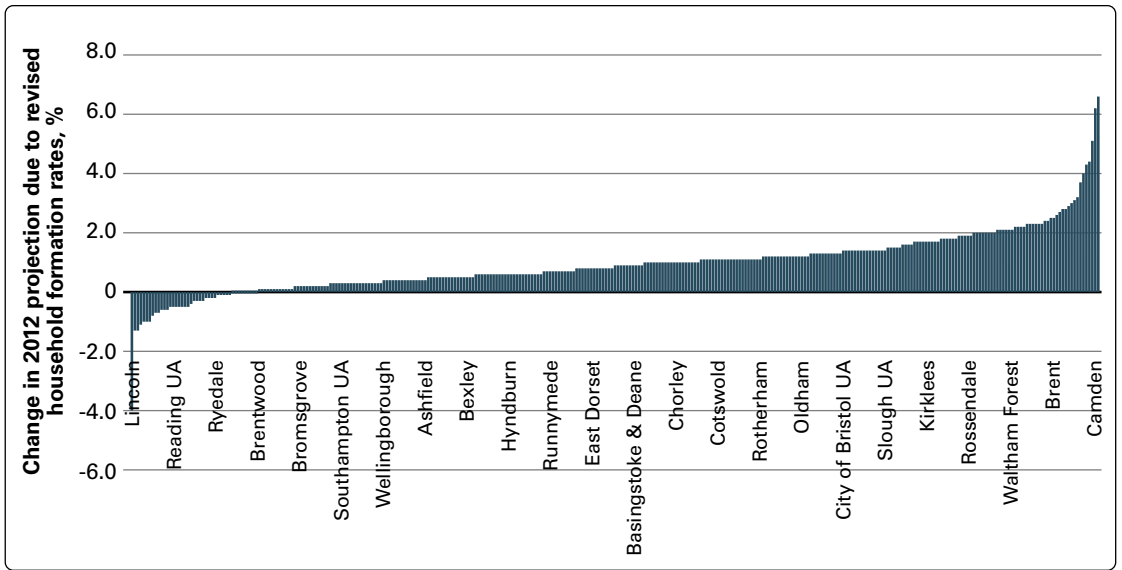
What is driving the increases in the number of households?

The big driver is the growing and ageing population: 93% of the increase in the number of households in England between 2012 and 2037 is due to the projected growth in the population and the increasing proportion of older people (who tend to live in smaller households, either alone or just with a partner). Only 4% of the increase is due to changes in household representative rates. This means that the assumptions made by the ONS in the population projections which the DCLG have used in the new projections have a big influence on the projected changes in household numbers.

Compared with the 2011-based interim projections for England as a whole, the downward revisions to the projected population lead to a decrease in household growth between 2012 and 2021 by 9%, while the revisions to the projected household representative rates have almost exactly the same effect in the opposite direction. The net result is that the two projections are very close.⁵

Results for local authorities

At the local authority level there are sizeable differences between the new and old projections. For 30% of authorities (districts and unitaries) the new projection for the number of households in 2021 is more than 2% higher or lower than in the old set. This may seem a small change, but the



Above

Fig. 1 The impact of revised household formation rates

Source: DCLG Live Tables

number of households in England is increasing by about 1% a year so the difference amounts to two years' average growth.

For planning purposes the change in the number of households is more relevant than the absolute number. There are 50 local authority areas for which the new projections suggest a household increase that is more than 20% higher than the 2011-based projections, and 66 for which the new figure is more than 20% less. There are 30 for which the difference is more than 50% (see Table 1).

These large differences in the projected household growth rates are due to the way in which the new population and household representative rate projections affect individual local authority areas.

The impact of the new household representative rates (see Fig. 1) is, in almost all areas, to increase the projected number of households. There are 39 local authority areas for which the change is more than 2% of the number of households previously projected for 2011, and only one for which the new projection is more than 2% less than the previous one. This general direction of change is a result of the partial Census information used in the revision, but it is not clear what elements of it have been influential. The complete Census information may well provide further changes, and not necessarily in the same direction.

The impact of using the new population projections (see Fig. 2) is mostly to reduce the projected increase in households. There are 102 authorities for which the reduction is more than 2%, and 16 for which there is an increase of more than 2%. A

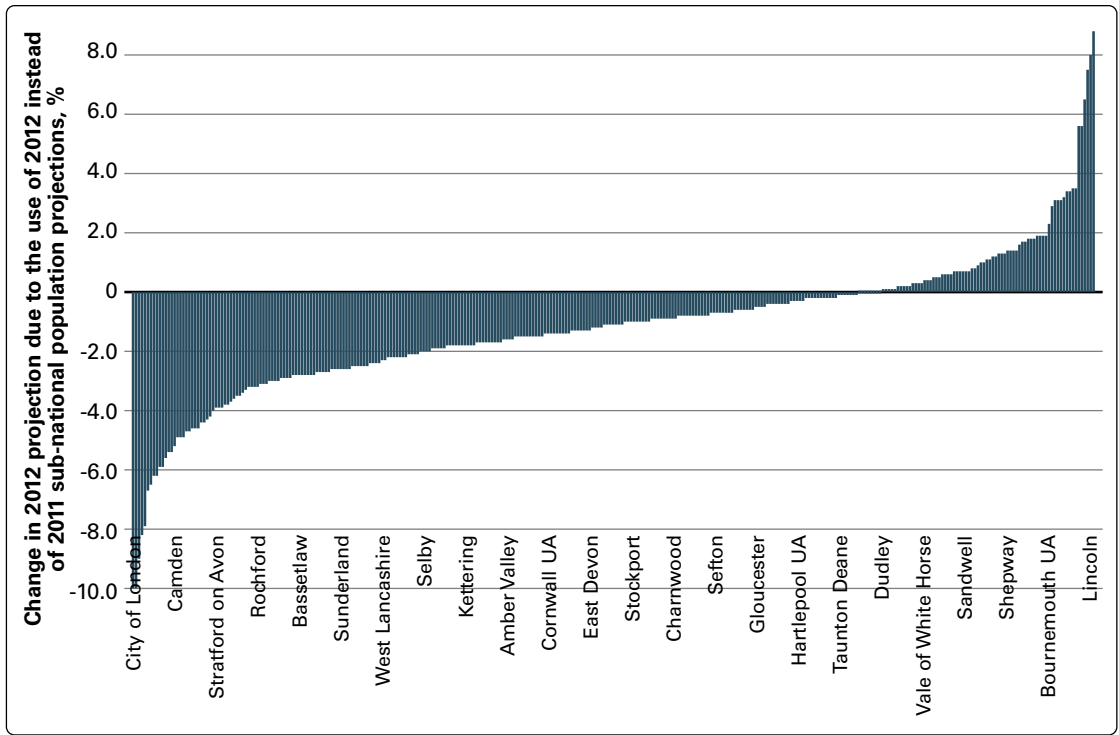
factor here is likely to be that the 2012-based population projections assume a smaller net inflow into England from abroad than the 2011-based projections.

Are the new projections sound trend-based projections?

Implications of not taking full account of the 2011 Census

While population change is the main driver of changing household demand at the moment, the uncertainty over future household formation is significant. The current information does confirm beyond doubt that a long-term trend towards smaller average household size has slowed since at least 2001. But the extent to which this change is concentrated in particular age, sex and relationship groups is not yet established.

The information to be analysed later this year will add to our understanding of the shifts that took place between 2001 and 2011 and as a consequence may change the projected future change in number of households. It is quite reasonable to expect that the impact of the extra information on future household formation will be at least as much as has been incorporated in these new projections – which for England as a whole was to increase extra household need by 9%. The new information could either reduce or increase the assessment of housing need. Since the extra information is local, its impact will vary between local authorities.



Above

Fig. 2 The impact of revised population projections

Two local authority areas – City of London and Isles of Scilly UA – registered changes greater than -10% (-25.5% and -10.6%, respectively)

Source: DCLG Live Tables

Projections for migration flows between local authority areas

As is its normal practice, the ONS has used the flow rates within England during five years prior to the base date, together with moves between the countries of the UK, to project future flows between local authority areas.⁶ The argument for using a five-year period rather than a longer one is that the shorter the period, the more quickly changes in trends are picked up. The counter-argument is that a shorter period is more susceptible to cyclical trends, an argument that has particular force when the five-year period in question – 2007-12 – neatly brackets the deepest and longest economic downturn for more than a generation.

Perhaps the best example is provided by London. Fig. 3 shows how flows to and from the rest of the UK have changed since 2001.

Flows out of London to the rest of the UK fell significantly during the economic downturn: the net outflow in 2007-12 was half that in the preceding period. Although the ONS model is more complex than keeping net flows constant, nonetheless projecting forward the experience of that period underestimates future outflows and overestimates the likely growth in London's population *if*

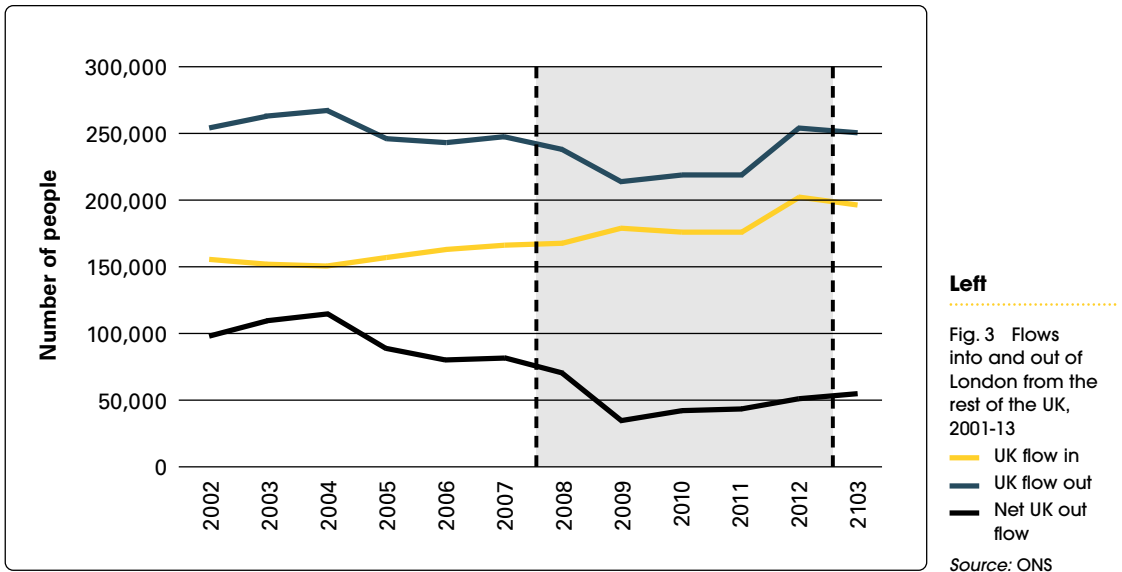
migration patterns recover. It is partly for this reason that the Greater London Authority has produced its own projections which suggest a net outflow over the period 2012-37 that is 380,000 larger than that suggested by the ONS's latest projections.

A large number of local authority areas are affected by this issue. For 60% of authorities the net flow of migrants within the UK in 2007-12 was different by more than 50% from the period 2002-07. While this is comparing a boom period with a recession, it serves to indicate the impact of the choice of reference period for trend projections.

Unexplained items in the historical data

In theory, if you start with the 2001 Census figure for the population in an area in 2001 and add births and the migration flows and then subtract deaths, you should arrive at the 2011 Census population. However, there is always a discrepancy which remains despite the ONS's best efforts in revising the data. This is known as the 'unattributable population change' (UPC).

Given that our registration systems for births and deaths are of a high quality, the discrepancy is likely to be in the Census estimates for 2001 or 2011 or in



Left
 Fig. 3 Flows into and out of London from the rest of the UK, 2001-13
 — UK flow in
 — UK flow out
 — Net UK out flow
 Source: ONS

the migration flows. If the discrepancies are in the migration flows, then projecting forward based on the estimated past flows will introduce errors into the projections.

The ONS investigations have found no clear evidence to suggest whether the discrepancies are in the Census numbers (in which case they would not affect the projections) or in the migration flows. If the discrepancies are in the migration flows, ONS suggests that, as a result of the work it has done recently to improve the estimation of international migration flows, the errors are most likely to be in the earlier part of the decade between the Censuses and so would not affect trends based on 2007-12. ONS has therefore not taken UPC into account in producing the 2012-based population projections.⁷

This may be a reasonable judgement for England as a whole since, as the ONS explains, the UPC for England is within the confidence interval for the international migration estimates and the sum of the confidence intervals for the 2001 and 2011 Censuses. However, that argument is less persuasive at the local authority level, where for many local authority areas UPC is large compared with both the population change recorded between the two Censuses and the confidence intervals on the Census numbers.

There are 91 local authority areas for which UPC is more than 50% of the recorded population change between the two Censuses, and 85 for which it is more than twice the confidence interval in the 2011 Census population counts. This makes discounting UPC at the local authority level difficult to justify in those areas. At very least, a sensitivity test should be carried out to determine how much difference adjusting for UPC might make.

Uncertainties in the projection of household representative rates

The DCLG's method of projecting the number of households formed in a local authority area depends on estimating how household representative rates will change for three different 'relationship groups' for both sexes in each of 15 age groups: people in couples; others whose marital status is single and never married; and others who have been previously married. There are therefore two key elements:

- projecting what the split between the three relationship groups will be in the future; and
- projecting how household representative rates will change.

The split between the three relationship groups matters because the household representative rates are different for the different groups: previously married people have lower household representative rates than couples, and single (never-married) people have lower rates still. For the age groups under 40 the differences are very substantial.

For at least some local authority areas the projected changes in the split between the relationship groups actually have a bigger impact on household numbers than the projected changes in the household representative rate.⁸ It is therefore of concern that the new projections are based on ONS's 2008-based projections for marital and relationship status, as these were issued with substantial uncertainty intervals and have not been updated since. If the current methodology is to be retained, it is important that these projections are updated.

As already discussed, a major concern with the household representative rate projections is that they are not fully based on 2011 Census data.

International migration

Net international migration to the UK has averaged 240,000 a year over the last ten years, with a generally downward trend. The population projection used in the household projections assumes a long-term net inflow of 165,000, lower than the lowest figure seen in the last ten years – see Fig. 4, which also shows the ONS’s high- and low-variant projections. All the ONS variants currently seem plausible and should be tested as alternative scenarios. At the England level, the higher international migration variant has the effect of increasing the annual increase in the number of household between 2011 and 2021 in the DCLG 2011-based projection by 9%.

Using the new projections

The case for evidence-based planning

The current uncertainty is more than usual and irritating, but is no reason to reject the projections as a starting point for planning. They incorporate the evidence we know.

Projections are the starting point, not the answer

The National Planning Policy Framework (NPPF) is clear that the official projections should be taken as a starting point for assessment of housing need, and not accepted and used blindly. The official projections are ‘trend based’, in that they continue the historical trends in population and household formation, which are the result of a range of past

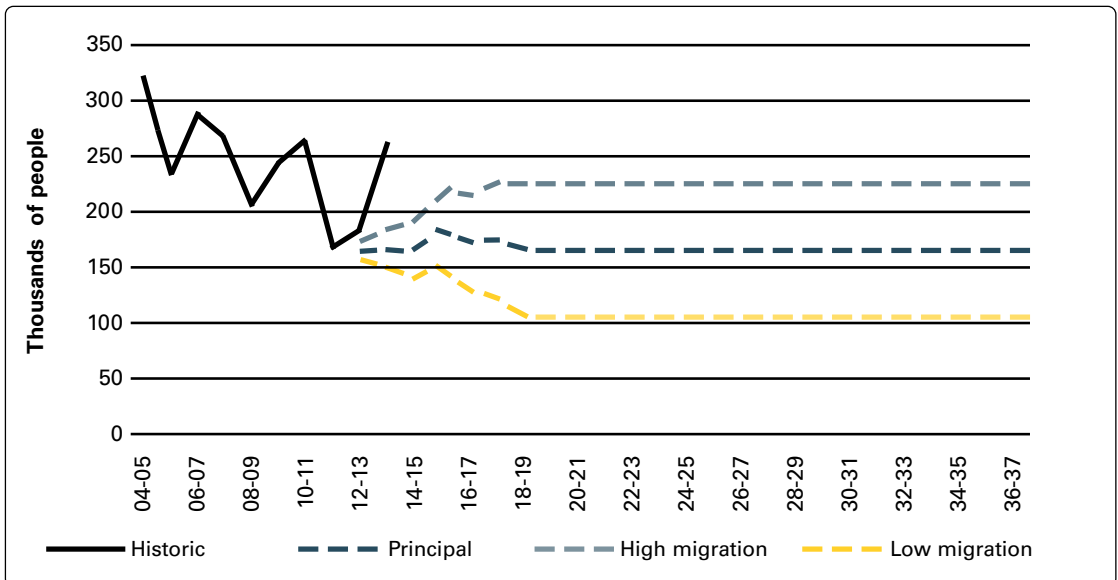
economic and social factors. Projecting forward based on past trends is, in effect, assuming that the factors which have caused those trends will continue to apply. If there is convincing evidence that future social and economic factors are dependably foreseeable and have different impacts, then this evidence should be included in the assessment of housing need.

In a period of uncertainty, it is especially important that extra local evidence is considered to improve the assessment of housing need. But it is also useful to use a locally plausible range of projections to indicate uncertainty in that assessment, as we consider below.

In the 1990s the identification of ‘concealed families’ in official household projections was ended, as it seemed that a period of suppressed household formation due to lack of housing had come to an end. Concealed families are couples and single parents living within other families’ households. Their number reduced from 935,000 in 1951 to 165,000 in 2001. In 2011 the number had increased to 289,000.⁹ It may be time to consider a measure of concealed families in household projections again as a measure of suppressed demand that is not included in the trend-based assessment of housing need.

Why we should not revert to the 2008-based household representative rates

Planners and the population specialists who support planning can consider a range of scenarios to represent current demographic trends. Current



Above

Fig. 4 Net international migration to the UK
Source: ONS – 2012 national population projections

trends, or 'business as usual', are the starting point of plans, but we recognise that the evidence for what is the current trend does not point in a single accepted direction. Scenarios will represent plausible levels of future international and national migration, and alternative household representative rates that are also plausible, given the evidence about current trends.

In this context it is no longer sensible to appeal to previous household projections including the 2008-based set as if they were evidence of an underlying trend in household formation. They were produced at a time when household formation had already changed, starting before the economic downturn of the mid-to-late 2000s, and are in themselves only evidence of the optimism of that period.

The scenarios described below are an aid to estimating the objectively assessed housing need as required in Local Plans. There are, of course, other factors which may need to be taken into account, including whether market signals or economic growth projections suggest that additional housing is needed beyond that suggested by a demographic analysis.

A suggested set of alternative scenarios

We recommend that local planners explore the following scenarios and that the DCLG find the means of providing them as a standard set in the future. They are not a set of scenarios to be cherry-picked according to the convenience of their results. They are to be considered as alternatives if their assumptions are deemed plausible according to local and national evidence presented in a Local Plan. They do not include policy-led, aspirational scenarios:

● **Population change – alternative scenarios of specifying the current trend:**

- *Flows of migration within the UK in the 2000s:* Migration within the UK returns to the level and age composition experienced during the previous ten years 2002-2012, rather than being based on the past five years as in the official projections.
- *UK migration adjusted to include 'unattributable population change' in the 2000s:* This was estimated by ONS for the 2000s but not included in the official projections because there is no nationally consistent evidence to attribute it to a particular migration flow or Census errors. There may be local evidence that it should be included.
- *Variant international migration:* In line with the higher and lower variants of the national population projections.

● **Household formation – alternative scenarios of specifying the current trend:**

- *Household formation increasing:* No further decrease in household representative rates for

any age-sex-relationship group, leaving increases in place.

- *Household formation not increasing:* No further increase in household representative rates for any age-sex-relationship group, leaving decreases in place.

In each case this is not a complete technical specification of the alternative scenario. It would be helpful to all Local Plans if a national body were to support their development and production. The NPPF also emphasises that the housing market area for which housing need should be assessed may not coincide with a single local authority. In larger conurbations the variation between scenarios will be helpfully reduced.

Conclusions

The new projections are a step forward but a somewhat uncertain one. They take account of some more recent evidence and extend to a full 25 years, but they do not benefit from the full information that is potentially available from the 2011 Census.

It is good that the DCLG has committed to further work to make fuller use of the 2011 Census, so that the changing relationship between people and households is clarified at the earliest opportunity. What is less helpful is that this may result in projections for some local authority areas changing significantly once again. In the light of this, where the new projections suggest higher housing requirements than indicated by the 2011-based projections, there may be a case for local authorities safeguarding additional land in their plans but not releasing it until the DCLG's further work confirms that it is needed.

It is important that all users of the projections are realistic about the uncertainties involved – which will remain even when further analysis has been carried out. The best way of dealing with this is for a range of scenarios to be prepared so that the implications of the inevitable uncertainties for a particular local authority can be understood. We have suggested a range of scenarios for the 'trend' projection, with the most appropriate for assessing housing need depending on local assessment of demographic circumstances. It would be efficient and helpful to the development process if the DCLG were to provide such a range.

There are of course other aspects of the relationship between household projections and Local Plans that would benefit from review, as well as the methods of household projection themselves, which could be assessed and simplified, taking into account the different approaches used elsewhere in the UK.

We have not considered the constraints and aspirational developments which shape a Local

Development Plan after housing need has been assessed.

The new projections are a helpful step forward, but the uncertainty in future housing need should be addressed by further developing an appropriate base of evidence as a matter of urgency.

● **Ludi Simpson** is Professor of Population Studies at the University of Manchester, and **Neil McDonald**, previously a Director at the DCLG and Chief Executive of the National Housing and Planning Advice Unit, currently works as an independent adviser. The views expressed are personal.

Notes

- 1 L. Simpson: 'Whither household projections?'. *Town & Country Planning*, 2014, Vol. 83, Dec., 541-44
- 2 N. McDonald and P. Williams: *Planning for Housing in England: Understanding Recent Changes in Household Formation Rates and their Implications for Planning for Housing in England*. Research Report 1. Royal Town Planning Institute, Jan. 2014.
www.rtpi.org.uk/media/819060/rtpi_research_report_-_planning_for_housing_in_england_-_january_2014.pdf
- 3 *2012-based Household Projections: England, 2012-2037*. Department for Communities and Local Government, Feb. 2015. www.gov.uk/government/statistics/2012-based-household-projections-in-england-2012-to-2037
- 4 *Household Projections 2012-based: Methodological Report*. Department for Communities and Local Government, Feb. 2015, p.6.
www.gov.uk/government/statistics/2012-based-household-projections-methodology
- 5 *Methodological Report* (see note 4), p.24
- 6 *Methodology: 2012-based Subnational Population Projections*. Office for National Statistics, May 2014.
www.ons.gov.uk/ons/dcp171776_364077.pdf
- 7 *2012-based Subnational Population Projections for England: Report on Unattributable Population Change*. Office for National Statistics, Jan. 2014.
www.ons.gov.uk/ons/about-ons/get-involved/consultations-and-user-surveys/consultations/consultation-on-the-2012-based-subnational-population-projections-for-england/snpp-consult-upc.pdf
- 8 The DCLG 2011-based projections assume that the proportion of couples in the population falls between 2011 and 2021 for all age groups up to and including 75-79. If the relationship splits in 2021 were the same as in 2011, the change in the number of households would be 7% higher. In contrast, the changes in household representative rates between 2011 and 2021 are responsible for increasing the change in the number of households by only 3.2%
- 9 Sources: For 1951-2001: A.E. Holmans: *Historical Statistics of Housing in Britain*. Cambridge Centre for Housing and Planning Research, University of Cambridge, 2005; for 2011: Census Table DC1110EW. The figures are for England and Wales. In 2011 the number of concealed families in England alone was 276,000

British Society for Population Studies
Half Day Meeting

The 2012-based Household Projections for England: Methodological Issues

Monday 18th May 2015, 2:00 pm - 5:30 pm

London School of Economics (LSE),
Ground Floor Lecture Room STC.S78,
St Clement's Building, Clare Market,
London WC2A 2AE

The official projections of household numbers in England are of vital importance for debate and decision-making about the amount of land for housing development. Future needs for housing have been a hot topic in the General Election Campaign. Initial results from the 2012-based projections of households in England were published by the Department for Communities and Local Government (CLG) in February 2015. Further work is promised, as the full set of Census data needed for a complete review of long-term trends was not available in time.

This event aims to examine the methodology and data used for the 2012-based projections and to provide an update on CLG's intentions for further analysis. It will include contributions from CLG, academics and local authority practitioners and will allow attendees the chance to ask questions and make their views known.

Programme:

- 13.30 Registration (No refreshments)
- 14.00 Welcome from Tony Champion, BSPS President
- 14.05 Chair's Introduction, John Hollis, BSPS past President
- 14.10 Bob Garland (CLG)
- 14.40 Questions and discussion
- 15.00 Tea Break (Refreshments provided)
- 15.20 Ludi Simpson (University of Manchester)
- 15.40 Neil McDonald (University of Cambridge)
- 16.00 Questions and discussion
- 16.20 Ben Corr (Greater London Authority)
- 16.40 Greg Ball (former demographer, Birmingham CC)
- 17.00 Questions and discussion

Members and non-members welcome. There is no charge, but please register in advance by emailing pic@lse.ac.uk or by phoning the BSPS secretariat on 020 7955 7666. Room directions will be sent in advance of the meeting.

APPENDIX 4

Extract from Canterbury District Local Plan – Inspector’s note on main outcomes of Stage 1 hearings (10 August 2015)

Canterbury District Local Plan

Note on main outcomes of Stage 1 hearings

Introduction

1. There are two broad matters that are crucial to the next steps in my Examination, potentially affecting the timetable, including the Stage 2 hearings scheduled to commence at the end of September. Firstly, there are some matters of legal compliance, including those relating to the Sustainability Appraisal, which could impact on progress. Secondly, the Council has accepted on its own calculation that it does not have a 5-year housing land supply. It is considering as a matter of priority how that might be remedied having regard to the relationship between key sites, critical infrastructure and viability. However, my conclusions on, amongst other things, the appropriate figure for objectively assessed housing needs and the method of calculating the land supply will have implications for that work which the Council would need to take on board.
2. In that context, this note is limited to these matters, containing sufficient detail to explain my conclusions where it is necessary to do so at this point. My full reasoning will be included in my report to the Council. There are of course also a wide range of other matters considered under Stage 1 of the Examination, including aspects to which the Council is giving further attention. I have not dealt with those here as they will be addressed as appropriate in my report.

Sustainability Appraisal

3. The Plan was submitted with a Sustainability Appraisal (SA), June 2014, prepared by AMEC Environment & Infrastructure Ltd. My principal consideration is whether it amounts to reliable evidence underpinning the selection of the spatial strategy and the allocated sites. The main comments relating to the SA concern the approach to the consideration of alternatives, whether a 'paper chase' is required to understand the SA, the selection of the preferred sites, cumulative effects of development and transport, and the description of the environmental characteristics of the area.
4. In 2010 the Council appraised 9 broad spatial strategy options in the Core Strategy SA. An option that combined elements of 5 of these was considered the most appropriate basis for further consideration. The Council then produced a Development Requirements Study (DRS) which included 10 different scenarios for the amount of development. These were appraised against the 16 SA objectives and a preferred scenario selected. Whereas the DRS was not accompanied by a compliant SA there was an appraisal in a Technical Note which used the same methodology as the subsequent SAs.
5. The quantum of development chosen from the DRS was substantially greater than that used in the initial spatial alternatives. Representations have been made suggesting that the preferred spatial option should have been revisited in that context. However, the Council undertook an appraisal of the Preferred Option Local Plan in 2013 which included two alternative

configurations of sites - 'Canterbury Focus' and 'Coastal Towns and Hersden Focus'. The process by which the Plan has evolved and the alternatives considered is set out in both the 2013 and 2014 SAs. The Plan has been assessed against reasonable alternatives.

6. The evolution of the submission Plan has taken place over a number of years from the Core Strategy Development Options in 2010. Accordingly, there have been various iterations with SA work taking place alongside them. This is summarised in the submitted SA which includes the findings and the reasons for selecting preferred options. It does not contain all the detail of earlier documents but provides sufficient information for it to be understood how the submission Plan had been derived. This could not be described as an extended paper chase.
7. The SA sets out the process by which sites were selected in terms of their relationship with the overall spatial strategy, having regard in particular to transport and infrastructure delivery considerations and the relationship with other Plan policies. 181 sites were appraised in the first instance and another 19 added following the Preferred Options consultation and all were appraised in the same manner against the 16 SA objectives.
8. Reference has been made to possible errors and inconsistencies in the way that different sites have been scored in the SA, arguably to the disadvantage of some strategic omission sites. The SA has been prepared over a long period and it is inevitable that some circumstances may change and some errors may occur. However, these do not significantly undermine the reliability of the SA. I have considered further the position of some of the strategic omission sites, below.
9. The cumulative effects of the Plan as a whole are identified in section 3.5 and Table 3.15 of the SA. This includes the effects on the transport SA objective. The cumulative effects of policies are assessed on a chapter by chapter basis with commentary where appropriate.
10. The SA includes a summary of the key sustainability issues for Canterbury, describing its environmental characteristics in some detail. It cannot reasonably be characterised as lacking in this regard. Overall, the SA is a reliable part of the evidence base.

Habitats Regulations Assessment

11. The Council undertook a screening assessment of the Plan in July 2014 which concluded that there were some aspects which, if unchanged, could result in significant effects and therefore require an appropriate assessment in accordance with the Habitats Regulations. As a result, Natural England (NE) had raised concerns with the submission Plan. The Council then produced Topic Paper 3: Habitat Regulations Issues which included additional evidence. NE and the Council agreed a Statement of Common Ground incorporating suggested main modifications to the Plan on the basis of which NE were able to conclude that the Plan would have no likely significant effects.

12. It is contended that the wording of Policies SP7 and LB5 is such that it permits the possibility of likely significant effects and therefore an appropriate assessment should have been undertaken. However, the evidence shows that the likelihood of significant effects is sufficiently low that an appropriate assessment is not required.
13. There is some confusion over the relationship between the July 2014 screening and Topic Paper 3. NE has suggested that for clarity they should be brought together and in my view this would be beneficial so that the process undertaken and its outcomes are readily understood. Overall, however I consider that the Council has complied with the legal requirements in respect of the Habitats Regulations.

Other legal compliance matters

14. The latest version of the Local Development Scheme had not been formally adopted but this has been remedied by securing approval at the full Council meeting on 23 July 2015.
15. General concern has been expressed at the Council's consultation process including at the number of documents produced by the Council after consultation on the submission Plan had taken place. On the evidence before me the Council has generally followed the principles set out in its adopted Statement of Community Involvement (2007). Although this predated the Framework it accords with its aim of engaging a wide section of the community.
16. It is evident that many of the documents specified had been published prior to the June 2014 consultation and would appear to comply with the requirements of the Regulations. Some of the documents produced after consultation (for example, the Topic Papers) were drawing together the Council's case from other published information. It is inevitable that as part of a process of seeking to resolve objections or concerns there will be some further documents produced and new information will become available. In accordance with my Examination Guidance notes participants were able to comment on the implications of the additional documents in their further written statements to the Examination. In some instances they featured in my list of questions. Many have taken that opportunity and their views are being taken into account in my consideration of the Plan.

Objectively Assessed Housing Needs

17. The National Planning Policy Framework ('the Framework') requires that a Local Plan should meet the full, objectively assessed needs (OAN) for market and affordable housing in the housing market area. The Council's Strategic Housing Market Assessment was produced jointly with other east Kent authorities but dates from 2009. It shows a complex pattern of housing market areas mainly contained within each District but with some overlapping rural markets. However, following clarification from Swale Borough Council as to their approach to apparent unmet housing needs, the position of neighbouring authorities, confirmed at the hearings, is that they are all aiming to meet their needs within their own administrative areas.

Canterbury is also seeking to meet its own needs and as such those of any local housing market areas are capable of being addressed.

18. The possibility that London may not be able to accommodate all its housing needs arose in the Report of the Inspector who examined the Further Alterations to the London Plan, published in November 2014. The Mayor/Greater London Authority have begun a process of dialogue with Councils in the South East in which Canterbury are participating and will no doubt continue to do so as appropriate. However, the aim of boosting significantly the supply of housing would not be best served by delaying the Plan until it is clear whether Canterbury should be in receipt of any unmet needs. This should be considered in a future review of the Plan if necessary.
19. The Plan provides for 15,600 dwellings over the period 2011 to 2031 - 780 dwellings per annum (dpa). This was initially based on Scenario E of the DRS undertaken in 2012 by Nathaniel Lichfield and Partners (NLP). In the context of the requirements of the Framework and the publication of 2012-based Sub National Household Projections (SNHP) in 2015, NLP undertook a Housing Needs Review (HNR) dated April 2015. The national Planning Practice Guidance (PPG) confirms that the SNHP are the starting point estimate of overall housing need. In the case of Canterbury this amounts to an annual increase of 597 new households between 2012 and 2031. Allowing for vacancy and second homes NLP convert this to 620 dpa and there is no evidence that would lead me to a different conclusion.
20. The PPG indicates that the housing need number suggested by household projections should be adjusted to reflect appropriate market signals. The HNR identifies problems with house prices, rents and affordability in Canterbury compared to England and Kent. An uplift of 10% to reflect a modest pressure of market signals has been used by Inspectors in other examinations. However, here NLP conclude that the scale of market signal pressure is greater than modest, such that on reasonable assumptions the uplift should be more than 10% with 20% used by way of illustration to give a need figure of 744 dpa.
21. The HNR has updated two of the economic-led scenarios that were part of the 2012 Development Requirements Study. The housing need is increased to 717 dpa to bring it in line with the unconstrained projections of employment growth used in the earlier study and to 803 dpa to reflect the higher job growth associated with Scenario E.
22. The SNHP show lower rates of household formation than earlier national projections, most likely due to the reduced rates of household formation seen through the recession. To carry this trend forward might result in some needs not being addressed. To reflect this NLP have modelled a 'partial catch-up' scenario taking effect from 2018 assuming higher rates of household formation and resulting in a 6% increase in needs to between 744 and 853 dpa.
23. Following the approach set out in the PPG, the HNR identifies a range of affordable housing needs of between 490 and 740 dpa. To deliver this based on the proportion of affordable housing (30%) sought in the Plan would

require between 1,623 and 2,467 dpa, an amount far in excess of the overall needs identified in the HNR. There is no persuasive evidence that the housing market would support this scale of building. I consider that simply increasing housing provision in the Plan to these levels would not be an effective way of addressing affordable needs.

24. In the light of these considerations, NLP conclude that full OAN are likely to most reasonably fall with a range of between 744 and 853 dpa. 803 dpa is within the middle of the range and may be seen as an appropriate measure of full OAN. NLP indicate that this may be seen as equivalent to the 780 dpa scenario used to inform the requirement in the Plan.
25. While other projections of housing need, both higher and lower, were put before the Examination I am satisfied that the HNR is a technically competent and robust basis on which to determine the OAN and that the range it has identified has been justified. However, within that the amount of uplift to be applied to the starting point estimate is a matter of judgement. Although the Council's preferred figure of 780 dpa falls within the HNR range it does not flow from its results. The market signals uplift of 20% is a very significant one and there would be a degree of overlap between that and some of the other assumptions. In that context, figures in the upper end of the range would not be appropriate. The middle range figure of 803 dwellings identified by NLP would be almost 30% higher than the 620 dpa starting point.
26. Taking these factors in the round it seems to me that 803 dpa would achieve an uplift that took reasonable account of market signals, economic factors, a return to higher rates of household formation and affordable housing needs. Accordingly, it represents the full OAN for the Plan area. It should be rounded to 800 dpa for the purposes of the Plan – a further 400 dwellings over the Plan period (16,000 in total). I note that the Plan as submitted provides for sites in excess of that figure.

Calculation of the 5-year housing land supply

Overall position

27. On submission of the plan the Council calculated that it had 6.4 years supply of housing land. However, in May 2015 the Council and Kent County Council, as highway authority, agreed a position statement concerning the Sturry crossing and relief road. The effect of this would be that a number of the strategic housing allocations could not come forward until the relief road was constructed. Accordingly, taking account of various other adjustments, the Council recalculated the land supply as 5.26 years in its further statement on Main Matter 2 – Housing Strategy. However, following discussions at the hearings the Council revisited its calculation and some of the assumptions. The reworked figure shows about 4.2 years supply against the Council's OAN of 780 dpa and would self-evidently be less against my figure of 800 dpa.

Buffer

28. The Framework requires that the Council should identify and update annually a supply of specific deliverable sites sufficient to provide 5 years' worth of housing against their housing requirements with an additional appropriate buffer.
29. In line with many other Councils, house completions in Canterbury dropped back significantly after 2008/09 due to the recession. Recent completion rates have been below that envisaged in the Local Plan. However, variations around the annual requirement are to be expected. Taking the longer term view, including both peaks and troughs of the housing market cycle, and measured against the requirements of the former South East Plan which was operative over much of this time, the Council had a good record of cumulative delivery. In this context, there has not been persistent under delivery of housing and the Council's assumption of a 5% buffer is justified. The buffer should be added to the 5 year requirement including the shortfall.

Shortfall in early years

30. As up to date information to 2015 has not yet been assembled, the land supply has been assessed as at March 2014. There is a shortfall against the requirement in the early years of the Plan period 2011-14. The Council has sought to meet this past undersupply across the whole of the remaining Plan period (the 'Liverpool' method). However, the PPG indicates that this should be dealt with in the first 5 years of the plan period where possible (the 'Sedgefield' method).
31. The Council points to the reliance of a number of the strategic housing allocations on critical infrastructure, including the Sturry relief road, which would mean slower delivery in the short term. The 10 strategic allocations would provide over 65% of the Council's housing requirement figure over the Plan period and if endorsed would help to secure the local boost in the supply of housing that the Government is seeking.
32. The Council's difficulties with the land supply have largely arisen very recently due to unanticipated problems with key infrastructure. If it was now to look to neighbouring authorities to assist this would delay the Plan and overall would be unlikely to lead to an early resolution of the undersupply.
33. The shortfall is over 700 dwellings – not far short of the annual requirement for the Plan period as a whole. Given the likely lead times on any new sites coming forward, if Sedgefield were to be used the shortfall would not be materially addressed until years 4 and 5 of the period. The Council's trajectory already shows a very significant increase in completions in those years. If the full shortfall were added then in my estimation the completions in those years would be substantially higher than ever achieved over the last 20 years, including at the top of the market. Notwithstanding that the land supply may have been restricted in the past, the likely difference is so large that I consider that it would be an unrealistic assumption even if more sites were allocated.

34. The PPG allows the possibility that a method other than Sedgefield could be used. In this case the need for a realistic approach points to the Liverpool method as means of securing the aspiration of addressing the past shortfall.

Windfalls

35. Windfall sites can be taken into account in the 5 year land supply if there is compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply. In this case the Council has shown that windfalls have accounted for almost 49% of all completions since 1993. However, this should be treated with some caution as windfalls are sites not identified as available in the Local Plan process. Rates can therefore depend on the provisions of the development plan and its age. In this case the saved policies of the extant Local Plan date from 2006.
36. In that context, the Council has proposed a windfall allowance of 138 dpa for small sites only (less than 5 units) based on the rate achieved between 2006 and 2014 and excluding garden land. No allowance is made for larger sites which have made a significant contribution to supply in the past. Certain changes of use to residential are now permitted development. In its most recent calculation of the land supply the Council has removed windfall completions from the first 3 years of the 5 year period as these are most likely to be included already as planning permissions. In the light of these considerations the Council's windfall allowance is clearly justified.

Lapsed planning permissions

37. The Council has not made any provision for the possibility that some existing planning permissions may lapse. There is no requirement for this in either the Framework or the PPG. No evidence has been presented on fallout rates. In the light of the conservative assumption made about windfalls I consider that a specific estimate of lapsed permissions is not necessary in this case.

Sites

38. Sites in the 5-year land supply must be deliverable. This means meeting the requirements of footnote 11 on page 12 of the Framework. The PPG indicates that there needs to be robust, up to date evidence to support the deliverability of sites. The Council has already adjusted its land supply calculation to take a more realistic view of some sites – for example the Council car parks.
39. In seeking to address the land supply problem identified during the hearings the Council must have regard to these requirements. It was in discussion with the County Council and landowners/developers about how to address the implications of the need for the Sturry relief road so that starts could potentially be made on various strategic allocations that could contribute to the land supply. I return to the relationship between infrastructure and development again, below.

40. In the alternative, or possibly in addition to this approach if it did not result in a 5 year land supply, the Council should consider whether there are other sustainable sites that are capable of early delivery. This could include consideration of some of the strategic omission sites or other smaller SHLAA sites where an early start could be made and which do not impact materially on traffic conditions at Sturry. In that regard, the evidence suggests that some of the factors which led to some of the strategic omission sites being excluded from the Plan may have changed as follows:

- Land south of John Wilson Business Park, Chestfield – I agree with the conclusions of the 2006 Local Plan Inspector in terms of the access to and accessibility of the site.
- Former colliery land south of the A28, Island Road, Hersden – This site would be affected by the Sturry relief road issue. The definition of previously developed land in the Framework is that which is or was occupied by a permanent structure, including the curtilage of the developed land and any associated fixed surface infrastructure. However, land that was previously developed but where the remains of the permanent structure or fixed surface structure have blended into the landscape in the process of time is excluded. The 2006 Local Plan Inspector concluded that the land was previously developed and likely to remain so for many years to come. Nonetheless, the colliery operation ceased over 40 years ago. On my visit to the site I saw that there are parts that are now significantly overgrown. There is only one small building on the main part of the site. On the other hand, there are areas of hardstanding and considerable parts have a degraded quality with rubble or waste evident. Overall, in my view it can still be considered as brownfield land. The Council's main concern was the effect of development here on the countryside and biodiversity but the site promoters have received letters from NE, the Kent Wildlife Trust and GeoConservation Kent which indicate that they have no in principle objection to its development.
- 'New Thannington' (SHLAA site 70) – the site boundary has been adjusted so that it is more than 250m from Larkey Vale SSSI.

41. This does not mean that it is appropriate for these sites to be included in the Plan but the Council should consider whether this affects its judgements about them based on the SA and explain its conclusions. There may of course be other sites that are sustainable and capable of early delivery.

Conclusion

42. I am satisfied that the methodology used by the Council in calculating the 5-year land supply is sound. However, if the information is available it should update this to a 2015 base. In any event, the calculation should be reworked based on an OAN of 800 dpa. In terms of the sites that make up the supply any links with infrastructure need to be justified and deliverability demonstrated in Framework terms.

Infrastructure

43. In its further statement the Council identified a number of elements of transport infrastructure as being critical to delivery of the Plan and which are linked to the strategic site allocations. In the case of the Sturry relief road, in May 2015 the Council had agreed a position statement with Kent County Council whereby the road would be delivered in conjunction with the development of Site 2 at Broad Oak/Sturry with financial contributions from other sites as proposed in the submitted Plan no longer being required. However, until the road was completed there would be an embargo on development commencing at Herne Bay sites 3, 4 and 5, the land north of Hersden site 8 and the smaller site at Bullockstone Road, Herne Bay. The revised housing trajectory shows no starts on the 3,390 dwellings proposed at these sites until 2020-21 or 2022-23. They previously had been expected to contribute to the 5-year land supply and their deferment partly explains the Council's difficulties in this regard.
44. The Framework requires that development should only be prevented or refused on transport grounds where the residual cumulative impacts of development are severe. As such, it must be demonstrated that the traffic produced by developments proposed in the plan would have a severe impact if allocations are to be phased or delayed until transport infrastructure is delivered. The presence of an existing congested network is not of itself evidence that adding some additional traffic would have a severe impact. The justification in the evidence base for the Sturry (and Herne) relief roads is limited. If the Council intends to maintain the position it had agreed with the County Council there needs to be robust evidence that this would be the case.
45. The Council was hopeful that the further discussions with the County Council and the promoters of the various affected strategic allocations might achieve an agreed way forward within a few weeks which would enable early commencement of these sites. However, it remains to be seen whether an effective and appropriate agreement can be reached.
46. As I understand it the intention would be to revert to the position in the submission Plan whereby other sites would be able to contribute proportionately to the Sturry relief road and as a consequence, subject to other planning considerations, development of those allocations could commence in time to contribute to the 5 year supply. Presumably, the issues that gave rise to the position statement in the first instance would be satisfactorily addressed in some way.
47. If that were to be the Council's preference then it would need to be demonstrated that the contributions required were proportionate to the impact of the development on the current issues at Sturry (in the context of the policy requirements of Framework paragraph 204 and the legal requirements of Community Infrastructure Levy (CIL) Regulation 122). In that context, it must also be demonstrated that any pooling of contributions made through s106 agreements would not breach the limitations imposed by CIL Regulation 123. Although I was informed that it is the Council's intention to introduce CIL once the Plan is adopted, there is no formal

Committee resolution to this effect. There is therefore some doubt as to whether this would occur and in any event there was some indication at the hearings that the Council may not wish to levy CIL on the strategic allocations.

48. The Herne relief road is proposed to be provided as part of site 5 with financial contributions from other sites. While it has not been suggested that there should be any embargo on development until it is built, there needs to be clarity over the case for the road and its relationship with strategic allocations.
49. The A2 Wincheap off-slip and A28 Wincheap relief road are also identified by the Council as critical infrastructure. They are not related to new housing (and the 5-year land supply) but to commercial redevelopment of land mainly in the Council's control. At the hearings the Council indicated that it would provide further information on the viability of development at Wincheap in the context that the Council was accepting that a smaller amount of retail provision would be appropriate. It also agreed to provide details of the options as to how the park and ride system here would operate if part of the existing site was lost to the slip road.

Viability

50. Viability is a crucial aspect of site deliverability. The Viability Assessment (VA) undertaken by Adams Integra in relation to strategic allocations is mainly based on a site of 1,000 units. Further appraisals were carried out on a smaller site of 500 units and a larger one of 3,000 units. Amongst other things, allowances are made for infrastructure costs. However, the cost of the strategic infrastructure does not fall equally between the allocated sites, which vary in size from 300 to 4,000 units. Indeed the Council's suggested main modifications, submitted as a response to the Sturry relief road position statement, change the requirements for some sites to contribute to this.
51. The amount of affordable housing at a particular strategic allocation will in part depend on the infrastructure that it is expected to provide or contribute. It is not clear on the evidence before me that 30% affordable housing would be achievable on all the strategic allocations. In addressing the housing land supply issue and the relationship between individual sites and infrastructure the Council should also reassess whether the 30% provision is justified in all cases.

Overall conclusions and actions

52. To seek to remedy the matters identified above the Council should undertake or provide the following:
 - a) A 5-year housing land supply calculation based on 800 dpa
 - b) Evidence of the deliverability of the sites that make up the 5-year land supply in accordance with the requirements of para 47 of the Framework.

- c) Evidence that in the Plan period as a whole 16,000 new homes could be achieved in accordance with the requirements of para 47 of the Framework.
- d) A review of omission or SHLAA sites to assess whether there are any that are sustainable and could be brought forward quickly to contribute to the 5-year land supply.
- e) If there are sites within the proposed 5-year land supply that are dependent on the Sturry or Herne relief roads then for each of those schemes there must be:
 - A robust justification
 - Details of cost, the sources of funding and evidence of the commitment to that funding from providers
 - Details of who will deliver the schemes
 - Details of the timescale for provision
- f) Where a site is expected to make a proportionate financial contribution to the Sturry or Herne relief roads there must be a demonstration of the basis for that.
- g) If pooling of financial contributions towards the Sturry or Herne relief roads is proposed it must be demonstrated that this is consistent with CIL Regulation 123.
- h) A reassessment of whether 30% affordable housing is achievable on all the strategic allocations.
- i) Details of the relationship between development and the funding of the Wincheap A2 off-slip and A28 Wincheap relief road in the context of less retail provision than anticipated in the Plan.
- j) Details of park and ride provision at Wincheap if the off-slip and relief road are built.
- k) Consultation with appropriate parties on the outcomes of the above.

53. Some of this is already in the evidence base, particularly the Infrastructure Delivery Plan, or has already been requested as a result of discussions at the hearings.

M J Moore
Inspector
7 August 2015

APPENDIX 5

Whither household projections? Simpson (Extract from Town and Country Planning, December 2014)

whither household projections?

With household projections based on full 2011 Census data due to be published early in 2015, **Ludi Simpson** considers the weight that we should place upon them in the light of assumptions made in the interim projections about the effects of the economic downturn



Left

The household projections based on full 2011 Census data will be the basis of local assessments of housing need

The Government's 2011 interim household projections are shortly to be replaced with final projections which, using full Census information on household formation and revised population projections, will run up to 2037. How interested should we be in them? Despite claims that the recession invalidates the projections, there are reasons to doubt this, and to treat the new projections with more authority than ones made in the previous decade.

Lower household formation – a new trend or a temporary aberration?

In the 18 months since the interim projections were published by the Department for Communities

and Local Government (DCLG), their ingredient of a slower rate of household growth than in past projections has been rather dismissed. The House of Commons Library suggests that the 2011-based projections are 'a reflection of the severity and extent of the post-2008 economic downturn. The 2008-based projections are still regarded as a solid indicator of potential levels of housing demand over coming years.'¹

The Planning Advisory Service's technical advice on assessing objective need for housing states that 'The evidence suggests that the higher-than expected household sizes are partly a demand-side effect of the last recession – so that due to falling incomes and the credit crunch fewer people could

afford to form or maintain separate households'. It recommends that the long-term development of household formation should be assumed to be in line with the 2008-based household projections.²

An RTPI Research Briefing reports that 'A detailed analysis of the census and other data points to two main reasons for the census finding fewer households than expected: increased international migration; and changes in the types of households in which younger adults are living', both of which are judged to be temporary phenomena.³

These views, which have also been reflected in Planning Inspectors' views of appropriate forecasts of housing need, rely heavily on a major research paper from Alan Holmans, published in *Town & Country Planning*.⁴ That research was an excellent response to the interim projections, but has not been subject to the update and review that it called for.

The research included long-term projections of housing need for England, based on an assumed return to housing formation closer to the 2008-based projections. Holmans stressed that this was only one among significantly different assumptions that *could* be made.

Room for doubt

The forthcoming 2012-based DCLG projections will rely on the same 2011 Census as the interim projections – so how should we use them? My

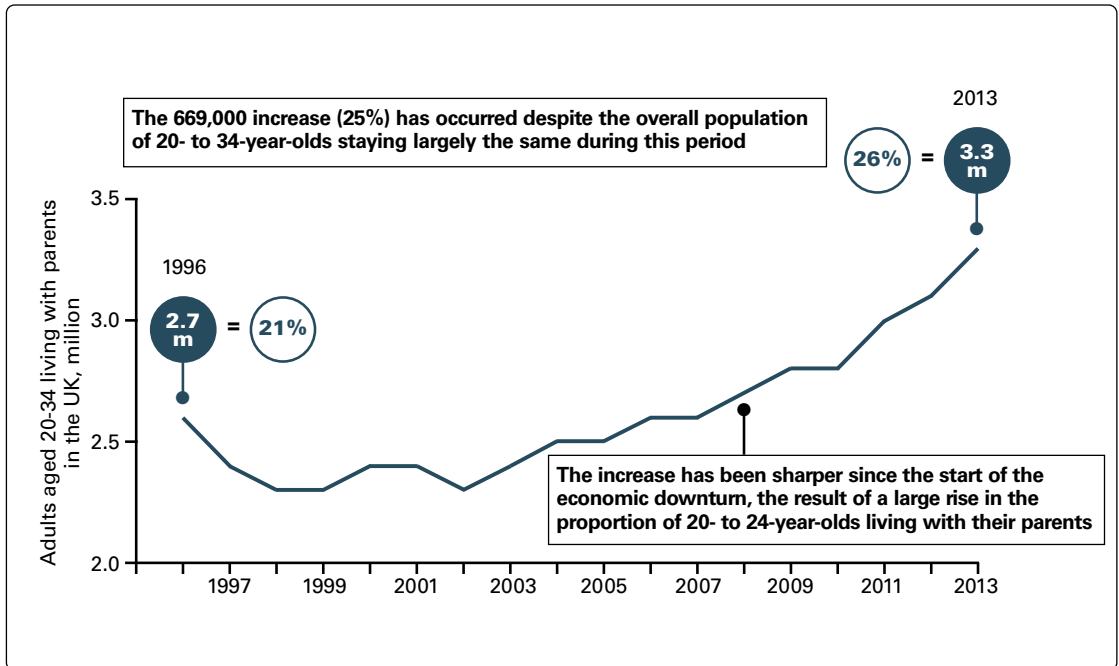
review of the evidence on which the interim projections were assessed suggests that we should not after all discount the new projections, for the following reasons.

The causes of reduced household formation are varied, began before the recession, and mostly are likely to continue with or without recession

Much attention has been focused on reduced household formation among those aged 25-34, the fall in numbers of single and couple households of those ages, and the rise in the number of adults living with older couples and in other multi-adult households. But as Alan Holmans pointed out, of the 1 million fewer one-person households in 2011 compared with what had been projected by the 2008-based projections, only 200,000 of the shortfall were among those aged 25-34.

In the 2000s there was a sustained increase among young people not leaving home, and in those returning home (see Fig.1). The increased number living with their parents began at the turn of the millennium; the increase did accelerate after 2008.

The introduction of student fees from 1998, and the increase in precarious employment, including the rapid growth of part-time work, could both change in the future. But they appear at the moment as fixed circumstances of the policy and economic environment.



Above

Fig. 1 Since 1996 there has been a large increase in young adults living with their parents

Source: 'Large increase in 20- to 34-year-olds living with parents since 1996'⁵

The long-term increase in the number of childless women, both through delayed child-bearing and through not having children at all, which increased the number of smaller households, stopped and has fallen since 2000.

Increasingly older formation of couples or families, which had increased the number of single-person households in the 1980s and 1990s, has levelled out since 2001.

Whether young adults aged 25-34 will recover to their previous levels of household formation when the economic situation improves is arguable, and is dependent on the success of 'Help to Buy' schemes and the impact of high affordability ratios, high rental prices, welfare retrenchment, and increased student fees and debts. The housing market and government policies to provide or stimulate affordable housing will affect future household formation.

The 2008-based projections were presented at the time not as a solid trend, but as insecure, because the past steady trends had already been broken prior to the recession

In preparing the 2008-based household projections, DCLG was faced with a dilemma: its own report on the methodology used noted that 'Labour Force Survey (LFS) data suggests that there have been some steep falls in household representative rates for some age groups since the 2001 Census. If these shifts in household formation behaviour are sustained in the longer term, and this can only be truly assessed once the 2011 Census results are available, the household projections using the method as in the 2006-based and previous projection rounds would turn out to be too high.'⁶

There had already been 'observed deceleration between 1991 and 2001' in household formation rates, although there is some doubt about that decade because of unusual difficulties with the 1991 Census enumeration. The 2008-based household projections opted, as worded in the same report, to 'revert to the trend' of increasing formation rates. We know that this trend was observed only prior to 2001, and perhaps not even to that year.

The report on the methodology of the 2008-based projections also warned that 'There are cohort effects that are ignored by the methodology... [This is] of particular concern if recent falls in household representative rates for younger age groups are carried forwards through a cohort process into older age groups in future years.' There has, in fact, been such a carrying through: the drop in formation rates for those aged 20-24 and 25-29 apparent already for 1991-2001 has emerged for those aged 30-34 and 35-39 in the period 2001-2011. Thus the 2008-based projection was itself considered as precarious rather than a 'solid trend', and was to be judged against the 2011 Census.

Immigration, said to have caused half the slowing of the household formation rate between 2001 and 2011, did not, after all, have such an influence

Holmans' calculations on immigration are probably the only point at which his analysis may be faulty. He notes much lower household representative rates for immigrants who have entered the UK in the past year than for the general population, and applies the large difference to the total number of extra immigrants during the period 2001-2011. However, his own evidence shows that immigrants with 0-5 years in the UK come much closer to the general household representative rates, and the difference is not visible for those with 5-10 years in the UK. Thus in 2011 the extra immigrants of 2001-2011 will have on average an experience very close to the general population rather than those of migrants in the past year used in Holmans' calculations.

The importance of this observation is only to suggest that very little of the decrease in household formation can be laid at the door of a temporary increase in immigration during the 2000s.

The interim and final projections since the 2011 Census are based not on short-term trends, but on trends since 1971

Although it is sometimes claimed that the current household projections are based on the experience of changes between 2001 and 2011, this is true only of the allocation of households to household types in the second stage of the projections. The total numbers of households in England and in each local authority are projected on the basis of 40 years of trends in household formation, from 1971 to 2011.

The quality, methods and purpose of household projections

The forthcoming household projections due early in 2015 are to an extent predictable. They will adopt the 2012-based population projections for local authority areas of England which are already in the public domain. They will repeat the approach of the interim projections but use the full range of 2011 Census outputs, as demanded by the methods established for household projections in England in the last decade. But the interim projections already used the major ingredient from the 2011 Census – the total number of households in each district. The projected change in household formation rates was so small that projected population change accounted for 98% of the household change, at least when averaged over England. And finally, since the projection is based on 40 years of data, the changes coming from using the full 2011 Census data are not likely to make major revisions to the interim projection of household formation rates, although of course there will be some districts that change more than others.

Looking further ahead, one can expect improvements in the projection methods. They currently employ a mixture of two sets of Census data and are more complex than methods used in Scotland and Wales. They do not identify the 'concealed families' which used to be a useful marker of suppressed need. Perhaps they could be developed to include 'concealed single-person households'. The projection of migration could take into account a longer period than the past five years' experience as at present.

In addition, demand for scenarios of household need and housing provision could be satisfied by an authoritative producer inside government or supported by government. Alternative scenarios can assess the impact of uncertainty in the factors not under local planners' control, such as fertility, mortality and international migration, and also assess the demographic consequences of planning investments that are under planners' control.

'Some honest thinking is needed to resolve a mismatch between the need for affordable housing and the mechanisms to supply it. At present the lack of affordable housing undermines the assessment of housing need which demographic projections support'

Some honest thinking is needed to resolve a mismatch between the need for affordable housing and the mechanisms to supply it. At present the lack of affordable housing undermines the assessment of housing need which demographic projections support.

Conclusions

The imminent household projections based on full 2011 Census data will be the basis for the determination of locally assessed housing need for the following two years. The previous 2008-based projections provide neither a substitute nor a benchmark.

The societal changes that created smaller households in Britain since the 1960s have now affected 50 years of those reaching adulthood. However, the experience of the past two decades, and not just the economic crisis of the late 2000s, does suggest that we are not in a position to expect further increases in household formation rates of

the same kind. Household size in England cannot continue to reduce indefinitely, although it has not reached a limit and is not as low as elsewhere in Northern Europe. The future in the UK is likely to be a continuation of precarious household formation. It will probably be lower than once projected and carry more uncertainty, until further structural shifts occur.

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Notes

- 1 W. Wilson: *Stimulating Housing Supply – Government Initiatives (England)*. Standard Note SN/SP/6416. House of Commons Library, Dec. 2014. www.parliament.uk/briefing-papers/SN06416.pdf. See also S. Heath: *Housing Demand and Need (England)*. Standard Note SN06921. House of Commons Library, Jun. 2014. www.parliament.uk/briefing-papers/SN06921.pdf
- 2 *Objectively Assessed Needs and Housing Targets*. Technical Advice Note. Planning Advisory Service, Jun. 2014. www.pas.gov.uk/local-planning/-/journal_content/56/332612/6363116/ARTICLE
- 3 *Planning for Housing in England*. Research Briefing 3. Royal Town Planning Institute, Jan. 2014. www.rtpi.org.uk/media/819063/planning_for_housing_in_england_-_rtpi_research_briefing_3_january_2014.pdf. See also the Research Report upon which the Briefing is based: N. McDonald and P. Williams: *Planning for Housing in England: Understanding Recent Changes in Household Formation Rates and their Implications for Planning for Housing in England*. Research Report 1. Royal Town Planning Institute, Jan. 2014. www.rtpi.org.uk/media/819060/rtpi_research_report_-_planning_for_housing_in_england_-_january_2014.pdf
- 4 A. Holmans: *New Estimates of Housing Demand and Need in England, 2011 to 2031*. Town & Country Planning Tomorrow Series Paper 16. TCPA, Sept. 2013. www.tcpa.org.uk/pages/new-estimates-of-housing-demand-and-need-in-england-2011-to-2031.html. Also available as an insert in *Town & Country Planning*, 2013, Vol. 82, Sept.
- 5 'Large increase in 20 to 34-year-olds living with parents since 1996'. Webpage. Office for National Statistics, Jan. 2014. www.ons.gov.uk/ons/rel/family-demography/young-adults-living-with-parents/2013/sty-young-adults.html
- 6 *Updating the Department for Communities and Local Government's Household Projections to a 2008 Base. Methodology*. Department for Communities and Local Government, Nov. 2010, p.8. www.gov.uk/government/uploads/system/uploads/attachment_data/file/7484/1780350.pdf

APPENDIX 6

Updated Jobs analysis (ABI/BRES dataset)

(Update to Appendix 4 in the Housing Needs Statement, August 2014, to include data from September 2015)

The jobs data comes from two sources – the Annual Business Inquiry (ABI) from 1999 to 2007 and Business Register and Employment Survey (BRES) from 2008-2014.

BRES provides information on employee job¹⁰ numbers and employment¹¹ numbers. Employee data includes those that are on an organisation's payroll, whilst employment also includes some self-employed workers. More detail is provided in the footnotes. ABI only provided information on employee jobs.

In order to provide total employment figures for the years, 2001-2007, the average difference between employee jobs and employment from BRES between 2009-2013 has been used. This gave an average of 2,600 working owners (self-employment). The 2008 BRES data is not used for this average as the 2008 data was designed to be consistent with the ABI data and not the on-going BRES figures.

ABI and BRES are sample surveys, a snapshot estimate of the number of jobs as at a particular reference date in the year (September for BRES).

In order to smooth out the year on year fluctuations inherent in the data due to sampling variability, a new time series showing a 3 year moving average¹² of the ABI / BRES data has been created and the resulting employee and employment numbers rounded to the nearest hundred. The full dataset is given on the next page.

¹⁰ An employee is anyone aged 16 years or over that an organisation directly pays from its payroll(s), in return for carrying out a full-time or part-time job or being on a training scheme. It excludes voluntary workers, self-employed, working owners who are not paid via PAYE.

¹¹ Employment includes employees plus the number of working owners. BRES therefore includes self-employed workers as long as they are registered for VAT or Pay-As-You-Earn (PAYE) schemes. Self-employed people not registered for these, along with HM Forces and Government Supported trainees are excluded. Working owners are typically sole traders, sole proprietors or partners who receive drawings or a share of the profits.

¹² The 3 year moving average is calculated by averaging the current year's data with that of the past 2 years, so for 2001 the 3 year moving average is calculated as $(1999+2000+2001)/3$ or $(73,500+77,100+76,200)/3$.

Year	Employees (annual)	Employees (3 year moving average)	Employment (annual)	Employment (3 year moving average)
1999	73,500			
2000	77,100			
2001	76,200	75,600	78,800	
2002	79,600	77,600	82,200	
2003	76,000	77,300	78,600	79,900
2004	77,300	77,600	79,900	80,200
2005	80,600	78,000	83,200	80,600
2006	78,500	78,800	81,100	81,400
2007	80,600	79,900	83,200	82,500
2008	83,400	80,800	87,700	84,000
2009	82,400	82,100	85,200	85,400
2010	82,300	82,700	84,700	85,900
2011	83,700	82,800	86,600	85,500
2012	79,900	81,900	82,100	84,500
2013	82,300	82,000	84,900	84,500
2014	77,800	80,000	79,900	82,300
10 year growth 2003-2013	6,300	4,700	6,300	4,600
Average growth per year	630	470	630	460

10 year growth 2004-2014	500	2,400	0	2,100
Average growth per year	50	240	0	210

2014 figures are provisional

2001-2007 employment (annual) figures are calculated by adding 2,600 to the ABI figures. 2,600 is the average working owners (self-employment) from 2009-2013

2003-2009 employment (3 year moving average) figures are calculated from the 2001-2007 ABI data with the 2,600 working owners (self-employment) estimate added